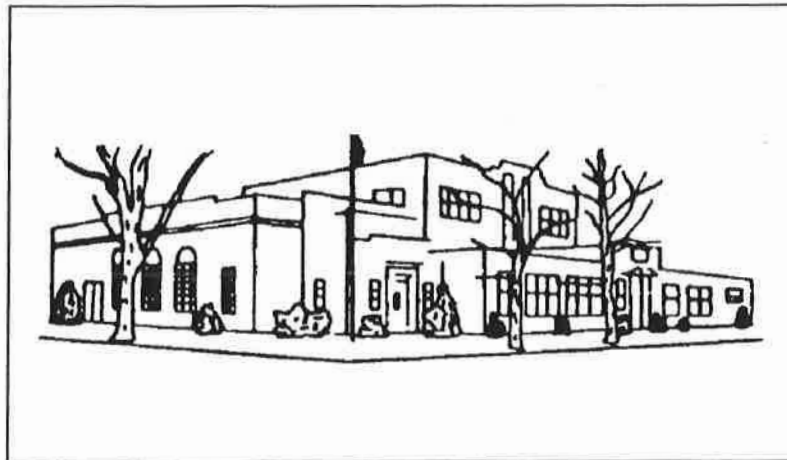


**SCHOOL DISTRICT
OF**

RIVERTON



**Riverton Board of Education
Riverton, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015**

**Comprehensive Annual
Financial Report**

of the

Riverton Board of Education

Riverton, New Jersey

For the Fiscal Year Ended June 30, 2015

**Prepared by
Riverton Board of Education
Finance Department**

RIVERTON SCHOOL DISTRICT

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Introductory Section

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Mary Ellen Eck, Superintendent

November 27, 2015

Honorable President, Board of Education
and Riverton Citizens
Borough of Riverton School District
Riverton, Burlington County, New Jersey

Dear Citizens:

The comprehensive annual financial report of the Riverton School District for the fiscal year ending June 30, 2015 is hereby submitted. Responsibility for the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. 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 intended 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 comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart 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 provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings, and recommendations are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Riverton School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No.3. All funds and account groups of the District are included in this report. The Riverton Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Preschool(integrated - not universal program) through eight. This includes programming for students eligible for special education services, students identified as gifted and talented and others identified as at risk in specific academic areas. It also includes a comprehensive physical education, health, fine arts, music, media, computer and Spanish instruction. The District completed the 2014/2015 fiscal year with an enrollment of 293 students, which is 9 students less than the previous year's end-of-year enrollment. The budget supports 47 students attending Palmyra High School, our receiving district. The following details the changes in the elementary student enrollment of the District over the last ten years:

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2005-06	229	1.78%
2006-07	241	5.24%
2007-08	253	4.98%
2008-09	259	2.37%
2009-10	271	4.63%
2010-11	282	4.06%
2011-12	288	2.13%
2012-13	286	(0.70%)
2013-14	302	5.59%
2014-15	293	(2.93%)

2. ECONOMIC CONDITION AND OUTLOOK: The Riverton School district is a one building district, which is located on the Delaware River in close proximity to Philadelphia and considered part of western Burlington County. Riverton School is a Kindergarten through eighth grade district, but also has an Integrated Preschool. Enrollment is approximately 293 students.

The past and most recent changes in the funding formula and the laws pertaining to school budget have made it difficult for The Riverton Board of Education to budget long term. Each year we face the challenge of paying the high mandated special education costs and high school tuition while working to maintain an overall effective school program. With a

mandated limited surplus, it is impossible to meet the unanticipated costs associated with students with special needs or those who have been placed by another agency, moving into our district. In addition, an increase in "homelessness" has added to unanticipated costs.

Currently, we are providing an excellent education where students perform at the top of the county on state mandated tests while maintaining an efficient budget. The taxpayers in Riverton support more than 87% of the current expense budget. The members of our town have remained supportive and involved even as we moved the election to November.

In the past, the District benefitted from a Foundation, the Friends of Riverton School, which served to strictly fund raise for the district. The funds have been used for facility improvements, including playground, and technology initiatives.

We continue to share services whenever possible. We currently share services for transportation, media/technology, related services, food services, insurance services, energy services, communications services and professional development.

Our PTO continues to support the school with contributions to our educational programs through materials and programming. They are most active in helping to rally the community's support and making field trips a reality for all students. This year they supported one purchase of an IPAD cart.

The school strives to serve as a community focal point for many educational and civic activities. The town values the children's education and uses the facility on a regular basis.

3. Major Initiatives: Throughout the school, a strong emphasis continues to be placed on a strong academic foundation, reading real literature in a Balanced Literacy program, the integration of subject matter, and the use of computer technology as a tool to enhance learning. A strong emphasis is on the Common Core Standards as well as the 21st Century themes. Our science and social studies programs are inquiry based and use non-fiction and authentic documents to enrich studies. In math, we combine a traditional approach with the skill mastery with constructivist activities for concept development. The teachers and specialists work cooperatively to provide meaningful educational programs for all students. Each professional shares his/her expertise in planning and implementing effective lessons and programs. Classroom teachers, special education teachers, and specialists meet monthly across grade levels to ensure communication of goals and objectives as well as to brainstorm for creative approaches.

Riverton School District offers a half-day integrated Preschool Program and a full day Kindergarten Program. The instruction of both programs is

thematically based and focuses on academic, social and emotional development. We have found the transition to Kindergarten and grade 1 to be smooth and students are eager for the full day program.

All students in grades K-8 benefit from weekly instruction from the fine arts teacher, the physical education teacher and in grades K-7, from the vocal music teacher. Our media specialist meets with the elementary school students and the middle school students' weekly to provide library skills instruction. The media specialist also coordinates lessons weekly with the computer teacher for research projects.

In our Fine Arts program, all students use a variety of media to create art while learning about art concepts, other cultures, famous artists, and their world. The students benefit from weekly sessions.

In our Music program, students learn songs focusing on social, cultural, and historic values. Programs include a holiday concert, Arbor Day celebration, spring program, Kindergarten graduation, 8th Grade graduation; as well as other performance opportunities as they relate to classroom themes.

Sixth, seventh, and eighth grade students have the opportunity to participate in chorus. The chorus performs at the Burlington County Mall, Moorestown Mall and at school and community events.

Technology Literacy is taught in both the computer lab equipped with 30 personal computers, the Media Center equipped with 20 computers or in the Science lab with our laptop cart. Children are taught familiarity with computer hardware, keyboarding, and higher level thinking skills. They are given opportunities to refine their research abilities using a variety of software sources and the Internet. They apply this knowledge when producing projects assigned by classroom and subject teachers. They are also encouraged and given time to enjoy software and activities that address reading, math, and other academic skills. This year we participated in the State recommended Learning.com curriculum. 100% of our students passed the Technology Literacy Assessment in Grade 8.

We also have a world languages program. Students in all grades have weekly lessons in Spanish provided by a certified teacher of Spanish. There is a stronger emphasis in the sixth through eighth grade program where students meet more often.

Riverton students continue to benefit from a departmentalized middle school in grades six through eight with highly qualified teachers in each subject area.

We used benchmark assessments to best diagnose students needs and fine tune instruction. We used Title I funds to provide after school academic support. Riverton students historically score in the top quartile on all nationally

normed tests. Third through eighth grade students must take State-mandated PARCC assessments. The Assessment of Skills and Knowledge (ASK) in Grades 4 and 8 in science are administered each spring. All grades perform at the top of our county. Scores are used as part of a rubric to determine eligibility for a Gifted and Talented Program and our Basic Skills Improvement Program.

Extracurricular activities are offered to all students' grades 5 through 8. They consist of kickball, flag football, volleyball, cheerleading, softball and basketball. Clubs include Drama, Newspaper, Student Council, Chess, Technology and Safety Patrol.

In summary, the strong community involvement in our district, our small size, and our quality programming allow active participation in a very positive vein through the school board, the administration, the teaching staff, and a supportive PTA.

4. INTERNAL ACCOUNTING CONTROLS: The 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, 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 item basis. Open encumbrances at year-end either are canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015.

6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect GAAP, as promulgated by the GASB. The accounting system of the District is organized based on funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

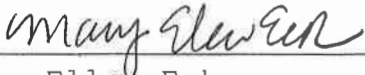
7. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute and detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the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

8. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

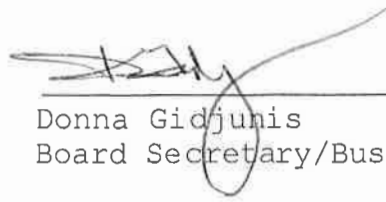
9. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Inverso and Stewart, CPA. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act of 1984, the related OMB Circular A-133 and the State Treasury Circular Letter 04-04 OMB. The auditor's report on the general-purpose financial statements, and combining and individual fund statements and schedules, is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Riverton School Board for their dedication 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 office staff.

Respectfully submitted,



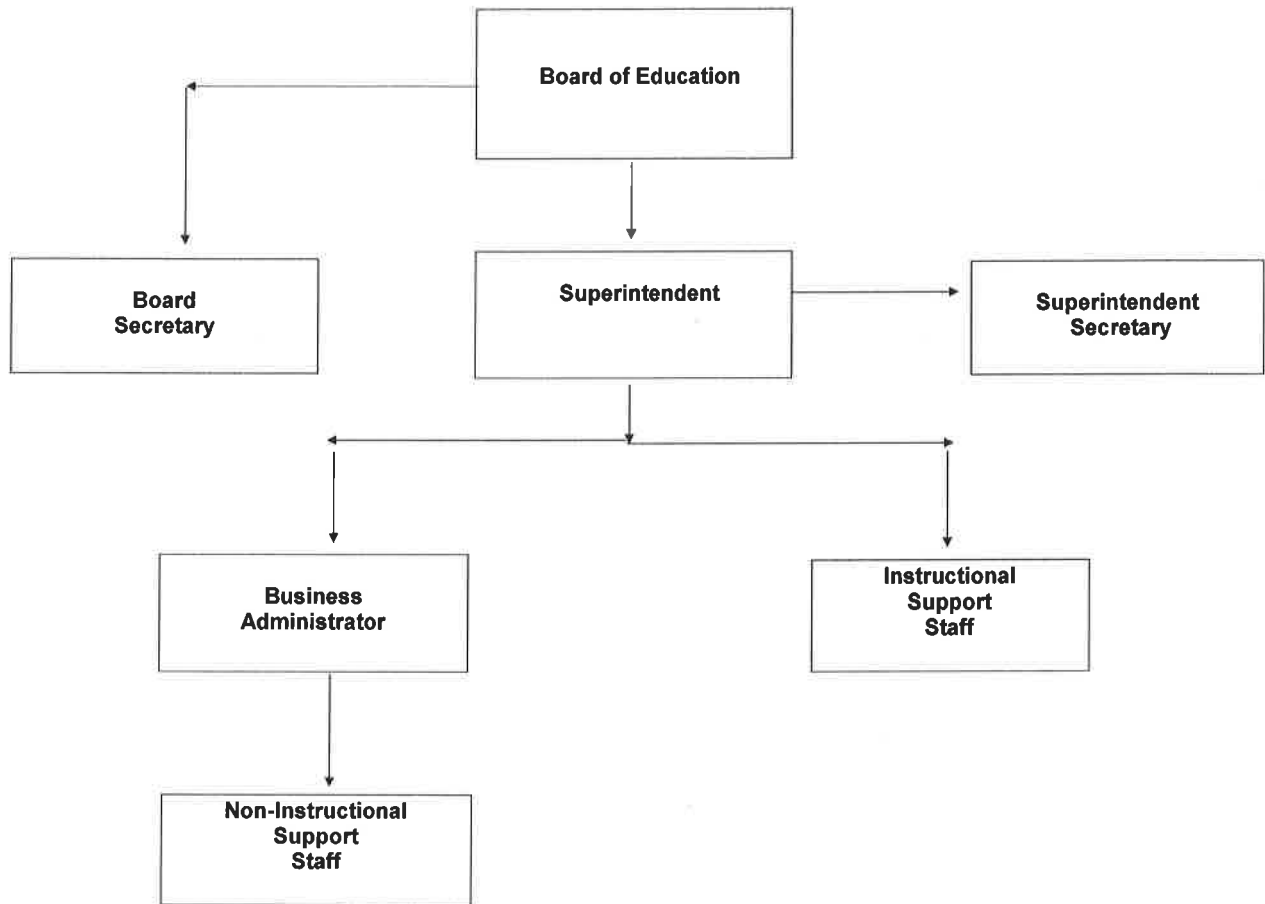
Mary Ellen Eck
Superintendent



Donna Gidjunis
Board Secretary/Business Administrator

RIVERTON BOARD OF EDUCATION

Organizational Chart (UNIT CONTROL)



RIVERTON SCHOOL DISTRICT

Roster of Officials

June 30, 2015

Members of the Board of Education:

Term Expires

Walter Croft, President	Jan. 2016
Scott Koste, Vice President	Jan. 2017
JoAnn Corbi	Jan. 2018
Mark DiLeo	Jan. 2017
Jeffrey Elliot	Jan. 2016
Helen Mack	Jan. 2018
Michael V. Sencindiver	Jan. 2016
Robin McGinnis	Jan. 2017
Scott Warnock	Jan. 2018

Other Officials:

Mary Ellen Eck, Superintendent
Donna Gidjunis, Business Administrator/Board Secretary
Thomas Egan, Treasurer
Stephen Mushinski, Esq. Solicitor

**RIVERTON SCHOOL DISTRICT
Consultants and Advisors**

Audit Firm

Inverso & Stewart, LLC
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Marlton, NJ 08053

Attorney

Stephen J. Mushinski, Esquire
Acting for Parker/ McCay
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Financial Section

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New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
of the Board of Education
Riverton School District
County of Burlington
Riverton, New Jersey

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Riverton School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Riverton School District, in the County of Burlington, State of New Jersey, as of June 30, 2015, 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.

Emphasis of Matter

As discussed in Note 8 to the financial statements, during the fiscal year ended June 30, 2015, the School District adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB): Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. My opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Riverton School District's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and State of New Jersey OMB's Circular 04-04 and/or 15-08, as applicable, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 my opinion, the information described in the previous paragraph is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated November 27, 2015 on my consideration of the Riverton School District's internal control over financial reporting and my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Riverton School District's internal control over financial reporting and compliance.

INVERSO & STEWART, LLC

Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
November 27, 2015

INVERSO & STEWART, LLC
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-Member of-
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 New Jersey Society of CPAs

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
 of the Board of Education
 Riverton School District
 County of Burlington
 Riverton, New Jersey

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverton School District, in the County of Burlington, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued my report thereon dated November 27, 2015.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District'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.

