

RIVERDALE BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Riverdale, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
of the
Riverdale Board of Education
Riverdale, New Jersey
For The Fiscal Year Ended June 30, 2016**

**Prepared by
Business Office**

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INTRODUCTORY SECTION

RIVERDALE PUBLIC SCHOOL DISTRICT

52 Newark Pompton Turnpike • Riverdale, New Jersey 07457-1419

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Fax: 973-839-1024

Vicki J. Pede
Superintendent
973-839-1300 Ext. 102
Fax: 973-839-8856

Debra Andreniuk
Business Administrator/
Board Secretary
973-839-1300 Ext. 103

September 30, 2016

Honorable President and
Members of the School District
Riverdale School District
County of Morris, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Riverdale School District (the "District") for the fiscal year ended June 30, 2016 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Riverdale School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds 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 basic financial statements and schedules, as well as the auditors' 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Riverdale School District is an independent reporting entity within the criteria adopted by the GASB. All funds of the District are included in this report. The Riverdale Board of Education and its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre K through 8. These services include general, as well as special education for students designated as needing the same, via their IEP. The District completed the 2015/2016 fiscal year with an enrollment of 342 students, which is 10 students more than the previous year's enrollment.

The following details the changes in the 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>
2015-2016	342	3.0%
2014-2015	332	0.6%
2013-2014	330	-0.9%
2012-2013	333	2.7%
2011-2012	324	6.8%
2010-2011	318	1.9%
2009-2010	312	6.9%
2008-2009	292	4.3%
2007-2008	280	1.4%
2006-2007	276	4.5%

Beginning in the 2000/01 school year, students in grades 9 through 12 began attending the Pompton Lakes School District and the Riverdale School District paid the Pompton Lakes School District tuition according to a ten year send/receive agreement that was renewed in 2010 and will continue through the end of the 2019-2020 school year. This agreement was renewed through June 2020. The tuition charge per pupil remains based on the most recent State Approved Tuition Rate (3 years prior).

2) ECONOMIC CONDITION AND OUTLOOK: A Demographic Study authorized by the Board of Education was completed in September 1997, updated in July 2002, November 2007, February 2008, April 2009, and again in December 2009. The district stands to demonstrate a substantial gain in enrollment due to the construction of residential apartments in town. After consultation with the school district's architect, the Board was satisfied that the school capacity remains adequate for the near future.

3) MAJOR INITIATIVES: The Riverdale School District's goals reflect our belief that the education of our students remains our top priority. As a Pre-K-8 school District of 342 students, we have been able to personalize instruction by maintaining small class sizes, wherever possible, in an environment of high expectations for student achievement and excellence. Student performances on state and local assessments are clear examples of the district's effectiveness in attaining high levels of student achievement.

During the 2015/2016 school year, teachers and administrators were committed to examining instructional methodologies in the following curricular areas: differentiated instruction, writing process, language arts literacy, mathematics, student wellness, inclusion and special education. Through the continued efforts of the District, professional development activities were aligned to instructional improvement. The curriculum reflects a focus in integration of critical thinking skills, use of technological applications, organizational strategies and writing instruction throughout all disciplines. These efforts optimize the learning experiences for our students.

Our five year curriculum review/revision cycle is one of our ongoing efforts to establish clear expectations, while increasing accountability and providing opportunities to work with parents in monitoring each child's educational goals. Each area of curriculum is reviewed to ensure the reflection of the most recent core curriculum content standard. Student activities embody the leadership theme and

include: the Student Council, National Junior Honor Society, an interscholastic athletic program, drama productions, choral and band after school programs, visual arts presentations and a science fair. Each grade level attends a curriculum based field trip to provide additional meaning to their learning.

3) MAJOR INITIATIVES (Continued)

Responding to the New Jersey State mandate for professional growth, teachers, parents and administrators have provided input to guide professional development opportunities for our staff. As a result, the district has provided staff with training in diverse areas. District staff has received training in differentiated instruction, technology applications and everyday math implementation. The Social Decision Making/Problem Solving Program fosters a culture of responsibility among our students. Professional development opportunities are also included, but were not limited to, the following topics: authentic assessment tools and strategies, motivating and managing students, collaborative/team teaching, inclusion practices, literacy development, mathematical problem solving, and the writing process. In addition, all teachers and paraprofessionals meet the standards for the Highly Qualified Status.

The district's technology plan continues to provide support to our path to integrate technology into the curriculum. By incorporating technology across the full spectrum of each core content area and utilizing new equipment and software, including the Smart Board and FM systems, Riverdale continues to be able to support students' needs. Students were afforded opportunities to refine research skills by conducting electronic searches. Internet access is available throughout the school, and is safeguarded through appropriate filters and an acceptable use policy.

Parent partnerships are well established at Riverdale Public School, as evidenced through the involvement of the PTA, various advisory committees, and the school planning team. Our school district has a cooperative working relationship with the Borough, who has assisted us in numerous facility projects, at a great tax saving to our community members.

Our SDL (self-directed learners) program enables the students to tap and expand upon their individual strengths. The program seeks to develop positive attitudes towards learning, development of high level thinking skills and creativity through meaningful extensions to the curriculum. Students are afforded the opportunity within each class to expand their learning as appropriate.

Within the past few years, Riverdale completed renovations to the physical building such as: Window Replacements, Ceiling & Lighting Replacement, Nurse's Office Renovations, Second Floor toilet Room Renovations, Exterior Door Replacement, Roof Replacement Nurse's Office area, Exterior Door Security System and lower grade wing Roof Replacement. Through designation of capital reserve funding, the district continues to assess and address ongoing facility needs. Additional projects are planned for the upcoming school year to promote accessibility to all students and improved academic environments.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United

States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements and are 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 are either 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, 2016.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in the "Notes to the Basic Financial Statements".

7) DEBT ADMINISTRATION: At June 30 2016, the District had finalized payment of all outstanding obligation bonds. On December 10, 2002, the voters of the Borough of Riverdale authorized a bond issue in the amount of \$5,552,000 to construct an addition and renovation to the Riverdale School. In addition, the Borough of Riverdale has agreed to contribute \$1,000,000 to fund the cost thereof. To date the district has received \$900,000, the balance of \$100,000.00 being canceled.

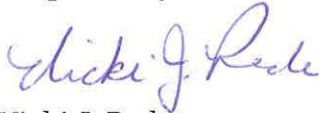
8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements". The District has adopted a cash management plan, which requires it to deposit funds in public depositories protected from loss under the provisions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

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

10) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board's audit committee selected the accounting firm of Lerch, Vinci, & Higgins, LLP, CPAs. In addition to meeting the requirements set forth in state statutes the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and state OMB Circular 15-08. The auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

11) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Riverdale Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