My 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 my audit I did not identify any deficiencies in internal control that I 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 Riverton School District's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
November 27, 2015

Required Supplementary Information - Part I

Management's Discussion and Analysis

**Riverton School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

As management of the Board of Education of the Borough of Riverton, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$1,094,166 (*net position*).
- Governmental activities have a deficit unrestricted balance of \$502,907. The accounting treatments in the governmental funds for compensated absences payable, net pension liability, and the June state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this minimal amount.
- The total net position of the School District increased by \$207,001, or a 23.33% increase from the prior fiscal year-end balance. The majority of this increase is attributable to the payment of long-term debt including reduction in the compensated absences balance at year end.
- Fund balance of the School District's governmental funds increased by \$78,506 resulting in an ending fund balance of \$855,544. This was a result of spending approximately 97% of the approved budget.
- Business-type activities have an unrestricted balance of \$26,782, which may be used to meet the School District's ongoing obligations of the food service fund.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide Financial Statements

The *district-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net position and the statement of activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the district-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover all or most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities reflect only the Food Service Fund.

Fund Financial Statements

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

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

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

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

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

Proprietary funds are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains one type of proprietary fund - the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the district-wide financial statements, only in more detail.

The School District's one enterprise fund (Food Service Fund) is listed individually and is considered to be a major fund.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the School District's programs.

Notes to the Basic Financial Statements

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

Other Information

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

District-wide Financial Analysis

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

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2016. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2016.

The assets of the primary government activities exceeded liabilities by \$1,054,344 with a deficit unrestricted balance of \$502,907. The net position of the primary government does not include internal balances.

A balance of \$632,407 has been restricted as follows:

Reserve for Encumbrances	\$	20,218
Restricted for Future Maintenance Projects		241,613
Restricted for Future Capital Projects		358,311
Excess Surplus - Designated for Subsequent Year's Budget		<u>12,265</u>
Total	\$	<u>632,407</u>

**Comparative Summary of Net Position
As of June 30, 2015 and 2014**

	Governmental Activities		Business-Type Activities		District-Wide	
	2015	2014	2015	2014	2015	2014
ASSETS						
Current assets	\$ 894,407	\$ 802,547	\$ 28,985	\$ 15,439	\$ 923,392	\$ 817,986
Capital assets	1,054,534	1,067,842	13,350	15,404	1,067,884	1,083,246
Total assets	<u>1,948,941</u>	<u>1,870,389</u>	<u>42,335</u>	<u>30,843</u>	<u>1,991,276</u>	<u>1,901,232</u>
Deferred Outflows of Resources	<u>52,867</u>				<u>52,867</u>	
LIABILITIES						
Current liabilities	171,691	155,509	2,203	1,902	173,894	157,411
Noncurrent liabilities	737,421	224,970			737,421	224,970
Total liabilities	<u>909,112</u>	<u>380,479</u>	<u>2,203</u>	<u>1,902</u>	<u>911,315</u>	<u>382,381</u>
Deferred Inflows of Resources	<u>38,662</u>				<u>38,662</u>	
Net Position	<u>\$ 1,054,034</u>	<u>\$ 1,489,910</u>	<u>\$ 40,132</u>	<u>\$ 28,941</u>	<u>\$ 1,094,166</u>	<u>\$ 1,518,851</u>
Net Position Consists of:						
Invested in Capital Assets	\$ 924,534	\$ 807,842	\$ 13,350	\$ 15,404	\$ 937,884	\$ 823,246
Restricted Assets	632,407	554,541			632,407	554,541
Unrestricted Assets	<u>(502,907)</u>	<u>127,527</u>	<u>\$ 26,782</u>	<u>\$ 13,537</u>	<u>(476,125)</u>	<u>141,064</u>
Net Position	<u>\$ 1,054,034</u>	<u>\$ 1,489,910</u>	<u>\$ 40,132</u>	<u>\$ 28,941</u>	<u>\$ 1,094,166</u>	<u>\$ 1,518,851</u>

Governmental Activities

Governmental activities increased the net position of the School District by \$196,120 during the current fiscal year, thereby accounting for almost all the total increase in the net position of the School District. Key elements of the increase in net position for governmental activities are as follows:

- Reduction of Long-term Debt in the amount of \$133,465
- Excess of current year revenues over expenditures in the amount of \$78,816

Business-type Activities

Business-type activities increased the School District's net position by \$11,191. Operations of the food service fund produced a gain for the current fiscal year.

**Comparative Schedule of Changes in Net Position
As of and for the Fiscal Year Ended June 30, 2015 and 2014**

	Governmental Activities		Business-Type Activities		District-Wide	
	2015	2014	2015	2014	2015	2014
Revenues:						
Charges for services	\$ -	\$ -	\$ 40,782	\$ 38,594	\$ 40,782	\$ 38,594
Operating grants and contributions	531,525	127,305	12,927	15,454	544,452	142,759
Property taxes	4,668,552	4,642,321			4,668,552	4,642,321
Debt service taxes	141,310	141,748			141,310	141,748
State aid	546,370	893,988			546,370	893,988
Other revenues	44,796	55,853			44,796	55,853
Total Revenues	5,932,553	5,861,215	53,709	54,048	5,986,262	5,915,263
Expenses:						
Governmental Activities:						
Instruction	2,123,631	1,984,674			2,123,631	1,984,674
Tuition	1,137,815	1,230,509			1,137,815	1,230,509
Related services	529,087	515,034			529,087	515,034
Administrative services	382,415	357,607			382,415	357,607
Operations and Maintenance	512,904	365,400			512,904	365,400
Transportation	99,009	93,104			99,009	93,104
Employee benefits	930,058	928,785			930,058	928,785
Interest on debt	11,310	16,748			11,310	16,748
Other	10,514	8,392			10,514	8,392
Business-Type Activities:						
Food Service			42,518	46,631	42,518	46,631
Total Expenses	5,736,743	5,500,253	42,518	46,631	5,779,261	5,546,884
Increase (Decrease) in Net Position before transfers	195,810	360,962	11,191	7,417	207,001	368,379
Transfers						
Change in Net Position	195,810	360,962	11,191	7,417	207,001	368,379
Net Position July 1, restated	858,224	1,128,948	28,941	21,524	887,165	1,150,472
Net Position June 30	\$ 1,054,034	\$ 1,489,910	\$ 40,132	\$ 28,941	\$ 1,094,166	\$ 1,518,851

Financial Analysis of the Governmental Funds

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

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

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$855,544, an increase of \$78,506 in comparison with the prior year.

The School District has an unassigned fund balance for the General Fund of \$223,137. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been assigned, as follows: 1) \$20,218 for year-end encumbrances, 2) \$241,613 restricted for future maintenance costs, 3) \$358,311 restricted for future capital projects and 4) \$12,265 excess surplus designated for subsequent year's budget.

The general fund is the chief operating fund of the School District. The balance in the unreserved fund balance is limited primarily, due to the accounting treatment of the June state aid payments and state statutes that prohibit New Jersey school districts from maintaining more than 2% of its adopted budget as unreserved fund balance.

Revenue in the special revenue fund is generally recognized at the time that the outlays are identified; therefore no fund balances are normally generated.

General Fund Budgetary Highlights

There was no difference between the original budget and the final amended budget.

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was \$255,820, while total fund balance (budgetary basis) was \$888,227. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$5,594,450. Unassigned fund balance (budgetary basis) represents 4.57% of expenditures while total fund balance (budgetary basis) represents 15.88% of that same amount.

Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental activities as of June 30, 2015, totaled \$1,054,534 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings and equipment. The total decrease in the District's investment in capital assets for the current fiscal year was \$13,308 or a 1.25% increase.

Major capital assets events during the current fiscal year included the following:

- Depreciation expense for the current fiscal year was \$105,148.
- The District purchased equipment totaling \$91,840 during the current fiscal year.

Capital Asset (net of accumulated depreciation) June 30, 2015 and 2014

	Governmental Activities		Business-type Activities		District-Wide	
	2015	2014	2015	2014	2015	2014
Land	\$ 649,600	\$ 649,600	\$ -	\$ -	\$ 649,600	\$ 649,600
Site Improvements	36,465	39,194			36,465	39,194
Building and Building Improvements	26,684	36,713			26,684	36,713
Equipment	341,785	342,335	13,350	15,404	355,135	357,739
Total	<u>\$ 1,054,534</u>	<u>\$ 1,067,842</u>	<u>\$ 13,350</u>	<u>\$ 15,404</u>	<u>\$ 1,067,884</u>	<u>\$ 1,083,246</u>

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Long-term debt – During the fiscal year ended June 30, 2015, the School District had total bonded debt outstanding of \$130,000 backed by the full faith and credit of the School District. General obligation bonds for the School District decreased during the current fiscal year according to the normal schedule of payments.

The 2015-16 adopted budget has an appropriation of \$130,000 representing the payment of the annual principal. The bonds final maturity date is April 1, 2016.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$7,691,025 and the legal debt margin was \$7,561,025.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 6) of this report.

Economic Factors and Next Year's Budgets and Rates

For the 2015-2016 school year, the School District was able to sustain its budget through the tax levy, federal aid, state aid, and miscellaneous revenue sources. One of the most important factors affecting the School District's budget is the amount of state aid it will receive in comparison to its enrollment. The 2015-2016 budget was adopted based no increase in aid from the State of New Jersey and a \$71,114 increase in school property taxes. The School District continues to examine its costs in an effort to prevent additional burden on the taxpayers of the municipality.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Riverton School District Business Administrator, 600 Fifth Street, Riverton, New Jersey, 08077, telephone number (856) 829-0974.

Basic Financial Statements

District-Wide Financial Statements

RIVERTON SCHOOL DISTRICT
Statement of Net Position
June 30, 2015

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 876,395	\$ 28,221	\$ 904,616
Receivables, net			
Intergovernmental	17,456	764	18,220
Other	556		556
Capital assets, net (Note 5)	<u>1,054,534</u>	<u>13,350</u>	<u>1,067,884</u>
Total Assets	<u>1,948,941</u>	<u>42,335</u>	<u>1,991,276</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources from pensions	<u>52,867</u>		<u>52,867</u>
LIABILITIES:			
Accounts payable	35,367		35,367
Unearned revenue	650	2,203	2,853
Accrued interest	2,828		2,828
Intergovernmental Accounts Payable	2,846		2,846
Noncurrent liabilities:			
Due within one year	130,000		130,000
Due beyond one year	88,677		88,677
Net pension liability	<u>648,744</u>		<u>648,744</u>
Total Liabilities	<u>909,112</u>	<u>2,203</u>	<u>911,315</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows of resources from pensions	<u>38,662</u>		<u>38,662</u>
NET POSITION:			
Net Investment in Capital Assets	924,534	13,350	937,884
Restricted for:			
Capital projects	358,311		358,311
Other purposes	274,096		274,096
Unrestricted	<u>(502,907)</u>	<u>26,782</u>	<u>(476,125)</u>
Total Net Position	<u>\$ 1,054,034</u>	<u>\$ 40,132</u>	<u>\$ 1,094,166</u>

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

RIVERTON SCHOOL DISTRICT
Statement of Changes in Net Position
For the Fiscal Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 1,646,890	\$ -	\$ 19,101	\$ -	\$ (1,627,789)	\$ -	\$ (1,627,789)
Special education	341,943		76,520		(265,423)		(265,423)
Other instruction	134,798				(134,798)		(134,798)
Support Services:							
Tuition	1,137,815				(1,137,815)		(1,137,815)
Student & instruction related services	529,087		22,666		(506,421)		(506,421)
General administrative services	382,415				(382,415)		(382,415)
Plant operations and maintenance	512,904				(512,904)		(512,904)
Pupil transportation	99,009				(99,009)		(99,009)
Allocated and unallocated benefits	930,058		413,238		(516,820)		(516,820)
Interest on long-term debt	11,310				(11,310)		(11,310)
Unallocated depreciation and amortization	10,514				(10,514)		(10,514)
Total Governmental Activities	<u>5,736,743</u>		<u>531,525</u>		<u>(5,205,218)</u>		<u>(5,205,218)</u>
Business-Type Activities:							
Food service	42,518	40,782	12,927			11,191	11,191
Total Business-Type Activities	<u>42,518</u>	<u>40,782</u>	<u>12,927</u>			<u>11,191</u>	<u>11,191</u>
Total Primary Government	<u>\$ 5,779,261</u>	<u>\$ 40,782</u>	<u>\$ 544,452</u>	<u>\$ -</u>	<u>(5,205,218)</u>	<u>11,191</u>	<u>(5,194,027)</u>
General revenues:							
Taxes:							
Property taxes levied for general purposes, net					4,668,552		4,668,552
Taxes levied for debt service					141,310		141,310
Federal and State aid not restricted					546,370		546,370
Miscellaneous income					44,796		44,796
Total general revenues, special items, extraordinary items and transfers					<u>5,401,028</u>		<u>5,401,028</u>
Change in Net Position					195,810	11,191	207,001
Net Position - July 1, 2014, as restated (Note 19)					858,224	28,941	887,165
Net Position - June 30, 2015					<u>\$ 1,054,034</u>	<u>\$ 40,132</u>	<u>\$ 1,094,166</u>

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

Fund Financial Statements

RIVERTON SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2015

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 873,662	\$ 2,733	\$ -	\$ -	\$ 876,395
Interfund Receivable	133				133
Receivables from Other Governments:					
Local	5,136				5,136
State	12,630				12,630
Federal		113			113
Total Assets	891,561	2,846	-	-	894,407
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	35,367				35,367
Intergovernmental accounts payable		2,846			2,846
Unearned revenue	650				650
Total Liabilities	36,017	2,846			38,863
Fund Balances:					
Restricted for:					
Capital reserve	358,311				358,311
Maintenance reserve	241,613				241,613
Excess surplus - designated for subsequent year's budget	12,265				12,265
Assigned to:					
Year-end encumbrances	20,218				20,218
Unassigned	223,137				223,137
Total Fund Balances	855,544				855,544
Total Liabilities and Fund Balances	\$ 891,561	\$ 2,846	\$ -	\$ -	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$2,608,445 and the accumulated depreciation is \$1,553,911 1,054,534

The District's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:

Deferred Outflows of resources from Pensions	52,867	
Net Pension Liability	(648,744)	
Deferred Inflows of resources from Pensions	(38,662)	(634,539)

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

General Obligation Bonds	\$ (130,000)	
Accrued Interest Payable	(2,828)	
Compensated Absences Payable	(88,677)	(221,505)

Net Position of Governmental Activities \$ 1,054,034

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

RIVERTON SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 4,668,552	\$ -	\$ -	\$ 141,310	\$ 4,809,862
Tuition	39,706				39,706
Miscellaneous	3,340	1,750			5,090
Total local sources	4,711,598	1,750		141,310	4,854,658
State sources	961,358	5,403			966,761
Federal sources		111,134			111,134
Total Revenues	5,672,956	118,287		141,310	5,932,553
EXPENDITURES:					
Current expense:					
Regular instruction	1,557,650	19,101			1,576,751
Special education instruction	265,423	76,520			341,943
Other instruction	134,798				134,798
Support services and undistributed costs:					
Tuition	1,137,815				1,137,815
Student & instruction related services	506,421	22,666			529,087
General administrative services	371,900				371,900
Plant operations and maintenance	495,661				495,661
Pupil transportation	99,009				99,009
Allocated benefits	513,967				513,967
Unallocated benefits	413,238				413,238
Capital outlay	98,568				98,568
Debt service:					
Principal				130,000	130,000
Interest and other charges				11,310	11,310
Total Expenditures	5,594,450	118,287		141,310	5,854,047
Excess (deficiency) of revenues over (under) expenditures	78,506				78,506
Fund Balances - July 1, 2014	777,038				777,038
Fund Balances - June 30, 2015	\$ 855,544	\$ -	\$ -	\$ -	\$ 855,544

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

RIVERTON SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2015

Total net change in fund balances - governmental funds (from B-2)	\$	78,506
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Governmental Funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Depreciation expense	\$ (105,148)	
Fixed assets additions	<u>91,840</u>	(13,308)
<p>Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		130,000
<p>Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.</p>		
<p>Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities.</p>		
		(2,853)
<p>In the statement of activities, certain operating expenses, (e.g. compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+)</p>		
		<u>3,465</u>
Change in Net Position of Governmental Activities	\$	<u><u>195,810</u></u>

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

RIVERTON SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2015

	<u>Food Service Fund</u>
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 28,221
Intergovernmental receivables:	
State	36
Federal	728
Total current assets	<u>28,985</u>
Non-current assets:	
Machinery and equipment (net of accumulated depreciation)	<u>13,350</u>
Total non-current assets	<u>13,350</u>
Total assets	<u>\$ 42,335</u>
LIABILITIES:	
Current liabilities:	
Accounts payable	
Unearned revenues	<u>2,203</u>
Total Current liabilities	<u>2,203</u>
NET POSITION:	
Net investment in capital assets	13,350
Unrestricted	<u>26,782</u>
Total net position	<u>\$ 40,132</u>

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

RIVERTON SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2015

	<u>Food Service Fund</u>
Operating Revenues:	
Charges for services:	
Daily sales:	
Reimbursable programs	\$ 31,493
Non-reimbursable programs	9,289
Total operating revenue	<u>40,782</u>
Operating Expenses:	
Supplies and materials	1,527
Cost of sales	38,348
Depreciation	2,054
Direct expenses	589
Total operating expenses	<u>42,518</u>
Operating income (loss)	<u>(1,736)</u>
Non-Operating Revenues (Expenses):	
State sources:	
State school lunch program	654
Federal sources:	
National school lunch program	12,273
Total non-operating revenues	<u>12,927</u>
Income (loss) before contributions and transfers	11,191
Contributed Capital	<u> </u>
Changes in net position	11,191
Net Position - July 1, 2014	<u>28,941</u>
Net Position - June 30, 2015	<u><u>\$ 40,132</u></u>

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

RIVERTON SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2015

	<u>Food Service Fund</u>
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 41,083
Cash payments to suppliers for goods and services	<u>(40,464)</u>
Net cash used by operating activities	<u>619</u>
Cash Flows from Non-capital Financing Activities:	
Cash received from state sources	658
Cash received from federal sources	<u>12,442</u>
Net cash provided by non-capital financing activities	<u>13,100</u>
Cash Flows From Capital and Related Financing Activities	
Purchase of capital assets	<u> </u>
Cash Flow From Investing Activities:	
Interest on cash equivalents	<u> </u>
Net increase (decrease) in cash and cash equivalents	13,719
Cash and cash equivalents - July 1, 2014	<u>14,502</u>
Cash and cash equivalents - June 30, 2015	<u>\$ 28,221</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:	
Operating Income (Loss)	\$ (1,736)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Depreciation	2,054
Increase (decrease) in deferred revenues	<u>301</u>
Net cash provided by (used for) operating activities	<u>\$ 619</u>
Noncash Non-capital Financing Activities:	
During the year the District did not receive any food commodities from the U.S. Department of Agriculture.	

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

RIVERTON SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Trust Funds		Agency Funds
	Unemployment Compensation Trust	Flexible Benefit Trust	
ASSETS:			
Cash and cash equivalents	\$ 69,087	\$ 1,213	\$ 20,553
Total Assets	\$ 69,087	\$ 1,213	\$ 20,553
LIABILITIES:			
Interfund Payable	\$ -	\$ -	\$ 133
Payroll deductions and withholdings			18
Due to student groups			20,402
Total Liabilities	\$ -	\$ -	\$ 20,553
NET POSITION			
Held in trust for claims	\$ 69,087	\$ 1,213	

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

RIVERTON SCHOOL DISTRICT
Statement of Changes in Fiduciary Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2015

	Flexible Benefits Trust Fund	Unemployment Compensation Insurance Trust Fund
	<u> </u>	<u> </u>
ADDITIONS:		
Contributions:		
Employee	\$ 5,005	\$ 4,174
Total Contributions	5,005	4,174
Investment earnings:		
Interest earned	<u>5</u>	<u>165</u>
Total Additions	<u>5,010</u>	<u>4,339</u>
DEDUCTIONS:		
Claims paid	<u>5,939</u>	<u>815</u>
Total Deductions	<u>5,939</u>	<u>815</u>
Change in Net Position	(929)	3,524
Net Position - July 1, 2014	<u>2,142</u>	<u>65,563</u>
Net Position - June 30, 2015	<u>\$ 1,213</u>	<u>\$ 69,087</u>

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

Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Riverton School District ("School District") is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board of Education is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to provide educational services for resident students in grades K through 8. Student in grades 9 through 12 attend the Palmyra School District, on a tuition basis. The Riverton School District has an approximate enrollment at June 30, 2015 of 295 students.

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

Component Units – GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, provide guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

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

The School District's basic financial statements consists of government-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.

Government-wide Statements - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District 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 School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. 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 and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, 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 School District.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically 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 School District's major governmental funds:

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

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

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

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

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

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

Proprietary Funds - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those in the private sector.

Enterprise Funds - The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the School District is that all costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the School District 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 School District's enterprise funds are:

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

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds (Continued) - All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net position) is segregated into investment in capital assets, net of related debt, and unrestricted, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into two classifications: trust funds and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has four fiduciary funds; an unemployment compensation trust fund, a flexible benefit spending trust fund, a student activity fund, and a payroll fund.

Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net position.

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 government-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 government-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 net position presents increases (i.e. revenues) and decreases (i.e. expenses) in net total position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the 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. "Measurable" means the amount of the transaction can be determined and "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. For the School District, available means expected to be received within sixty days after fiscal year end.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of restricted formula aids recorded in the special revenue fund, 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 fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end; tuition, grants, fees, and rentals.

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 fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as deferred revenue. The measurement 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 governmental funds.

Budgets/Budgetary Control - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23A-16.2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal 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 one or more June state aid payments for budgetary purposes only and the special revenue fund. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

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

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. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Encumbrances (Continued) - Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, 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.

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

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

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

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

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2015 and 2014 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

Inventories - The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed, and is not recorded since any amounts are considered immaterial to the basic financial statements.

The proprietary fund type does not maintain any inventories as the School District has contracted with another governmental entity to purchase prepared lunches.

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

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

Deferred Outflows/Inflows of Resources - In addition to assets, the Statement of Net 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.

In addition to liabilities, the Statement of Net 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.

Short-Term Interfund Receivables / Payables - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type 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.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000.00. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. 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 Activities Estimated Lives</u>
Land and Improvements	10-20 years	N/A
Buildings and Improvements	10-50 years	N/A
Furniture and Equipment	5-20 years	12 years
Vehicles	5-10 years	4-6 years

Accrued Salaries and Wages - Certain School District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

Compensated Absences - Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical 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 School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

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

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

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

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

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

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2015.

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

Committed – This fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, which for the School District is the Board of Education. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action imposing the commitment.

Assigned – This fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the Business Administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

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

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

Operating and Non-Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program and tuition for the before and after school program. Non-operating revenues principally consist of interest income earned on various interest bearing accounts and federal and state subsidy reimbursements for the food service program.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. There are no non-operating expenses.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfunds – Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed.

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

Recently Issued Accounting Pronouncements – In February 2015, the GASB issued Statement 72, Fair Value Measurement and Application. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. This Statement is effective for financial statements for periods beginning after June 15, 2015 and will not have any effect on the District's financial reporting.

In June 2015, the GASB issued Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. The requirements of this Statement will improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and nonemployer contributing entities. This Statement is effective for financial statements for periods beginning after June 15, 2016 and will not have any effect on the District's financial reporting.

In June 2015, the GASB issued Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. This Statement also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that are *not* administered through trusts that meet the specified criteria. This Statement is effective for financial statements for periods beginning after June 15, 2016. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In June, 2015, the GASB issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement is effective for financial statements for periods beginning after June 15, 2017. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued) - In June 2016, the GASB issued Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements in this Statement improve financial reporting by (1) raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in nonauthoritative literature.

As a result, governments will apply financial reporting guidance with less variation, which will improve the usefulness of financial statement information for making decisions and assessing accountability and enhance the comparability of financial statement information among governments. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement is effective for financial statements for periods beginning after June 15, 2015 and will not have any effect on the District's financial reporting.

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17.9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District's amount on deposit of \$1,281,564 as of June 30, 2015, \$250,000 was insured under FDIC and the remaining balance of \$1,031,564 was collateralized under GUDPA.

3. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the New Jersey Department of Education, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-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.

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Balance July 1, 2014		\$	284,020
Increased by:			
Interest Earned	\$		628
Board Resolution	<u>73,663</u>		<u>74,291</u>
			358,311
Decreased by:			
Board Resolution			<u>-</u>
Balance June 30, 2015		\$	<u>358,311</u>

Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

3. CAPITAL RESERVE ACCOUNT (Continued)

The June 30, 2015 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

4. ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2015 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Accounts receivable at June 30, 2015 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Proprietary Fund	Total
Intergovernmental				
State	\$ 12,630	\$ -	\$ 36	\$ 12,666
Federal		113	728	841
Other	5,136			5,136
Total	\$ 17,766	\$ 113	\$ 764	\$ 18,643

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015, was as follows:

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2015</u>
Governmental Activities:				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 649,600	\$ -	\$ -	\$ 649,600
Construction in progress				
Total capital assets, not being				
Depreciated	649,600			649,600
<i>Capital Assets, being depreciated:</i>				
Site Improvements	78,527			78,527
Building and Building Improvements	1,143,065			1,143,065
Equipment	645,412	91,840		737,252
Totals at historical cost	1,867,004	91,840		1,958,844
<i>Less Accumulated Depreciation:</i>				
Site Improvements	39,333	2,729		42,062
Building and Building Improvements	1,106,352	10,029		1,116,381
Equipment	303,077	92,390		395,467
Totals accumulated depreciation	1,448,762	105,148		1,553,910
Total Capital Assets, being depreciated, net	418,242	(13,308)		404,934
Governmental Activities Capital Assets, Net	\$ 1,067,842	\$ (13,308)	\$ -	\$ 1,054,534
Business-Type Activities:				
<i>Capital Assets, being depreciated:</i>				
Equipment	\$ 16,431	\$ -	\$ -	\$ 16,431
<i>Less Accumulated Depreciation:</i>				
Equipment	1,027	2,054		3081
Governmental Activities Capital Assets, Net	\$ 15,404	\$ 2,054	\$ -	\$ 13,350

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

5. CAPITAL ASSETS (Continued)

Depreciation expense in the amount of \$105,148 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 73,603
General Administration	10,515
Plant Operations and Maintenance	10,515
Unallocated	10,515
	<hr/>
Total depreciation expense	<u>\$ 105,148</u>

6. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2015, the following changes occurred in long-term obligations:

	<u>Principal Outstanding June 30, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2015</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 92,142	\$ -	\$ 3,465	\$ 88,677	\$ -
General Obligation Bonds	260,000		130,000	130,000	130,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>\$ 352,142</u>	<u>\$ -</u>	<u>\$ 133,465</u>	<u>\$ 218,677</u>	<u>\$ 130,000</u>

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

2001 General Obligation Bonds dated April 1, 2001 in the amount of \$130,000 due in annual installments through April 1, 2016, bearing interest rate of 4.35%

As of June 30, 2015, principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 130,000	\$ 5,655	\$ 135,655
	<hr/>	<hr/>	<hr/>
	<u>\$ 130,000</u>	<u>\$ 5,655</u>	<u>\$ 135,655</u>

As of June 30, 2015 the School District had no authorizations to issue additional bonded debt.

Compensated Absences - Compensated absences will be paid from the fund from which the employees' salaries are paid.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

7. OPERATING LEASES

At June 30, 2015, the School District had operating lease agreements in effect for copy machines. Total rental payments for such leases were \$12,694 for the fiscal year ended June 30, 2015. The future minimum lease payments for these leases are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 13,388
2017	\$ 5,166
2018	\$ 5,166
2019	4,735
	<u>\$ 28,455</u>

8. PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund is a cost-sharing contributory defined benefit pension plan which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114, 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92 P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over the several preceding fiscal years.

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

For the year ended June 30, 2015, the District recognized pension expense of \$554,689 and revenue of \$554,689 for support provided by the State. Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

8. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	06/30/14	06/30/13
Collective deferred outflows of resources	\$ 2,306,623,861	\$ -
Collective deferred inflows of resources	1,763,205,593	-
Collective net pension liability (Non-Employer – State of New Jersey)	53,446,745,367	50,539,213,484
State's portion of the net pension liability that was associated with the district	10,308,401	9,519,949
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	.0192872381%	.0188367568%

Actuarial assumptions – The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

- Inflation: 2.5%
- Salary Increases: Varies based on experience
- Investment Rate of Return: 7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

8. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	06.00%	0.50%
Core Fixed Income	00.00%	2.19%
Core Bonds	01.00%	1.38%
Short-Term Bonds	00.00%	1.00%
Intermediate Term Bonds	11.20%	2.60%
Long-Term Bonds	00.00%	3.23%
Mortgages	02.50%	2.84%
High Yield Bonds	05.50%	4.15%
Non US Fixed Income	00.00%	1.41%
Inflation Indexed Bonds	02.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	00.00%	5.62%
Mid Cap US Equities	00.00%	6.39%
Small Cap US Equities	00.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	06.50%	8.90%
Private Equity	08.25%	9.15%
Hedge Funds/Absolute Ret	12.25%	3.85%
Real Estate (Property)	03.20%	4.43%
Real Estate (REITS)	00.00%	5.58%
Commodities	02.50%	3.60%
Long Credit Bonds	00.00%	3.74%

Discount rate. The discount rate used to measure the State's total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. Since the District has no proportionate share of the net pension liability, because of the special funding situation, the district would not be sensitive to any changes in the discount rate.

Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

8. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012 and increases each subsequent July 1. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

Fiscal Year	Normal Contributions	Adjustment	Accrued Liability	Non Contributory Life	Total Liability Paid by District
2015	\$ 4,755	\$ -	\$ 21,998	\$ 1,812	\$ 28,565
2014	7,667	(2,944)	20,769	434	25,926
2013	6,743		16,123	1,361	24,227

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

For the year ended June 30, 2015, the District recognized pension expense of \$36,129. At June 30, 2015, the District reported a liability of \$648,744 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	20,400	
Net difference between projected and actual earnings on pension plan investments		38,662
Changes in proportion and differences between District contributions and proportionate share of contributions	3,902	
District contributions subsequent to the measurement Date	28,565	
Total	\$ 52,867	\$ 38,662

\$28,565 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, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net liability in the year ended June 30, 2015.

Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	Net Deferred Inflow of Resources:
2016	\$ 2,872
2017	2,872
2018	2,872
2019	2,872
2020	2,872
Total	\$ 14,360

Additional Information

Collective balances at June 30, 2014 and 2013 are as follows:

	6/30/2014	6/30/2013
Collective deferred outflows of resources	\$ 952,194,675	\$ (1)
Collective deferred inflows of resources	\$ 1,479,224,662	\$ (1)
Collective net pension liability	\$ 18,722,735,003	\$ 19,111,986,911
District's Proportion	.0034650048%	.0034408365%

(1) – Information not available.

Actuarial assumptions – The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

- Inflation rate: 3.01%
- Salary Increases:
 - 2012-2021: 2.15-4.40% based on age
 - Thereafter: 3.15-5.40% based on age
- Investment Rate of Return: 7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	06.00%	00.80%
Core Bonds	01.00%	02.49%
Intermediate Term Bonds	11.20%	02.26%
Mortgages	02.50%	02.17%
High Yield Bonds	05.50%	04.82%
Inflation Indexed Bonds	02.50%	03.51%
Broad US Equities	25.90%	08.22%
Developed Foreign Equities	12.70%	08.12%
Emerging Market Equities	06.50%	09.91%
Private Equity	08.25%	13.02%
Hedge Funds/Absolute Ret	12.25%	04.92%
Real Estate (Property)	03.20%	05.80%
Commodities	02.50%	05.35%

Discount rate. The discount rate used to measure the State's total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the District's proportionate share of the net pension liability measured as of June 30, 2014, calculated using the discount rate of 5/39%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.39%) or 1 percentage point higher (6.39%) than the current rate:

	<u>1% Decrease (4.39%)</u>	<u>Current Discount Rate (5.39%)</u>	<u>1% Increase (6.39%)</u>
District's proportionate share of the net pension liability	\$ 816,142	\$ 648,744	\$ 508,172

Pension Plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

8. PENSION PLANS (CONTINUED)

Defined Contribution Retirement Program (DCRP) (Continued)

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2015	\$ 2,125	\$ 2,125
2014	1,736	1,736
2013	1,549	1,549

9. POST-RETIREMENT BENEFITS

The School District contributes to the New Jersey State Health Benefits Program (SHBP), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP was established to provide medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State establishes the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contribution to the SHBP Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the year ended June 30, 2015 was \$160,181, which equaled the required contributions. The State's contribution to the SHBP Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

10. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2015, the School District has recognized as revenues and expenditures \$100,901 of on-behalf payments made by the State of New Jersey for normal retirement costs related to TPAF and \$152,156 for employer's share of social security contributions for TPAF members, as calculated on their base salaries.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

11. RISK MANAGEMENT

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

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

Joint Insurance Pool - The School District is a member of the School Alliance Insurance Fund. Insurance coverage as provided by the Fund can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

A complete schedule of insurance coverage can be found in the "Statistical Section" of this report.

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

The following is a summary of School District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two fiscal years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	\$ -	\$ 4,174	\$ 165	\$ 815	\$ 69,087
2014		3,911	265	453	65,563
2013		3,698	198	1,627	61,840

12. DEFERRED COMPENSATION

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, available to all permanent School District employees, permit participants to defer a portion of their current salary to future years. Participation in the plans is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and are administered by a third party therefore they are not reflected on the financial statements of the School District.

13. FLEXIBLE BENEFITS PROGRAM

The School District offers its employees a Flexible Benefits Program. The purpose of the program is to provide a tax incentive for plan participants incurring health premium expenses, dependent care expenses and other medical expenses not covered by other insurance. The School District, who is the plan administrator, has contracted with PayFlex Systems to act as its agent to furnish reimbursement services. The plan participants redirect a prescribed amount of their gross pay (tax-free) into a reimbursement account and then in-turn submit claims to PayFlex Systems for repayment. Because of Internal Revenue Service regulations, if at the end of any plan year unexpended funds remain, these funds will be forfeited by the participants and returned to the School District.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

13. FLEXIBLE BENEFITS PROGRAM (Continued)

The following is a summary of School District contributions, employee contributions, reimbursements to the plan participants for benefits paid and the ending balance of the School District's fiduciary fund for the current and prior two years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	\$ -	\$ 5,005	\$ 5	\$ 5,939	\$ 1,213
2014		3,450	9	2,821	2,142
2013		4,190	4	4,344	1,504

14. COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2015, the liability for compensated absences in the governmental activities was \$88,677.

15. INTERFUND BALANCES AND TRANSFERS

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2015. The following interfund balances were recorded on the various balance sheets as of June 30, 2015:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 133	\$ -
Fiduciary Fund	<u> </u>	<u>133</u>
	<u>\$ 133</u>	<u>\$ 133</u>

16. CONTINGENCIES

The School District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School District may be required to reimburse the grantor government.

At June 30, 2015, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, deferred revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

17. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2015, a deficit of \$502,907 existed in the Unrestricted Net Position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Position reported on Exhibited A-1 as follows:

Balances, June 30, 2015:	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds)	
Unassigned	\$ 223,137
Liabilities:	
Accrued Interest Payable	(2,828)
Net Pension Differences	(634,539)
Compensated Absences	(88,677)
Unrestricted Net Position (Deficit)	\$ (502,907)

18. FUND BALANCES

RESTRICTED

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

General Fund:

Excess Surplus – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict 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. Excess fund balance of \$12,265 generated during the 2013-2014 fiscal year has been restricted and designated for utilization in the 2015-2016 budget.

Capital Reserve – As of June 30, 2015, the balance in the capital reserve account is \$358,311. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan.

Maintenance Reserve Account – As of June 30, 2015, the balance in the maintenance reserve account is \$241,613. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

ASSIGNED

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

General Fund:

Other Purposes – At June 30, 2015 the School District has \$20,218 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

18. FUND BALANCES (Continued)

UNASSIGNED

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

General Fund – As of June 30, 2015, \$223,137 of general fund balance was unassigned.

19. RESTATEMENT OF NET POSITION

Governmental Activities

Net position on the government-wide Statement of Activities as of July 1, 2014, has been restated for implementation of GASB-68.

The government-wide and fund financial statements were restated as follows:

	Government -wide Statements
	Governmental Activities
Net Position as of June 30, 2014, as previously reported	\$ 1,489,910
Prior Period Adjustment - Implementation GASB 68:	
Net Pension Liability	(657,612)
Deferred Outflows - District's Contribution made during fiscal year 2014	25,926
Net Position as Restated, July 1, 2014	\$ 858,224

Required Supplementary Information - Part II

Budgetary Comparison Schedules

RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local Tax Levy	\$ 4,668,552	\$ -	\$ 4,668,552	\$ 4,668,552	\$ -
Tuition - from other sources	30,000		30,000	30,000	
Tuition - from individuals				9,706	9,706
Interest on capital reserve	300		300	628	328
Unrestricted misc. revenues	2,000		2,000	2,712	712
Total local sources	4,700,852		4,700,852	4,711,598	10,746
State sources:					
Special education aid	189,928		189,928	189,928	
Equalization aid	288,342		288,342	288,342	
Transportation aid	26,068		26,068	26,068	
Security aid	30,765		30,765	30,765	
PARCC Readiness Aid	3,560		3,560	3,560	
Per Pupil Growth Aid	3,560		3,560	3,560	
Extraordinary Aid				5,820	5,820
Extraordinary Aid - additional prior year		54	54	54	
On-behalf TPAF pension contrib. (non-budgeted)				100,901	100,901
On-behalf TPAF post retirement medical (non-budgeted)				160,181	160,181
Reimbursed TPAF social security contribution (non-budgeted)				152,156	152,156
Total state sources	542,223	54	542,277	961,335	419,058
TOTAL REVENUES	5,243,075	54	5,243,129	5,672,933	429,804
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Preschool	23,928	(2,990)	20,938	20,937	1
Kindergarten	150,226	(1,134)	149,092	149,079	13
Grades 1-5	941,571	(15,309)	926,262	926,261	1
Grades 6-8	289,521	4,364	293,885	293,845	40
Regular Programs - Home Instruction:					
Salaries of teachers	600	(600)			
Purchased professional - educational services	200	40	240	240	
Regular Programs - Undistributed Instruction:					
Purchased professional - educational services	6,359	(1,672)	4,687	4,632	55
Purchased technical services	5,668	1,645	7,313	7,309	4
Other purchased services	2,290	(755)	1,535	1,460	75
General supplies	56,517	50,602	107,119	106,873	246
Textbooks	45,000	(3,112)	41,888	41,821	67
Other objects	2,000	3,193	5,193	5,193	
Total - Regular Programs - Instruction	1,523,880	34,272	1,558,152	1,557,650	502

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RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education Instruction:					
Resource room/resource center:					
Salaries of teachers	\$ 195,820	\$ 1,576	\$ 197,396	\$ 197,395	\$ 1
Other salaries for instruction	67,423	(19,346)	48,077	47,594	483
General supplies	3,000	(1,704)	1,296	1,296	
Textbooks	300	2,605	2,905	2,905	
Total resource room/resource center	<u>266,543</u>	<u>(16,869)</u>	<u>249,674</u>	<u>249,190</u>	<u>484</u>
Preschool disabilities - Part time:					
Salaries of teachers	6,357	3,105	9,462	9,461	1
Other salaries for instruction	6,844	(814)	6,030	6,029	1
General supplies	900	(715)	185	183	2
Total preschool disabilities - part time	<u>14,101</u>	<u>1,576</u>	<u>15,677</u>	<u>15,673</u>	<u>4</u>
Home Instruction:					
Salaries of teachers	2,000	(1,440)	560	560	
Purchased professional-educational services	2,000	(2,000)			
Total home instruction	<u>4,000</u>	<u>(3,440)</u>	<u>560</u>	<u>560</u>	
Total Special Education - Instruction	<u>284,644</u>	<u>(18,733)</u>	<u>265,911</u>	<u>265,423</u>	<u>488</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers	69,610	1	69,611	69,610	1
General supplies	800	(800)			
Total basic skills/remedial - instruction	<u>70,410</u>	<u>(799)</u>	<u>69,611</u>	<u>69,610</u>	<u>1</u>
School-Sponsored Cocurricular Act - Instruction:					
Salaries	65,656	(3,200)	62,456	57,586	4,870
Purchased services	1,800	270	2,070	1,850	220
Supplies and materials	4,000	-	4,000	3,362	638
Total school-sponsored cocurr. act. - instruct.	<u>71,456</u>	<u>(2,930)</u>	<u>68,526</u>	<u>62,798</u>	<u>5,728</u>
Summer School - Instruction:					
Salaries	1,920	(730)	1,190	1,190	
Purchased professional-technical services	5,400	(4,200)	1,200	1,200	
Total summer school - instruction	<u>7,320</u>	<u>(4,930)</u>	<u>2,390</u>	<u>2,390</u>	
Total Instruction	<u>1,957,710</u>	<u>6,880</u>	<u>1,964,590</u>	<u>1,957,871</u>	<u>6,719</u>

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RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - reg.	\$ 545,108	\$ 1,548	\$ 546,656	\$ 541,557	\$ 5,099
Tuition to other LEAs within the state - spec	65,022	26,419	91,441	91,441	
Tuition to county vocational school - reg	24,968	(12,484)	12,484	12,484	
Tuition to county vocational school - special	31,210	(3,121)	28,089	28,089	
Tuition to CSSD & Reg. Day schools	189,103	(23,494)	165,609	165,608	1
Tuition to priv. sch. for the disabled in state	346,272	(47,635)	298,637	298,636	1
Total undistributed expenditures - instruction	<u>1,201,683</u>	<u>(58,767)</u>	<u>1,142,916</u>	<u>1,137,815</u>	<u>5,101</u>
Attendance and Social Work Services:					
Salaries	3,797	303	4,100	4,100	
Purchased professional and technical services	3,174	72	3,246	3,242	4
Total Attendance and Social Work Services	<u>6,971</u>	<u>375</u>	<u>7,346</u>	<u>7,342</u>	<u>4</u>
Health Services:					
Salaries	52,396	2,070	54,466	54,465	1
Purchased professional and technical services	500	895	1,395	1,395	
Other purchased services	355	-	355	282	73
Supplies and materials	2,500	3,665	6,165	6,164	1
Total health services	<u>55,751</u>	<u>6,630</u>	<u>62,381</u>	<u>62,306</u>	<u>75</u>
Speech, OT, PT & Related Services					
Salaries	53,221	2,246	55,467	55,466	1
Purchased professional - educational services	19,750	(5,950)	13,800	12,662	1,138
Supplies and materials	1,500	(188)	1,312	1,312	
Total speech, ot, pt, & related services	<u>74,471</u>	<u>(3,892)</u>	<u>70,579</u>	<u>69,440</u>	<u>1,139</u>
Guidance:					
Other Objects	4,115	(1,652)	2,463	2,461	2
Total guidance	<u>4,115</u>	<u>(1,652)</u>	<u>2,463</u>	<u>2,461</u>	<u>2</u>
Child Study Teams:					
Salaries of other professional staff	187,944	(10,249)	177,695	177,695	
Salaries of secretarial and clerical assistants	38,932	(4,349)	34,583	34,583	
Purchased professional - educational services	15,200	(12,343)	2,857	2,857	
Misc. purchased services	3,500	(412)	3,088	3,088	
Supplies and materials	3,000	968	3,968	3,967	1
Total child study teams	<u>248,576</u>	<u>(26,385)</u>	<u>222,191</u>	<u>222,190</u>	<u>1</u>