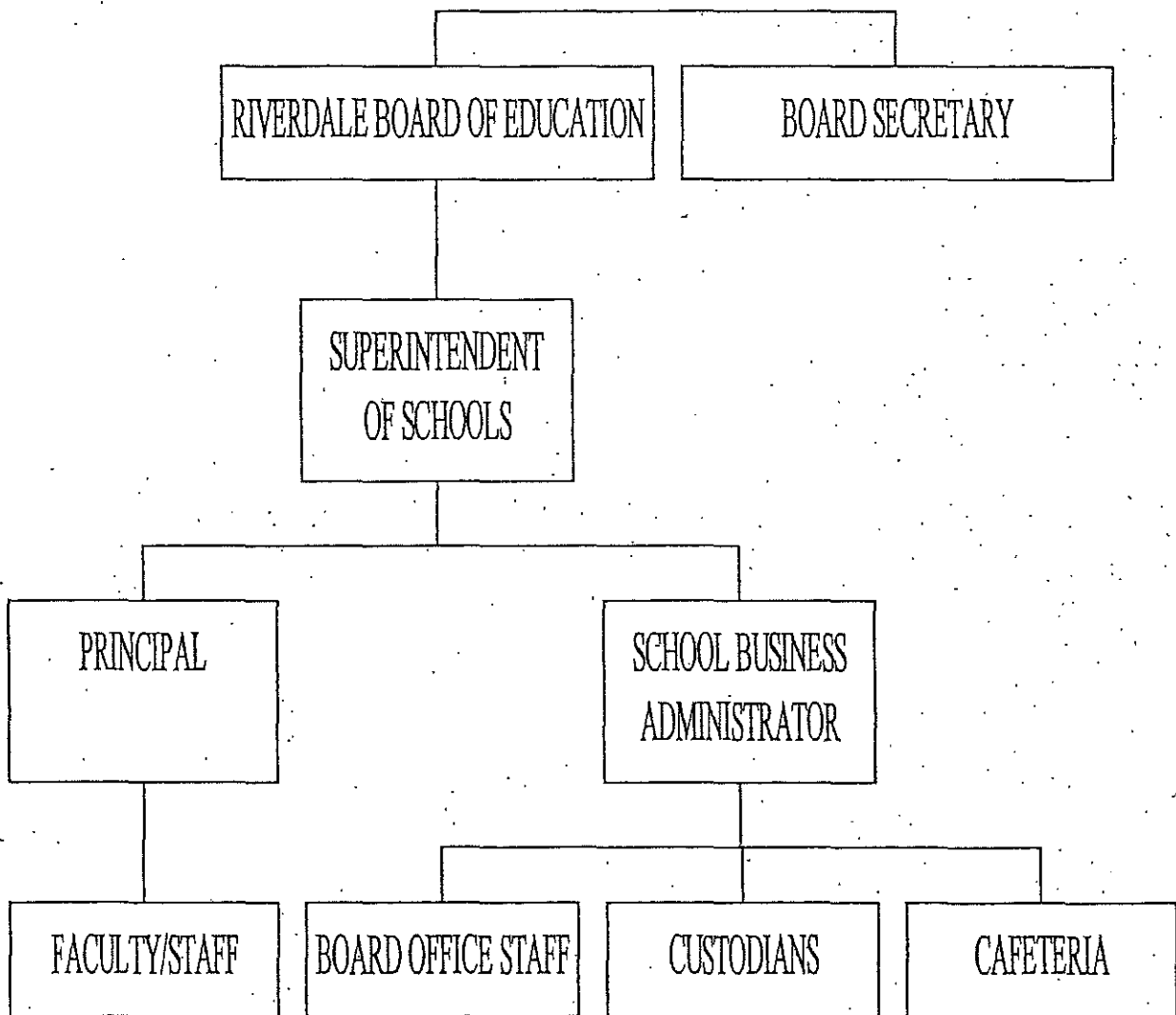
Respectfully submitted,



Vicki J. Pede,
Superintendent

VJP:an

RIVERDALE BOARD OF EDUCATION
Organizational Chart



RIVERDALE SCHOOL DISTRICT
RIVERDALE, NJ

ROSTER OF OFFICIALS

June 30, 2016

Board Members:

Term Expires:

Charles Sheridan, President	2017
Kelly Norris, Vice President	2018
Marybeth Miller	2017
Michael Kheyfets	2019
Jessica Muzzio-Rentas	2019
June Carelli	2018
Andrew Oliveri	2018

Other Officials:

Vicki J. Pede, Superintendent
Michael J Donow, Interim Business Administrator/Board Secretary
Linda Forbes, Treasurer
Stephen R. Fogarty, Esq., Board Attorney

**RIVERDALE SCHOOL DISTRICT
RIVERDALE, NEW JERSEY**

Consultants and Advisors

Architect

Solutions Architecture
81 Clay Street
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Newark, NJ 07104

Audit Firm

Lerch, Vinci & Higgins, LLP
17-17 Route 208
Fair Lawn, New Jersey 07410

Attorney

Stephen R. Fogarty, Esq.
21-00 Route 208 South
Fair Lawn, New Jersey 07410

Official Depository

Lakeland Bank
250 Oak Ridge Road
Oak Ridge, New Jersey 07438

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLOSI, CPA
ROBERT AMPONSAH, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Riverdale Board of Education
Riverdale, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverdale Board of Education as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverdale Board of Education as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

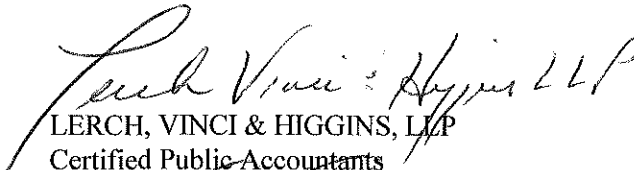
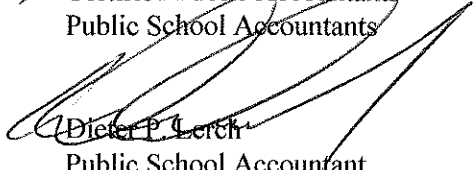
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Riverdale Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, 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 basic financial statements of the Riverdale Board of Education.

The combining fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of 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 our opinion, the combining fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated September 30, 2016 on our consideration of the Riverdale Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Riverdale Board of Education's internal control over financial reporting and compliance.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants

Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
September 30, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

Riverdale Board of Education
Riverdale, New Jersey

Management's Discussion and Analysis
Year Ended June 30, 2016

This section of the Riverdale Board of Education's comprehensive annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2016. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34- Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2015-2016) and the prior year (2014-2015) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2015-2016 fiscal year are as follows:

- The assets and deferred outflows of resources of the Riverdale Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$4,911,105 (net position).
- The District's total net position decreased \$460,429.
- Overall district revenues were \$9,094,598. General revenues accounted for \$7,306,446 or 80% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$1,788,152 or 20% of total revenues.
- The school district had \$9,461,485 in expenses for governmental activities; only \$1,692,418 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$7,306,408 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$1,479,481. Of this amount \$148,355 is available for spending at the District's discretion (unassigned fund balance – General Fund),

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the Riverdale Board of Education.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the Riverdale Board of Education's overall financial status.

Riverdale Board of Education Riverdale, New Jersey

Management's Discussion and Analysis (continued) Year Ended June 30, 2016

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

- The remaining statements are fund financial statements that focus on individual parts of the Riverdale Board of Education's, reporting the Board's operation in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
- Proprietary funds statements offer short- and long-term financial information about the activities the District operates like businesses.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Figure A-1 summarizes the major features of the Board's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-1 Major Features of the District-Wide and Fund Financial Statements

	Statements	District-Wide Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance, administration and community education	Activities the district operates similar to private businesses: Food Service
Required financial Statements	Statements of net position Statement of activities	Balance Sheet Statement of revenues, expenditures and changes in fund balances	Statement of net position Statement of revenues, expenses, and changes in fund net position Statement of cash flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability/deferred inflows/outflows of resources information	All assets, liabilities, and deferred inflows/outflows of resources, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or Paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

**Riverdale Board of Education
Riverdale, New Jersey**

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2016**

District-Wide Statements

The district-wide statements report information about the Riverdale Board of Education as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the district's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how they have changed. Net position – the difference between the District's assets, deferred inflows of resources, liabilities and deferred inflows of resources – is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the district's property tax base and the condition of school building and other facilities.

In the district-wide financial statements the district's activities are shown in two categories:

- *Governmental activities*- Most of the district's basic services are included here, such as regular and special education, transportation, administration and community education. Property taxes and state aids finance most of these activities.
- *Business-type activities*- The District charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service Fund is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the district's funds – focusing on its most significant or "major" funds – not the district as a whole. Funds are accounting devices the district uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The district uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

**Riverdale Board of Education
Riverdale, New Jersey**

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2016**

The district has three kinds of funds:

- *Governmental funds*- Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- *Proprietary funds*- Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
- *Fiduciary funds*- The District is the trustee, or *fiduciary*, for assets that belong to others such as payroll and payroll agency funds, as well as student activity funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE RIVERDALE BOARD OF EDUCATION AS A WHOLE

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

Table A-1 provides a summary of the school district's net position for 2016 and 2015.

Net position. The district's combined net position was \$4,911,105 on June 30, 2016. (See Table A-1).

**Riverdale Board of Education
Riverdale, New Jersey**

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2016**

Table A-1
Net Position
as of June 30, 2016 and 2015

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Assets						
Current and other assets	\$ 1,524,646	\$ 1,746,135	\$ 22,420	\$ 25,333	\$ 1,547,066	\$ 1,771,468
Capital assets, net	<u>4,440,386</u>	<u>4,638,397</u>	<u>9,119</u>	<u>7,879</u>	<u>4,449,505</u>	<u>4,646,276</u>
Total Assets	<u>5,965,032</u>	<u>6,384,532</u>	<u>31,539</u>	<u>33,212</u>	<u>5,996,571</u>	<u>6,417,744</u>
Deferred Outflows of Resources						
	<u>182,158</u>	<u>79,154</u>	<u>-</u>	<u>-</u>	<u>182,158</u>	<u>79,154</u>
Total Assets and Deferred Outflows of Resources	<u>6,147,190</u>	<u>6,463,686</u>	<u>31,539</u>	<u>33,212</u>	<u>6,178,729</u>	<u>6,496,898</u>
Liabilities						
Non-Current liabilities	1,138,753	1,034,755			1,138,753	1,034,755
Other liabilities	<u>45,165</u>	<u>26,824</u>	<u>-</u>	<u>4,849</u>	<u>45,165</u>	<u>31,673</u>
Total Liabilities	<u>1,183,918</u>	<u>1,061,579</u>	<u>-</u>	<u>4,849</u>	<u>1,183,918</u>	<u>1,066,428</u>
Deferred Inflows of Resources						
	<u>82,474</u>	<u>58,650</u>	<u>1,232</u>	<u>286</u>	<u>83,706</u>	<u>58,936</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,266,392</u>	<u>1,120,229</u>	<u>1,232</u>	<u>5,135</u>	<u>1,267,624</u>	<u>1,125,364</u>
Net Position						
Net Investment in capital assets	4,423,483	4,612,005	9,119	7,879	4,432,602	4,619,884
Restricted	875,956	962,172			875,956	962,172
Unrestricted	<u>(418,641)</u>	<u>(230,720)</u>	<u>21,188</u>	<u>20,198</u>	<u>(397,453)</u>	<u>(210,522)</u>
Total Net Position	<u>\$ 4,880,798</u>	<u>\$ 5,343,457</u>	<u>\$ 30,307</u>	<u>\$ 28,077</u>	<u>\$ 4,911,105</u>	<u>\$ 5,371,534</u>