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RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Improvement of Instructional Services:					
Salaries of supervisor of instruction	\$ 45,450	\$ 7,672	\$ 53,122	\$ 53,122	\$ -
Salaries of other professional staff	24,000	2,700	26,700	24,782	1,918
Salaries of secretarial and clerical assistants	540	(540)			
Purchased professional - educational services	3,542	4,455	7,997	7,997	
Supplies and materials	1,200	(521)	679	678	1
Total improvement of instructional services	74,732	13,766	88,498	86,579	1,919
Educational Media Services/School Library:					
Salaries	38,120	2,358	40,478	40,345	133
Purchased professional and technical services	300	50	350	350	
Other purchased services (400-500 series)	1,029	166	1,195	1,195	
Supplies and materials	3,500	14,832	18,332	4,117	14,215
Total educational media services/school library	42,949	17,406	60,355	46,007	14,348
Instructional Staff Training Services:					
Purchased professional - educational services	6,800	(955)	5,845	5,845	
Other purchased services	2,500	1,726	4,226	4,226	
Supplies and materials	350	(325)	25	25	
Total instructional staff training services	9,650	446	10,096	10,096	
Support Services - General Administration:					
Salaries	197,900	2,622	200,522	200,522	
Legal services	10,000	(6,505)	3,495	2,993	502
Audit Fees	20,800	-	20,800	20,800	
Architectural/Engineering Services		3,519	3,519	3,518	1
Other purchased professional services	2,280	104	2,384	2,384	
Communications / telephone	12,000	(2,959)	9,041	9,040	1
Miscellaneous purchased services	7,030	(1,477)	5,553	5,553	
General supplies	4,037	5,528	9,565	9,563	2
Miscellaneous expenditures	11,000	(939)	10,061	10,061	
Total support services - general administration	265,047	(107)	264,940	264,434	506
Central Services					
Salaries	93,130	-	93,130	93,130	
Purchased professional services	10,543	483	11,026	10,988	38
Miscellaneous purchased services	800	(310)	490	489	1
General supplies	1,665	130	1,795	1,795	
Miscellaneous expenditures	1,050	15	1,065	1,064	1
Total Central Services	107,188	318	107,506	107,466	40
Required Maintenance School Facilities:					
Cleaning, repair and maintenance services	58,000	121,677	179,677	179,676	1
General supplies	1,000	-	1,000	932	68
Total required maintenance school facilities	59,000	121,677	180,677	180,608	69

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RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Custodial Services:					
Salaries	\$ 122,220	\$ 2,569	\$ 124,789	\$ 123,494	\$ 1,295
Salaries of non-instructional aides	11,866	(185)	11,681	11,681	
Purchased prof. and technical services	33,120	5,944	39,064	39,063	1
Cleaning, repair and maintenance services	1,500	(569)	931	931	
Rental of land & bldg. other than lease purch.	1,320	-	1,320	1,320	
Other purchased property services	2,500	(57)	2,443	2,442	1
Insurance	40,880	(800)	40,080	40,080	
Misc. purchased services	200	(200)			
General Supplies	26,412	(3,509)	22,903	22,751	152
Energy (Electricity)	75,000	(14,531)	60,469	60,469	
Energy (Heat)	17,747	(5,197)	12,550	12,549	1
Energy (Gasoline)	320	(47)	273	273	
Total custodial services	333,085	(16,582)	316,503	315,053	1,450
Total operation & maint. of plant services	392,085	105,095	497,180	495,661	1,519
Student Transportation Services:					
Contr. serv. (between home & sch) - Joint Agree.	16,658	(8,882)	7,776	7,776	
Contr. Serv. (Spl. Ed. Students) - Joint Agree.	88,730	2,504	91,234	91,233	1
Total student transportation services	105,388	(6,378)	99,010	99,009	1
Allocated Benefits - Employee Benefits:					
Regular Programs - Instruction:					
Social security contributions	5,161	1,175	6,336	6,336	
Other retirement contri. - regular	2,169	-	2,169	1,727	442
Health benefits	310,091	(48,929)	261,162	229,552	31,610
Tuition reimbursement	6,000	(1,175)	4,825	1,500	3,325
Other benefits		13,800	13,800	11,737	2,063
Total regular programs - instruction	323,421	(35,129)	288,292	250,852	37,440
Special Programs - Instruction					
Social security contributions	7,173	161	7,334	7,334	
Other retirement contri. - PERS	7,481	(181)	7,300	6,883	417
Other retirement contri. - regular	1,231	-	1,231	1,142	89
Health benefits	77,244	13,334	90,578	74,834	15,744
Other benefits	6,000	(1,400)	4,600	4,600	
Total special programs - instruction	99,129	11,914	111,043	94,793	16,250
Other Instructional Programs - Instruction:					
Social security contributions	6,235	-	6,235	4,578	1,657
Total other instructional programs - instruction	6,235	-	6,235	4,578	1,657
Attendance & Social Work Services:					
Social security contributions	290	24	314	298	16
Other retirement contri. - PERS	460	(145)	315	290	25
Health benefits	2,799	145	2,944	2,706	238
Total attendance & social work services	3,549	24	3,573	3,294	279
Health Services:					
Social security contributions	67	150	217	172	45
Health benefits	19,074	(13,865)	5,209	3,560	1,649
Other benefits		1,000	1,000	1,000	
Total health services	19,141	(12,715)	6,426	4,732	1,694

RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Allocated Benefits - Employee Benefits:					
Speech, OT, PT, & Related Services:					
Social security contributions	\$ -	\$ 300	\$ 300	\$ 290	\$ 10
Health benefits	24,270	(14,593)	9,677	8,632	1,045
Total speech, ot, pt, & related services	<u>24,270</u>	<u>(14,293)</u>	<u>9,977</u>	<u>8,922</u>	<u>1,055</u>
Child Study Teams:					
Social security contributions	3,823	154	3,977	3,977	
Other retirement contri. - PERS	4,711	(334)	4,377	4,328	49
Health benefits	48,908	(20,286)	28,622	25,403	3,219
Other benefits	-	1,740	1,740	1,740	
Total child study teams	<u>57,442</u>	<u>(18,726)</u>	<u>38,716</u>	<u>35,448</u>	<u>3,268</u>
Improvement of Instruction Services					
Social security contributions	5,354	800	6,154	5,960	194
Total improvement of instruction serv.	<u>5,354</u>	<u>800</u>	<u>6,154</u>	<u>5,960</u>	<u>194</u>
Educational Media Services/School Library:					
Social security contributions	105	247	352	352	
Health benefits	6,095	(4,396)	1,699	36	1,663
Other benefits	1,000	1,000	2,000	2,000	
Total educ. media serv./school library	<u>7,200</u>	<u>(3,149)</u>	<u>4,051</u>	<u>2,388</u>	<u>1,663</u>
General Administration:					
Social security contributions	4,953	150	5,103	4,903	200
Other retirement contri. - PERS	5,243	-	5,243	4,900	343
Health benefits	51,435	5,569	57,004	47,445	9,559
Other employee benefits	-	260	260	260	
Total general administration	<u>61,631</u>	<u>5,979</u>	<u>67,610</u>	<u>57,508</u>	<u>10,102</u>
Central Services:					
Social security contributions	1,680	2	1,682	1,682	
Other retirement contri. - PERS	1,549	(2)	1,547	1,442	105
Health benefits	37	-	37	37	
Other employee benefits	2,500	-	2,500	2,500	
Total central services	<u>5,766</u>	<u>-</u>	<u>5,766</u>	<u>5,661</u>	<u>105</u>
Operation and Maint. of Plant Services:					
Social security contributions	9,852	-	9,852	9,363	489
Other retirement contri. - PERS	12,112	(1,201)	10,911	10,911	
Health benefits	18,287	964	19,251	17,609	1,642
Other employee benefits	1,948	-	1,948	1,948	
Total operation & maint. of plant services	<u>42,199</u>	<u>(237)</u>	<u>41,962</u>	<u>39,831</u>	<u>2,131</u>
Total Allocated Benefits	<u>655,337</u>	<u>(65,532)</u>	<u>589,805</u>	<u>513,967</u>	<u>75,838</u>

(CONTINUED TO NEXT PAGE)

RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Total Personal Services - Employee Benefits	\$ 655,337	\$ (65,532)	\$ 589,805	\$ 513,967	\$ 75,838
On-behalf TPAF pension contr. (non-budgeted)				100,901	(100,901)
On-behalf TPAF post retirement medical (non-budgeted)				160,181	(160,181)
Reimbursed TPAF social security contr. (non-budgeted)				152,156	(152,156)
Total Undistributed Expenditures	3,243,943	(18,677)	3,225,266	3,538,011	(312,745)
Total General Current Expense	5,201,653	(11,797)	5,189,856	5,495,882	(306,026)
CAPITAL OUTLAY:					
Equipment:					
Grades 1 - 5		-			
Undist. expend. - instruction - Special Education	40,000	49,839	89,839	83,802	6,037
Undist. expend. - custodial services	9,113	(3,000)	6,113	6,113	
Total Equipment	49,113	46,839	95,952	89,915	6,037
Facilities Acquisition and Construction Services					
Other purchased prof. and tech. services		-			
Assessment for Debt Service on SDA Funding	8,653	-	8,653	8,653	
Total Equipment	8,653	-	8,653	8,653	
Total Capital Outlay	57,766	46,839	104,605	98,568	6,037
TOTAL EXPENDITURES	5,259,419	35,042	5,294,461	5,594,450	(299,989)
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(16,344)	(34,988)	(51,332)	78,483	(129,815)
Fund Balance - July 1, 2014	809,744		809,744	809,744	
Fund Balance - June 30, 2015	\$ 793,400	\$ (34,988)	\$ 758,412	\$ 888,227	\$ (129,815)
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital reserve				\$ 358,311	
Maintenance reserve				241,613	
Excess Surplus - Designated for subsequent year's expenditure				12,265	
Assigned Fund Balance:					
Year-end encumbrances				20,218	
Unassigned Fund Balance				255,820	
				888,227	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(32,683)	
Fund Balance per Governmental Funds (GAAP)				\$ 855,544	

RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources	\$ 1,750	\$ -	\$ 1,750	\$ 1,750	\$ -
State sources	8,249		8,249	5,403	2,846
Federal sources	113,425		113,425	111,444	1,981
Total Revenues	123,424	-	123,424	118,597	4,827
EXPENDITURES:					
Instruction:					
Salaries	20,367	-	20,367	20,367	-
Other purchased services	72,855	-	72,855	72,855	-
Supplies and materials	2,089	(928)	1,161	1,159	2
Other objects	1,240	-	1,240	1,240	-
Total instruction	96,551	(928)	95,623	95,621	2
Support services:					
Purchased professional - educ. services	8,249	-	8,249	5,403	2,846
Purchased professional - tech. services	13,949	9	13,958	11,979	1,979
Other purchased services	4,675	919	5,594	5,594	-
Total support services	26,873	928	27,801	22,976	4,825
Facilities acquisition and construction services:					
Instructional equipment	-	-	-	-	-
Total facilities acq. and const. services	-	-	-	-	-
Total Expenditures	123,424	-	123,424	118,597	4,827
Total outflows	123,424	-	123,424	118,597	4,827
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	---	---	---	---	---

RIVERTON SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended June 30, 2015

**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 schedules	\$ 5,672,933	\$ 118,597
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	(310)
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	32,706	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(32,683)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 5,672,956</u>	<u>\$ 118,287</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 5,594,450	\$ 118,597
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	-	(310)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 5,594,450</u>	<u>\$ 118,287</u>

Required Supplementary Information - Part III
Schedules Related to Accounting and Reporting
For Pensions (GASB 68)

RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Fiscal Year

	June 30, 2015
District's proportion of the net pension liability (asset)	0.0034650048%
District's proportionate share of the net pension liability (asset)	\$ 648,744
District's covered-employee payroll	228,062
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	284.46%
Plan fiduciary net position as a percentage of the total pension liability	42.74%

This schedule does not contain ten years of information as GASB 68 was implemented during this fiscal year ended June 30, 2015.

RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Contributions
Public Employees Retirement System
Last Fiscal Year

	June 30, 2015
Contractually required contribution	\$ 28,565
Contributions in relation to the contractually required contributions	(28,565)
Contribution deficiency (excess)	\$ -
District's covered-employee payroll	\$ 228,062
Contributions as a percentage of covered-employee payroll	12.53%

This schedule does not contain ten years of information as GASB 68 was implemented during this fiscal year ended June 30, 2015.

RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Fiscal Year

	June 30, 2015
District's proportion of the net pension liability (asset)	<u>0.0192872381%</u>
District's proportionate share of the net pension liability (asset)	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 10,308,401</u>
Total	<u><u>\$ 10,308,401</u></u>
District's covered-employee payroll	\$ 2,110,830
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%

This schedule does not contain ten years of information as GASB 68 was implemented during this fiscal year ended June 30, 2015.

**Riverton School District
Notes to Required Supplementary Information
Pension Schedules
For the Fiscal Year Ended June 30, 2015**

1. Teacher's Pension and Annuity Fund (TPAF)

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

Changes of assumptions: Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

2. Public Employees' Retirement System (PERS)

Changes of benefit terms. 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.

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

Other Supplementary Information

Special Revenue Fund

RIVERTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2015

	Title I	Title II A	IDEA Basic	IDEA Preschool	Nonpublic Supplemental Instruction	Nonpublic Exam/ Classification	Lockheed Martin FIRST	Total
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,750	\$ 1,750
State sources	-	-	-	-	3,060	2,343	-	5,403
Federal sources	22,945	9,552	75,980	2,967	-	-	-	111,444
Total Revenues	22,945	9,552	75,980	2,967	3,060	2,343	1,750	118,597
EXPENDITURES:								
Instruction:								
Salaries	16,890	-	-	2,967	-	-	510	20,367
Other purchased services	-	-	72,855	-	-	-	-	72,855
Supplies	461	-	698	-	-	-	-	1,159
Other objects	-	-	-	-	-	-	1,240	1,240
Total instruction	17,351	-	73,553	2,967	-	-	1,750	95,621
Support Services:								
Purchased prof. educ. services	-	-	-	-	3,060	2,343	-	5,403
Purchased prof. tech. services	-	9,552	2,427	-	-	-	-	11,979
Other purchased services	5,594	-	-	-	-	-	-	5,594
Total support services	5,594	9,552	2,427	-	3,060	2,343	-	22,976
Facilities acquisition and const. serv; Instructional equipment								
Total facilities acq. and const. serv	-	-	-	-	-	-	-	-
Total Expenditures	22,945	9,552	75,980	2,967	3,060	2,343	1,750	118,597
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Proprietary Funds

RIVERTON SCHOOL DISTRICT
Enterprise Funds
Statement of Net Position
June 30, 2015

	<u>Food Service Fund</u>
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 28,221
Accounts receivable:	
State	36
Federal	<u>728</u>
Total current assets	<u>28,985</u>
Noncurrent Assets:	
Equipment	16,431
Accumulated depreciation	<u>(3,081)</u>
Total noncurrent assets	<u>13,350</u>
Total Assets	<u>\$ 42,335</u>
LIABILITIES:	
Current liabilities:	
Unearned revenue	<u>\$ 2,203</u>
Total current liabilities	<u>2,203</u>
NET POSITION:	
Net investment in capital assets	13,350
Unrestricted	<u>26,782</u>
Total Net Position	<u>\$ 40,132</u>

RIVERTON SCHOOL DISTRICT
Enterprise Funds
Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2015

	<u>Food Service Fund</u>
OPERATING REVENUES:	
Charges for services:	
Daily sales reimbursable programs	\$ 31,493
Daily sales non-reimbursable programs:	
Adult and alacarte sales	<u>9,289</u>
Total Operating Revenue	<u>40,782</u>
OPERATING EXPENSES:	
Supplies and materials	1,527
Cost of sales	38,348
Depreciation	2,054
Other expenses	<u>589</u>
Total Operating Expenses	<u>42,518</u>
Operating Income (Loss)	<u>(1,736)</u>
Non-Operating Revenues:	
State sources:	
State school lunch program	654
Federal sources:	
National school lunch program	<u>12,273</u>
Total Non-Operating Revenues	<u>12,927</u>
Income (Loss) before Contributions and Transfers	11,191
Capital Contributions	<u> </u>
Changes in Net Position	11,191
Net Position - July 1, 2014	<u>28,941</u>
Net Position - June 30, 2015	<u>\$ 40,132</u>

RIVERTON SCHOOL DISTRICT
Enterprise Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2015

	<u>Food Service Fund</u>
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 41,083
Cash payments to suppliers for goods and services	<u>(40,464)</u>
Net cash used by operating activities	<u>619</u>
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	658
Cash received from federal sources	<u>12,442</u>
Net cash provided by noncapital financing activities	<u>13,100</u>
Cash Flows Used by Capital and Related Financing Activities:	
Purchase of equipment	<u> </u>
Cash Flow Provided by Investing Activities:	
Interest on cash equivalents	<u> </u>
Net increase (decrease) in cash and cash equivalents	13,719
Cash and cash equivalents - July 1, 2014	<u>14,502</u>
Cash and cash equivalents - June 30, 2015	<u>\$ 28,221</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ (1,736)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:	
Change in Assets and Liabilities:	
Depreciation	2,054
Increase (decrease) in deferred revenue	<u>301</u>
Net cash provided by (used for) operating activities	<u>\$ 619</u>
Noncash Noncapital Financing Activities:	
During the year the District did not receive any food commodities from the U.S. Department of Agriculture.	

Fiduciary Funds

RIVERTON SCHOOL DISTRICT
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2015

	<u>Trust Funds</u>		<u>Agency Funds</u>		<u>Totals</u>
	<u>Unemployment Compensation</u>	<u>Flexible Benefits Trust</u>	<u>Student Activity</u>	<u>Payroll</u>	
ASSETS:					
Cash and cash equivalents	\$ 69,087	\$ 1,213	\$ 20,402	\$ 151	\$ 90,853
Total Assets	<u>\$ 69,087</u>	<u>\$ 1,213</u>	<u>\$ 20,402</u>	<u>\$ 151</u>	<u>\$ 90,853</u>
LIABILITIES:					
Payroll deductions payable	\$ -	\$ -	\$ -	\$ 18	\$ 18
Interfund Payable				133	133
Due to student groups			20,402		20,402
Total Liabilities	<u>-</u>	<u>-</u>	<u>\$ 20,402</u>	<u>\$ 151</u>	<u>20,553</u>
NET POSITION:					
Held in Trust for Claims	69,087	1,213			70,300
Total Net Position	<u>\$ 69,087</u>	<u>\$ 1,213</u>			<u>\$ 70,300</u>

RIVERTON SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2015

	<u>Flexible Benefits Trust Fund</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Total</u>
ADDITIONS:			
Contributions:			
Employee	\$ 5,005	\$ 4,174	\$ 9,179
Total Contributions	5,005	4,174	9,179
Investment earnings:			
Interest earned	5	165	170
Total Additions	5,010	4,339	9,349
DEDUCTIONS:			
Claims Paid	5,939	815	6,754
Total Deductions	5,939	815	6,754
Change in Net Position	(929)	3,524	2,595
Net Position - July 1, 2014	2,142	65,563	67,705
Net Position - June 30, 2015	\$ 1,213	\$ 69,087	\$ 70,300

RIVERTON SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2015

	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Interfund Payable</u>	<u>Balance June 30, 2015</u>
Elementary / Junior High	\$ 18,475	\$ 45,422	\$ 43,495	\$ -	\$ 20,402
Friends of Riverton					
	<u>\$ 18,475</u>	<u>\$ 45,422</u>	<u>\$ 43,495</u>	<u>\$ -</u>	<u>\$ 20,402</u>

RIVERTON SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2015

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>
ASSETS:				
Cash and cash equivalents	\$ 222	\$ 2,851,153	\$ 2,851,224	\$ 151
Total Assets	<u>\$ 222</u>	<u>\$ 2,851,153</u>	<u>\$ 2,851,224</u>	<u>\$ 151</u>
 LIABILITIES:				
Net payroll	\$ -	\$ 1,556,789	\$ 1,556,789	\$ -
Interfund Payable	204	133	204	133
Payroll deductions and withholdings	18	1,294,231	1,294,231	18
Total Liabilities	<u>\$ 222</u>	<u>\$ 2,851,153</u>	<u>\$ 2,851,224</u>	<u>\$ 151</u>

Long-Term Debt Schedules

**RIVERTON SCHOOL DISTRICT
Statement of Serial Bonds
For the Fiscal Year Ended June 30, 2015**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2015</u>
School Renovations	04/01/00	\$ 1,500,000	04/01/16	\$ 130,000	4.35%	\$ 260,000	\$ -	\$ 130,000	\$ 130,000
						<u>\$ 260,000</u>	<u>\$ -</u>	<u>\$ 130,000</u>	<u>\$ 130,000</u>

RIVERTON SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 141,310	\$ -	\$ 141,310	\$ 141,310	\$ -
Total Revenues	<u>141,310</u>	<u>-</u>	<u>141,310</u>	<u>141,310</u>	<u>-</u>
EXPENDITURES:					
Regular debt service:					
Interest	11,310		11,310	11,310	-
Redemption of principal	130,000		130,000	130,000	-
Total Expenditures	<u>141,310</u>	<u>-</u>	<u>141,310</u>	<u>141,310</u>	<u>-</u>
Excess (Deficiency) of revenues over (under) expenditures					
Fund Balance - July 1, 2014					
Fund Balance - June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Recapitulation of Excess (Deficiency) or revenues over (under) expenditures					
Budgeted Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Statistical Section

Riverton School District
 Net Position by Component,
 Last Ten Fiscal Years
 (accrual basis of accounting)

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Fiscal Year Ending June 30,

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Invested in capital assets, net of related debt	\$ (265,491)	\$ (118,798)	\$ (51,197)	\$ 48,264	\$ 145,499	\$ 257,546	\$ 389,769	\$ 569,595	\$ 807,842	\$ 924,534
Restricted for:										
Capital projects					33,587	59,383	94,940	128,530	284,020	358,311
Other purposes	87,845	144,090	166,906	206,250	180,543	272,062	351,630	335,355	270,521	274,096
Unrestricted	(81,431)	110,691	99,343	(10,575)	(464)	57,933	71,341	95,468	127,527	(502,907)
Total governmental activities net position	\$ (259,077)	\$ 135,983	\$ 215,052	\$ 243,939	\$ 359,165	\$ 646,924	\$ 907,680	\$ 1,128,948	\$ 1,489,910	\$ 1,054,034
Business-type activities:										
Invested in capital assets, net of related debt	-	-	-	-	-	-	-	-	15,404	13,350
Unrestricted	\$ 2,236	\$ 19,475	\$ 28,798	\$ 20,261	\$ 32,703	\$ 29,280	\$ 36,422	\$ 21,524	\$ 13,537	\$ 26,782
Total business-type activities net position	\$ 2,236	\$ 19,475	\$ 28,798	\$ 20,261	\$ 32,703	\$ 29,280	\$ 36,422	\$ 21,524	\$ 28,941	\$ 40,132
District-wide:										
Invested in capital assets, net of related debt	\$ (265,491)	\$ (118,798)	\$ (51,197)	\$ 48,264	\$ 145,499	\$ 257,546	\$ 389,769	\$ 569,595	\$ 823,246	\$ 937,884
Restricted for:										
Capital projects					33,587	59,383	94,940	128,530	284,020	358,311
Other purposes	87,845	144,090	166,906	206,250	180,543	272,062	351,630	335,355	270,521	274,096
Unrestricted	(79,195)	130,166	128,141	9,686	32,239	87,213	107,763	116,992	141,064	(476,125)
Total district net position	\$ (256,841)	\$ 155,458	\$ 243,850	\$ 264,200	\$ 391,868	\$ 676,204	\$ 944,102	\$ 1,150,472	\$ 1,518,851	\$ 1,094,166

Riverton School District
 Changes in Net Position, Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 1,565,315	\$ 1,240,434	\$ 1,392,211	\$ 1,567,239	\$ 1,687,246	\$ 1,153,589	\$ 1,288,876	\$ 1,335,602	\$ 1,508,251	\$ 1,646,890
Special education	224,255	290,553	286,610	285,487	413,805	290,751	400,539	347,908	337,929	341,943
Other instruction	65,654	75,806	92,949	114,013	120,448	103,219	112,434	119,759	138,494	134,798
Support Services:										
Tuition	1,116,718	969,709	1,100,107	1,085,070	1,061,015	1,294,174	1,300,048	1,350,683	1,230,509	1,137,815
Student & instruction related services	400,668	417,704	459,221	461,401	670,947	593,686	519,105	481,126	515,034	529,087
General and business administrative services	223,514	217,994	334,008	331,645	391,269	336,026	345,328	345,853	357,607	382,415
Plant operations and maintenance	485,709	366,757	367,043	351,201	378,883	382,716	318,312	375,243	365,400	512,904
Pupil transportation	61,847	59,767	84,746	91,112	106,684	106,902	95,438	130,989	93,104	99,009
Business and other support services	87,733	74,601	775							
Employee benefits	652,116	822,037	914,395	786,892	277,047	716,509	851,974	977,396	928,785	930,058
Interest on long-term debt	48,231	52,744	44,642	40,454	35,997	31,157	26,100	20,826	16,748	11,310
Unallocated depreciation	2,579	2,577	3,298	3,345	5,813	5,952	6,600	5,564	8,392	10,514
Total governmental activities expenses	4,934,339	4,590,683	5,080,005	5,117,859	5,149,154	5,014,681	5,264,754	5,490,949	5,500,253	5,736,743
Food service	22,201	25,885	30,601	58,641	42,335	56,375	46,688	61,492	46,631	42,518
Total business-type activities expense	22,201	25,885	30,601	58,641	42,335	56,375	46,688	61,492	46,631	42,518
Total district expenses	\$ 4,956,540	\$ 4,616,568	\$ 5,110,606	\$ 5,176,500	\$ 5,191,489	\$ 5,071,056	\$ 5,311,442	\$ 5,552,441	\$ 5,546,884	\$ 5,779,261
Program Revenues:										
Governmental activities:										
Operating grants and contributions	\$ 138,194	\$ 114,864	\$ 123,059	\$ 225,177	\$ 457,823	\$ 392,421	\$ 449,732	\$ 515,485	\$ 127,305	\$ 531,525
Charges for services							14,000	17,132		
Total governmental activities program revenues	138,194	114,864	123,059	225,177	457,823	392,421	463,732	532,617	127,305	531,525
Business-type activities:										
Charges for services:										
Food service	\$ 17,435	\$ 28,337	\$ 30,914	\$ 38,123	\$ 40,090	\$ 35,408	\$ 35,347	\$ 30,799	\$ 38,594	\$ 40,782
Operating grants and contributions	4,390	6,787	9,010	11,981	14,687	17,544	18,483	15,795	15,454	12,927
Capital grants and contributions										
Total business-type activities program revenues	21,825	35,124	39,924	50,104	54,777	52,952	53,830	46,594	54,048	53,709
Total district program revenues	\$ 160,019	\$ 149,988	\$ 162,983	\$ 275,281	\$ 512,600	\$ 445,373	\$ 517,562	\$ 579,211	\$ 181,353	\$ 585,234
Net (Expense)/Revenue:										
Governmental activities	\$ (4,796,145)	\$ (4,475,819)	\$ (4,956,946)	\$ (4,892,682)	\$ (4,691,331)	\$ (4,622,260)	\$ (4,801,022)	\$ (4,958,332)	\$ (5,372,948)	\$ (5,205,218)
Business-type activities	(376)	9,239	9,323	(8,537)	12,442	(3,423)	7,142	(14,898)	7,417	11,191
Total district-wide net expense	\$ (4,796,521)	\$ (4,466,580)	\$ (4,947,623)	\$ (4,901,219)	\$ (4,678,889)	\$ (4,625,683)	\$ (4,793,880)	\$ (4,973,230)	\$ (5,365,531)	\$ (5,194,027)
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 3,557,982	\$ 3,666,729	\$ 3,794,184	\$ 3,949,811	\$ 4,035,363	\$ 4,312,289	\$ 4,411,358	\$ 4,499,585	\$ 4,642,321	\$ 4,668,552
Taxes levied for debt service	138,288	139,590	140,675	141,543	147,193	147,408	147,405	147,185	141,748	141,310
Unrestricted grants and contributions	871,199	1,001,172	1,033,025	765,278	609,285	425,352	496,448	536,860	893,988	546,370
Miscellaneous income	50,923	71,388	68,131	65,207	14,446	24,970	6,567	5,402	55,853	44,796
Transfers	(8,000)	(8,000)								
Total governmental activities	4,618,392	4,870,879	5,036,015	4,921,839	4,806,287	4,910,019	5,061,778	5,189,032	5,733,910	5,401,028
Business-type activities:										
Investment earnings	-	8,000	-	-	-	-	-	-	-	-
Transfers	-	8,000	-	-	-	-	-	-	-	-
Total business-type activities	-	8,000	-	-	-	-	-	-	-	-
Total district-wide	\$ 4,618,392	\$ 4,878,879	\$ 5,036,015	\$ 4,921,839	\$ 4,806,287	\$ 4,910,019	\$ 5,061,778	\$ 5,189,032	\$ 5,733,910	\$ 5,401,028
Change in Net Position:										
Governmental activities	\$ (177,753)	\$ 395,060	\$ 79,069	\$ 29,157	\$ 114,956	\$ 287,759	\$ 260,756	\$ 230,700	\$ 360,962	\$ 195,810
Business-type activities	(376)	17,239	9,323	(8,537)	12,442	(3,423)	7,142	(14,898)	7,417	11,191
Total district-wide	\$ (178,129)	\$ 412,299	\$ 88,392	\$ 20,620	\$ 127,398	\$ 284,336	\$ 267,898	\$ 215,802	\$ 368,379	\$ 207,001