Table A-2 on the following page shows changes in net position for fiscal year 2016 and 2015.

**Riverdale Board of Education
Riverdale, New Jersey**

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2016**

Table A-2
Changes in Net Position
For the Fiscal Years Ended June 30, 2016 and 2015

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues						
Program Revenues						
Charges for Services	\$ 37,480	\$ 99,986	\$ 58,686	\$ 53,568	\$ 96,166	\$ 153,554
Operating/Capital Grants and Contributions	1,654,938	1,445,832	37,048	30,463	1,691,986	1,476,295
General Revenues						
Property Taxes	7,280,360	7,144,612			7,280,360	7,144,612
State Aid	4,430	4,016			4,430	4,016
Miscellaneous	21,618	24,731	38	29	21,656	24,760
Total Revenues	<u>8,998,826</u>	<u>8,719,177</u>	<u>95,772</u>	<u>84,060</u>	<u>9,094,598</u>	<u>8,803,237</u>
Expenses						
Instruction						
Regular	4,269,838	4,288,907			4,269,838	4,288,907
Special Education	2,094,539	1,747,281			2,094,539	1,747,281
Other Instruction	118,468	133,987			118,468	133,987
School Sponsored Activities and Athletics	58,279	55,775			58,279	55,775
Support Services						
Student and Instruction Related Serv.	933,331	841,953			933,331	841,953
General Administrative Services	392,220	346,971			392,220	346,971
School Administrative Services	170,633	197,204			170,633	197,204
Plant Operations and Maintenance	678,014	626,950			678,014	626,950
Pupil Transportation	530,445	525,741			530,445	525,741
Central Services	214,617	181,511			214,617	181,511
Food Services			93,542	77,995	93,542	77,995
Interest on Long-Term Debt	1,101	1,561	-	-	1,101	1,561
Total Expenses	<u>9,461,485</u>	<u>8,947,841</u>	<u>93,542</u>	<u>77,995</u>	<u>9,555,027</u>	<u>9,025,836</u>
Change in Net Position	(462,659)	(228,664)	2,230	6,065	(460,429)	(222,599)
Net Position, Beginning of Year	<u>5,343,457</u>	<u>5,572,121</u>	<u>28,077</u>	<u>22,012</u>	<u>5,371,534</u>	<u>5,594,133</u>
Net Position, End of Year	<u>\$ 4,880,798</u>	<u>\$ 5,343,457</u>	<u>\$ 30,307</u>	<u>\$ 28,077</u>	<u>\$ 4,911,105</u>	<u>\$ 5,371,534</u>

**Riverdale Board of Education
Riverdale, New Jersey**

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2016**

Governmental Activities. The District's total revenues were \$8,998,826. The local share of the revenues, that included property taxes, investment earnings, and miscellaneous revenue, amounted to \$7,301,978 or 81% of total revenues. Funding from state and federal sources and charges for services amounted to \$1,696,848 or 19%. (See Figure A-2)

The District's expenses are predominantly related to instruction and support services. Instruction totaled \$6,541,124 (69%) and student support services and interest on long-term debt totaled \$2,920,361 (31%) of total expenditures. (See Figure A-3)