Riverton School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ending June 30,

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Restricted for:										
Capital reserve				\$ 33,587	\$ 33,892	\$ 59,383	\$ 94,940	\$ 128,530	\$ 284,020	\$ 358,311
Future tuition payments			\$ 21,413	21,413	21,413				241,613	241,613
Maintenance reserve			60,000	93,588	102,327	155,066	234,534	241,613	241,613	241,613
Excess surplus	\$ 20,800								12,265	
Excess surplus - designated for subsequent year's budget										12,265
Assigned for:										
Year-end Encumbrances	66,409	\$ 123,290	31,493	3,432	1,998	63,496	16,096	40,242	16,643	20,218
Subsequent year's budget		20,800	54,000	54,500	54,500	53,500	101,000	53,500		
Unrestricted	71,970	233,161	231,272	210,824	215,750	242,165	222,130	223,887	22,497	223,137
Total general fund	<u>\$ 159,179</u>	<u>\$ 377,251</u>	<u>\$ 398,178</u>	<u>\$ 417,344</u>	<u>\$ 429,880</u>	<u>\$ 573,610</u>	<u>\$ 668,700</u>	<u>\$ 687,772</u>	<u>\$ 577,038</u>	<u>\$ 855,544</u>
All Other Governmental Funds										
Reserved:										
Encumbrances	\$ 636									
Unreserved, reported in:										
Special revenue fund	(478)	\$ (478)	\$ (478)							
Debt service fund										
Total all other governmental funds	<u>\$ 158</u>	<u>\$ (478)</u>	<u>\$ (478)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Riverton School District
 Changes in Fund Balances, Governmental Funds,
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

J-4

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax levy	\$ 3,696,270	\$ 3,806,319	\$ 3,934,859	\$ 4,091,354	\$ 4,182,556	\$ 4,459,697	\$ 4,558,763	\$ 4,646,770	\$ 4,784,069	\$ 4,809,862
Tuition charges							14,000	17,132	50,162	39,706
Miscellaneous	50,923	71,388	68,131	65,207	14,446	24,970	6,567	5,402	6,691	5,090
State sources	884,757	1,010,730	1,053,704	887,767	836,125	710,460	813,272	942,705	900,587	966,761
Federal sources	124,636	105,306	102,380	102,688	230,983	107,313	132,908	109,640	119,706	111,134
Total revenue	<u>4,756,586</u>	<u>4,993,743</u>	<u>5,159,074</u>	<u>5,147,016</u>	<u>5,264,110</u>	<u>5,302,440</u>	<u>5,525,510</u>	<u>5,721,649</u>	<u>5,861,215</u>	<u>5,932,553</u>
Expenditures										
Instruction										
Regular instruction	1,435,713	1,267,761	1,358,094	1,451,261	1,669,416	1,161,524	1,293,675	1,327,093	1,472,085	1,576,751
Special education instruction	224,255	290,553	286,610	285,487	413,805	290,751	400,539	347,908	337,929	341,943
Other special instruction	65,654	75,806	92,949	114,013	120,448	103,219	112,434	119,759	138,494	134,798
Other instruction										
Support Services:										
Tuition	1,116,718	969,709	1,100,107	1,085,070	1,061,015	1,294,174	1,300,048	1,350,683	1,230,509	1,137,815
Student & instruction related services	400,668	417,704	459,221	461,401	670,948	593,686	519,105	481,126	515,034	529,087
General and business admin. services	310,362	291,716	332,592	329,343	387,815	332,433	341,085	340,288	347,856	371,900
Plant operations and maintenance	332,535	313,221	328,948	344,993	375,430	393,282	307,764	364,916	396,311	495,661
Pupil transportation	61,847	59,767	84,746	91,112	106,684	106,902	95,438	130,989	93,104	99,009
Employee benefits	652,116	822,037	914,395	786,892	277,047	716,509	851,974	977,396	928,785	927,205
Capital outlay	180,978	120,443	39,810	36,257	21,773	18,822	60,953	115,234	170,094	98,568
Debt service:										
Principal	85,000	90,000	95,000	100,000	110,000	115,000	120,000	125,000	125,000	130,000
Interest and other charges	53,288	49,590	45,675	41,543	37,193	32,408	27,405	22,185	16,748	11,310
Total expenditures	<u>4,919,134</u>	<u>4,768,307</u>	<u>5,138,147</u>	<u>5,127,372</u>	<u>5,251,574</u>	<u>5,158,710</u>	<u>5,430,420</u>	<u>5,702,577</u>	<u>5,771,949</u>	<u>5,854,047</u>
Excess (Deficiency) of revenues over (under) expenditures	(162,548)	225,436	20,927	19,644	12,536	143,730	95,090	19,072	89,266	78,506
Other Financing sources (uses)										
Proceeds from borrowing										
Transfers out		(8,000)								
Total other financing sources (uses)	-	(8,000)	-	-	-	-	-	-	-	-
Net change in fund balances	<u>\$ (162,548)</u>	<u>\$ 217,436</u>	<u>\$ 20,927</u>	<u>\$ 19,644</u>	<u>\$ 12,536</u>	<u>\$ 143,730</u>	<u>\$ 95,090</u>	<u>\$ 19,072</u>	<u>\$ 89,266</u>	<u>\$ 78,506</u>
Debt service as a percentage of noncapital expenditures	2.92%	3.00%	2.76%	2.78%	2.81%	2.87%	2.75%	2.63%	2.53%	2.46%

Source: District records

Riverton School District
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

J-5

<u>Fiscal Year Ending June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Donations</u>	<u>Prior Year Refunds</u>	<u>Miscellaneous</u>	<u>Total</u>
2006	\$ 27,147	\$ -	\$ -	\$ 23,776	\$ -	\$ 50,923
2007	26,786			44,528	74	71,388
2008	17,402	6,700		44,029		68,131
2009	7,187	13,500		44,520		65,207
2010	5,072	7,475		1,790	109	14,446
2011	5,951	15,400		3,457	162	24,970
2012	5,203	14,000		1,364		20,567
2013	4,229	17,132		854	319	22,534
2014	4,382	50,162			2,309	56,853
2015	3,200	39,706			1,890	44,796
	<u>\$ 106,559</u>	<u>\$ 164,075</u>	<u>\$ -</u>	<u>\$ 164,318</u>	<u>\$ 4,863</u>	<u>\$ 439,815</u>

Source: District records

Riverton School District
 Assessed Value and Actual Value of Taxable Property,
 Last Ten Fiscal Years

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Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2005	\$ 855,300	\$ 118,077,400	\$ 7,728,000	\$ 932,000	\$ 3,373,800	\$ 130,966,500	\$ 139,926	\$ 131,106,426	\$ 18,493,400	2.820	\$ 200,714,647
2006	753,300	118,543,400	7,728,000	932,000	3,373,800	131,330,500	108,637	131,439,137	18,604,700	2.896	233,698,872
2007	2,007,000	118,569,400	6,448,900	932,000	3,373,800	131,331,100	107,991	131,439,091	18,604,700	2.994	253,354,380
2008	1,460,700	119,219,500	7,885,900	932,000	3,373,800	132,871,900	110,236	132,982,136	18,534,900	3.077	275,092,506
2009	R 1,659,600	255,357,300	17,030,700	1,600,300	7,261,100	282,909,000	248,007	283,157,007	30,144,600	1.477	278,840,930
2010	978,200	256,017,200	17,879,900	1,600,300	7,261,100	283,736,700	231,522	283,968,222	29,600,100	1.570	301,535,156
2011	1,258,400	255,935,000	17,405,800	1,600,300	7,261,100	283,460,600	207,789	283,668,389	29,326,200	1.607	287,857,457
2012	1,103,200	255,357,500	17,405,800	1,600,300	7,221,000	282,687,800	202,256	282,890,056	29,412,200	1.642	277,186,286
2013	791,600	218,189,400	15,361,900	1,358,900	6,058,500	241,760,300	210,986	241,971,286	26,449,800	1.977	258,962,003
2014	791,600	218,089,800	15,361,900	1,358,900	6,058,500	241,660,700	157,848	241,818,548	26,449,800	1.989	257,409,225
2015	692,300	218,345,700	15,361,900	1,358,900	6,058,500	241,817,300	100	241,817,400	26,449,800	2.016	255,483,001

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 ordered by the County Board of Taxation

a Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100 of assessed valuation.

R Revaluation

Riverton School District
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (rate per \$100 of assessed value)

J-7

Fiscal Year Ended June 30,	Riverton School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Borough of Riverton	Burlington County	
2005	\$ 2.745	\$ 0.075	\$ 2.820	\$ 1.280	\$ 0.700	\$ 4.800
2006	2.885	0.011	2.896	1.337	0.786	5.019
2007	2.983	0.011	2.994	1.385	0.811	5.190
2008	2.971	0.106	3.077	1.345	0.804	5.226
2009	1.427	0.050	1.477	0.599	0.375	2.451
2010	1.520	0.050	1.570	0.598	0.404	2.572
2011	1.557	0.050	1.607	0.598	0.385	2.590
2012	1.592	0.050	1.642	0.606	0.373	2.621
2013	1.919	0.058	1.977	0.754	0.406	3.137
2014	1.931	0.058	1.989	0.796	0.407	3.192
2015	1.960	0.056	2.016	0.818	0.438	3.272

Source: Municipal Tax Collector

Riverton School District
Principal Property Tax Payers,
Current Year and Nine Years Ago

J-8

100

Taxpayer	2015	
	Taxable Assessed Value	% of Total District Net Assessed Value
AARCP CV Riverton NH, LLC	\$ 2,450,100	1.01%
The Shops at Riverton, LLC	1,727,300	0.71%
GOCO Real Estate, LLC	1,154,100	0.48%
National Casein Sales	1,505,909	0.62%
Cedar Lane Manor Apt., LLC	1,417,600	0.59%
Individual #1	1,373,200	0.57%
Riverton Square, LLC	1,192,000	0.49%
Individual #2	1,133,100	0.47%
Moccia Properties, LLC	1,128,200	0.47%
Individual #3	861,300	0.36%
Total	<u>\$ 13,942,809</u>	<u>5.77%</u>

Taxpayer	2006	
	Taxable Assessed Value	% of Total District Net Assessed Value
D & P Goffredo	\$ 1,247,900	0.95%
SSJ Holding, LP Shopping Center	1,152,900	0.88%
Chas. Cook, Glue Factory	1,007,900	0.77%
Moccia Properties	867,350	0.66%
Cedar Lane Manor, Apt. Complex	740,000	0.56%
Individual #1	621,300	0.47%
Riverton Country Club	647,000	0.49%
Individual #2	488,800	0.37%
Individual #3	488,580	0.37%
Individual #4	439,100	0.33%
Total	<u>\$ 7,700,830</u>	<u>5.87%</u>

Source: Municipal Tax Assessor

Riverton School District
 Property Tax Levies and Collections,
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	\$ 3,696,270	\$ 3,696,270	100.00%	-
2007	3,806,319	3,806,319	100.00%	-
2008	3,934,859	3,934,859	100.00%	-
2009	4,091,354	4,091,354	100.00%	-
2010	4,182,556	4,182,556	100.00%	-
2011	4,459,697	4,459,697	100.00%	-
2012	4,558,763	4,558,763	100.00%	-
2013	4,646,770	4,646,770	100.00%	-
2014	4,784,069	4,784,069	100.00%	-
2015	4,809,862	4,809,862	100.00%	-

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

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

Riverton School District
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

J-10

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Total District	Percentage of Personal Income ^b	Per Capita ^c
	General Obligation Bonds ^a	Capital Leases	Capital Leases				
2006	\$ 1,140,000	\$ -	\$ -		\$ 1,140,000	0.95%	422
2007	1,050,000	-	-		1,050,000	0.85%	395
2008	955,000	-	-		955,000	0.76%	362
2009	855,000	-	-		855,000	0.69%	325
2010	745,000	-	-		745,000	0.56%	268
2011	630,000	-	-		630,000	0.46%	227
2012	510,000	-	-		510,000	0.36%	183
2013	385,000	-	-		385,000	0.27%	139
2014	260,000	-	-		260,000	d	94
2015	130,000	-	-		130,000	d	d

Sources:

- a District Records
- b Personal Income has been estimated based upon the municipal population and per capita personal income.
- c Per Capita Personal Income Data provided by the NJ Dept. of Labor and Workforce.
- d Unavailable.

Riverton School District
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years

J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable ^b	Per Capita ^c
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding ^a		
2006	\$ 1,140,000	\$ -	\$ 1,140,000	0.87%	422
2007	1,050,000	-	1,050,000	0.74%	395
2008	955,000	-	955,000	0.34%	362
2009	855,000	-	855,000	0.30%	325
2010	745,000	-	745,000	0.26%	268
2011	630,000	-	630,000	0.22%	227
2012	510,000	-	510,000	0.18%	183
2013	385,000	-	385,000	0.16%	139
2014	260,000	-	260,000	0.11%	94
2015	130,000	-	130,000	0.11%	d

Sources:

- a District Records
- b Net Assessed Valuation provided by Anstract of Ratables, County Board of Taxation
- c Per Capita Personal Inome Data provided by the NJ Dept. of Labor and Workforce.
- d Unavailable.

Riverton School District
 Ratios of Overlapping Governmental Activities Debt
 As of December 31, 2014

J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Borough of Riverton (1)	\$ 1,737,480	100.000%	\$ 1,737,480
Burlington County General Obligation Debt (1)	303,216,431	0.562% (2)	1,704,076
Subtotal, overlapping debt			<u>3,441,556</u>
Riverton School District Direct Debt			<u>260,000</u>
Total direct and overlapping debt			<u><u>\$ 3,701,556</u></u>

Sources:

- (1) Entity's Audit Report
- (2) The County percentage is based upon a calculation reflecting the Borough's share of the 2014 Equalized Valuation. The source for this computation was the 2014 County Abstract of Ratables, provided by the County Board of Taxation.

Legal Debt Margin Calculation for Fiscal Year 2015

	Equalized valuation basis
2012	\$ 257,457,013
2013	256,836,609
2014	254,808,836
	<u>\$ 769,102,458</u>
Average equalized valuation of taxable property	<u>\$ 256,367,486</u>
Debt limit (3% of average equalized valuation) (2)	7,691,025
Net bonded school debt	130,000
Legal debt margin	<u>\$ 7,561,025</u>

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 6,141,023	\$ 6,852,304	\$ 7,563,950	\$ 7,998,344	\$ 8,469,170	\$ 8,630,083	\$ 8,642,533	\$ 8,219,233	\$ 7,914,354	\$ 7,691,025
Total net debt applicable to limit (3)	<u>1,140,000</u>	<u>1,050,000</u>	<u>955,000</u>	<u>855,000</u>	<u>745,000</u>	<u>630,000</u>	<u>510,000</u>	<u>385,000</u>	<u>260,000</u>	<u>130,000</u>
Legal debt margin	<u>\$ 5,001,023</u>	<u>\$ 5,802,304</u>	<u>\$ 6,608,950</u>	<u>\$ 7,143,344</u>	<u>\$ 7,724,170</u>	<u>\$ 8,000,083</u>	<u>\$ 8,132,533</u>	<u>\$ 7,834,233</u>	<u>\$ 7,654,354</u>	<u>\$ 7,561,025</u>
Total net debt applicable to the limit as a percentage of debt limit	18.56%	15.32%	12.63%	10.69%	8.80%	7.30%	5.90%	4.68%	3.29%	1.69%

Sources:

- (1) Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 8 district.
- (3) District Records

Riverton School District
 Demographic and Economic Statistics
 Last Ten Fiscal Years

J-14

<u>Year</u>	<u>Population^a</u>	<u>Personal Income (thousands of dollars)^b</u>	<u>Per Capita Personal Income^c</u>	<u>Unemployment Rate^d</u>
2006	2,700	\$ 120,201,300	\$ 44,519	2.4%
2007	2,657	123,005,815	46,295	2.1%
2008	2,636	125,890,088	47,758	2.9%
2009	2,629	124,572,536	47,384	5.2%
2010	2,777	132,146,322	47,586	5.5%
2011	2,774	137,232,554	49,471	5.4%
2012	2,781	142,245,369	51,149	5.6%
2013	2,767	142,882,346	51,638	7.4%
2014	2,758	e	e	5.5%
2015	e	e	e	e

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development
- ^b Personal income has been established based upon the municipal population and per capita personal income presented.
- ^c Per Capita personal income provided by the NJ Dept. of Labor and Workforce Development.
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development
- ^e Information not available

**Riverton School District
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years**

J-16

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	17	19	20	20	20	19	19	20	20	21
Special education	3	3	3	3	3	3	3	3	3	3
Support Services:										
Student & instruction related services	4	3	3	3	3	3	3	4	4	4
General and business administrative services	3	3	3	3	3	3	3	3	3	3
Plant operations and maintenance	3	2	2	2	2	2	2	2	2	2
Business and other support services	2	2	2	2	2	2	2	2	2	2
Total	<u>32</u>	<u>32</u>	<u>33</u>	<u>33</u>	<u>33</u>	<u>32</u>	<u>32</u>	<u>34</u>	<u>34</u>	<u>35</u>

Source:

District Personnel Records

Riverton School District
 Operating Statistics,
 Last Ten Fiscal Years

J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2006	229	\$ 4,599,868	\$ 20,087	10.80%	20	1:11	229.0	221.0	3.15%	96.51%
2007	243	4,508,274	18,553	-7.64%	22	1:11	243.5	234.5	6.33%	96.30%
2008	254	4,957,662	19,518	5.21%	23	1:11	255.7	246.8	5.01%	96.52%
2009	263	4,949,572	18,820	-3.58%	23	1:11	260.2	249.8	1.76%	96.00%
2010	265	5,082,608	19,180	1.91%	23	1:11	269.4	258.9	3.54%	96.10%
2011	279	4,992,480	17,894	-6.70%	22	1:12	279.2	268.8	3.64%	96.28%
2012	280	5,222,062	18,650	4.22%	22	1:12	283.3	274.3	1.47%	96.82%
2013	283	5,440,158	19,223	3.07%	23	1:12	284.0	274.3	0.25%	96.58%
2014	304	5,460,107	17,961	-6.57%	23	1:13	302.9	293.8	6.65%	97.02%
2015	295	5,614,169	19,031	5.96%	24	1:12	293.1	282.9	-3.24%	96.52%

Sources: District records

Note: Enrollment based on annual October district count.

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

**Riverton School District
School Building Information
Last Ten Fiscal Years**

J-18

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>District Building</u>										
<u>Elementary</u>										
Riverton Elementary (1910)										
Square Feet	42,240	42,240	42,240	42,240	42,240	42,240	42,240	42,240	42,240	42,240
Capacity (students)	322	322	322	322	322	322	322	322	322	322
Enrollment	229	243	254	263	265	279	280	283	303	295

Number of Schools at June 30, 2015
 Elementary = 1
 Middle School = 0
 Senior High School = 0
 Other = 0

Source: District Facilities Office

Riverton School District
 Schedule of Required Maintenance
 Last Ten Fiscal Years

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
* School Facilities											
Riverton Public School	\$ 67,993	\$ 39,222	\$ 55,543	\$ 55,543	\$ 49,345	\$ 97,192	\$ 43,153	\$ 87,011	\$ 108,440	\$ 180,608	\$ 784,050
Project # (s)											
Total School Facilities	<u>\$ 67,993</u>	<u>\$ 39,222</u>	<u>\$ 55,543</u>	<u>\$ 55,543</u>	<u>\$ 49,345</u>	<u>\$ 97,192</u>	<u>\$ 43,153</u>	<u>\$ 87,011</u>	<u>\$ 108,440</u>	<u>\$ 180,608</u>	<u>\$ 784,050</u>

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

Source: District records

**Riverton School District
Insurance Schedule
June 30, 2015**

J-20

	<u>Coverage</u>	<u>Self-insured Retention</u>	<u>Deductible</u>
School Package Policy (1)			
Building and Contents, Boiler & Machinery, Extra Expense, Valuable Papers, EDP Equipment			
Limits of liability per occurrence	\$ 250,000,000		
Liability (General & Auto)	10,000,000	\$ 5,000	\$ 1,000
Pollution Liability	1,000,000	10,000	
Workers' Compensation	Statutory		
Blanket Dishonesty Bond	100000/500,000		2,500
Student Accident (2)	1,000,000		
School Board Legal Liability	10,000,000		
Surety Bonds (3)			
Treasurer	175,000		
Board Secretary	80,000		

- (1) School Alliance Insurance Fund
- (2) Guarantee Trust
- (3) Selective Insurance Company

Source: District records

Single Audit Section

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Certified Public Accountants

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 American Institute of CPAs
 New Jersey Society of CPAs

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
 REPORT ON INTERNAL CONTROL OVER COMPLIANCE
 AS REQUIRED BY OMB CIRCULAR A-133
 AND STATE OF NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
 of the Board of Education
 Riverton School District
 County of Burlington
 Riverton, New Jersey

Report on Compliance for Each Major State Program

I have audited Riverton School District (School District), in the County of Burlington, State of New Jersey's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2015. The School District's major state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the School District's major state programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and State of New Jersey OMB's Circular 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and State of New Jersey Circular OMB's 04-04 and/or 15-08 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major state program. However, my audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major State Program

In my opinion, the Riverton School District, in the County of Burlington, State of New Jersey 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 fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Riverton School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state programs and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey OMB's Circular 04-04 and/or 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Riverton's School District's internal control over compliance.

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

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

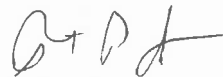
The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the New Jersey OMB's Circular 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB 04-04 and/or 15-08

I have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverton School District, in the County of Burlington, State of New Jersey as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. I have issued my report thereon dated November 27, 2015, which contained an unmodified opinion on those financial statements. My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of expenditure of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
November 27, 2015

RIVERTON SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2014			Carryover (Walkover)	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2015		
					(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education														
Passed-through State Department of Education:														
Special Revenue Fund:														
Title I:														
Fiscal Year 2015	84.010A	NCLB446015	\$ 22,945	7/1/14 - 6/30/15	\$ -	\$ -	\$ -	\$ -	\$ 22,945	\$ (22,945)	\$ -	\$ -	\$ -	\$ -
Fiscal Year 2014	84.010A	NCLB446014	24,047	7/1/13 - 6/30/14	(13,175)				13,175					
Title II A:														
Fiscal Year 2015	84.367A	NCLB446015	9,552	7/1/14 - 6/30/15					9,552	(9,552)				
I.D.E.A. Part B - Basic:														
Fiscal Year 2015	84.027	IDEA446015	77,961	7/1/14 - 6/30/15					75,557	(75,980)		(423)		
Fiscal Year 2014	84.027	IDEA446014	83,523	7/1/13 - 6/30/14	(6,207)				6,207					
I.D.E.A. Part B - Preschool:														
Fiscal Year 2015	84.173	IDEA446015	2,967	7/1/14 - 6/30/15					2,967	(2,967)				
Fiscal Year 2014	84.173	IDEA446014	3,030	7/1/13 - 6/30/14	(3,030)				3,030					
Total U.S. Department of Education					(22,412)				133,433	(111,444)		(423)		
U.S. Department of Agriculture														
Passed-through State Department of Education:														
Enterprise Fund														
National School Lunch Program														
Fiscal Year 2015	10.555	N/A	12,273	7/1/14 - 6/30/15					11,545	(12,273)		(728)		
Fiscal Year 2014	10.555	N/A	14,767	7/1/13 - 6/30/14	(897)				897					
Total U.S. Department of Agriculture					(897)				12,442	(12,273)		(728)		
Total Federal Awards					\$ (23,309)	\$ -	\$ -	\$ -	\$ 145,875	\$ (123,717)	\$ -	\$ (1,151)	\$ -	\$ -

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

RIVERTON SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2015

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2014			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2015		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor				(Accounts Receivable)	Deferred Revenue	Due to Grantor
State Department of Education												
General Fund:												
Equalization Aid	15-495-034-5120-078	\$ 288,342	7/1/14- 6/30/15	\$ -	\$ -	\$ -	\$ 270,962	\$ (288,342)	\$ -	\$ (17,380)	\$ -	\$ -
Equalization Aid	14-495-034-5120-078	288,342	7/1/13- 6/30/14	(8,030)			8,030					
Special Education Categorical Aid	15-495-034-5120-089	189,928	7/1/14- 6/30/15				178,480	(189,928)		(11,448)		
Special Education Categorical Aid	14-495-034-5120-089	189,928	7/1/13- 6/30/14	(18,993)			18,993					
Transportation Aid	15-495-034-5120-014	26,068	7/1/14- 6/30/15				24,497	(26,068)		(1,571)		
Transportation Aid	14-495-034-5120-014	26,068	7/1/13- 6/30/14	(2,607)			2,607					
Security Aid	15-495-034-5120-084	30,765	7/1/14- 6/30/15				28,911	(30,765)		(1,854)		
Security Aid	14-495-034-5120-084	30,765	7/1/13- 6/30/14	(3,076)			3,076					
PARCC Readiness Aid	15-495-034-5120-098	3,560	7/1/14- 6/30/15				3,345	(3,560)		(215)		
Per Pupil Growth Aid	15-495-034-5120-097	3,560	7/1/14- 6/30/15				3,345	(3,560)		(215)		
Extraordinary Aid	15-100-034-5120-473	5,820	7/1/14- 6/30/15					(5,820)		(5,820)		
Extraordinary Aid	14-100-034-5120-473	5,257	7/1/13- 6/30/14	(5,203)			5,257	(54)				
On behalf TPAF Pension Contribution	15-495-034-5094-006	100,901	7/1/14- 6/30/15				100,901	(100,901)				
On behalf TPAF Post Retirement Medical	15-495-034-5094-001	160,181	7/1/14- 6/30/15				160,181	(160,181)				
Reimbursed TPAF Social Security Contr.	15-495-034-5094-003	152,156	7/1/14- 6/30/15				145,347	(152,156)		(6,809)		
Reimbursed TPAF Social Security Contr.	14-495-034-5094-003	144,900	7/1/13- 6/30/14	(6,403)			6,403					
Total General Fund				(44,312)			960,335	(961,335)		(45,312)		
Special Revenue Fund:												
Nonpublic:												
Handicapped Services:												
Supplemental Instruction	15-100-034-5120-066	3,924	7/1/12- 6/30/13				3,924	(3,060)				864
Examination & Classification	15-100-034-5120-066	4,325	7/1/12- 6/30/13				4,325	(2,343)				1,982
Total Special Revenue Fund							8,249	(5,403)				2,846
State Department of Agriculture												
National School Lunch Program (State Share)												
Fiscal Year 2015	15-100-010-3350-023	654	7/1/14- 6/30/15				618	(654)		(36)		
Fiscal Year 2014	14-100-010-3350-023	687	7/1/13- 6/30/14	(40)			40					
Total Enterprise Fund				(40)			658	(654)		(36)		
Total State Financial Assistance				\$ (44,352)	\$ -	\$ -	\$ 969,242	\$ (967,392)	\$ -	\$ (45,348)	\$ -	\$ 2,846

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

**Riverton School District
Notes to Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2015**

I. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Riverton School District. The Board of Education is defined in Note I to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*; therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$23 for the general fund and (\$310) for the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

Fund	Federal	State	Total
General	\$ -	\$ 961,358	\$ 961,358
Special Revenue	111,134	5,403	116,537
Food Service	12,273	654	12,927
Total	<u>\$ 123,407</u>	<u>\$ 967,415</u>	<u>\$ 1,090,822</u>

**Riverton School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2015
(Continued)**

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

5. 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, 2015. 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, 2015.

6. MAJOR PROGRAMS

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

RIVERTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section 1 -- Summary of Auditor's Results (Continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes no

Internal Control over major programs:

Material weaknesses identified? yes X no

Significant deficiencies identified that are not considered to be a material weakness? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04 and/or 15-08? yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>15-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>15-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>
<u>15-100-010-3350-023</u>	<u>National School Lunch Program (State Share)</u>
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**RIVERTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Section 2 -- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting in a Circular A-133 audit.

No findings identified.

**RIVERTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Section 3 -- Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs**

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular Letter 04-04 and/or 15-08, as applicable

FEDERAL AWARDS

A Federal single audit was not required.

STATE AWARDS

No findings identified.

**RIVERTON SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB Circular A-133 and NJOMB's Circular 04-04 and/or 15-08, as applicable.

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings

FEDERAL AWARDS

A Federal single audit was not required.

STATE AWARDS

There were no prior year audit findings.