Figure A-2 Revenues by Sources – Governmental Activities
For Fiscal Year 2016

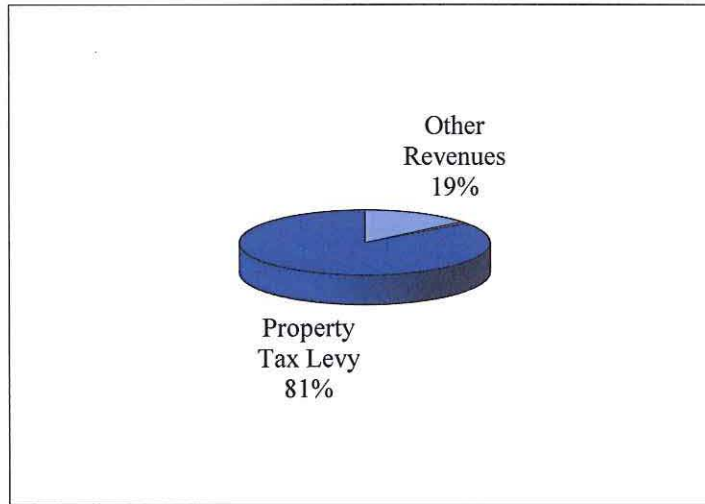
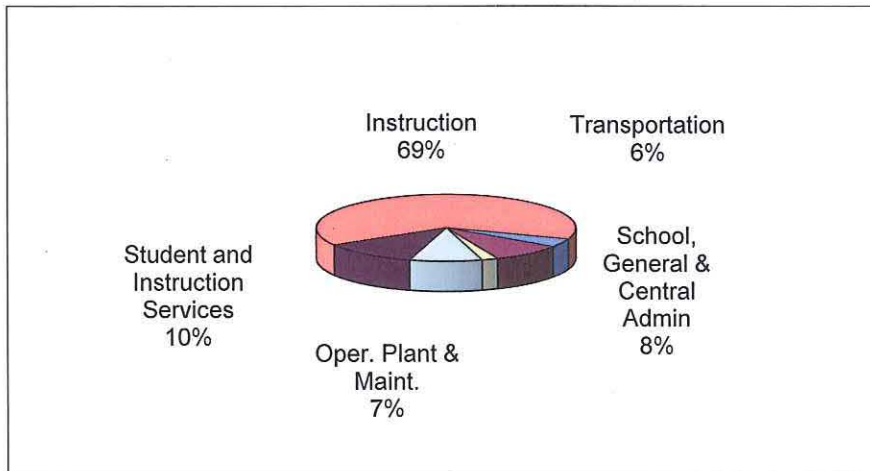


Figure A-3 Expenses by Function – Governmental Activities
For Fiscal Year 2016



**Riverdale Board of Education
Riverdale, New Jersey**

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2016**

**Table A-3
Cost and Net Cost of Services for Governmental Activities
For the Fiscal Years Ended June 30, 2016 and 2015**

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Governmental Activities				
Instruction				
Regular	\$ 4,269,838	\$ 4,288,907	\$ 3,411,139	\$ 3,483,098
Special Education	2,094,539	1,747,281	1,496,513	1,223,611
Other Instruction	118,468	133,987	79,125	81,549
School Sponsored Activities and Athletics	58,279	55,775	58,279	55,775
Support Services				
Student and Instruction Related Svcs.	933,331	841,953	819,187	762,431
General Administrative Services	392,220	346,971	392,220	346,971
School Administrative Services	170,633	197,204	121,781	146,139
Plant Operations and Maintenance	678,014	626,950	668,220	617,159
Pupil Transportation	530,445	525,741	506,885	502,218
Central Services	214,617	181,511	214,617	181,511
Interest on Long-Term Debt	<u>1,101</u>	<u>1,561</u>	<u>1,101</u>	<u>1,561</u>
Total Governmental Activities	<u>\$ 9,461,485</u>	<u>\$ 8,947,841</u>	<u>\$ 7,769,067</u>	<u>\$ 7,402,023</u>

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2016 was \$93,542. These costs were funded by operating grants and charges for services (Detailed on Table A-2).

**Riverdale Board of Education
Riverdale, New Jersey**

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2016**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

The focus of the 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 District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$1,479,481. At June 30, 2015, the fund balance was \$1,719,311.

Revenues for the District's governmental funds were \$8,279,553, while total expenditures were \$8,519,383.

General Fund - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students for grades K through 8 including pupil transportation activities and capital outlay projects.

The following schedule presents a summary of General Fund revenues for the fiscal years ended June 30, 2016 and 2015.

	Fiscal Year Ended <u>6/30/2016</u>	Fiscal Year Ended <u>6/30/2015</u>	Amount of Increase <u>(Decrease)</u>	Percent <u>Change</u>
Local Sources:				
Property Taxes	\$ 7,280,360	\$ 7,144,612	\$ 135,748	1.9%
Miscellaneous	59,098	124,717	(65,619)	-52.6%
Intergovernmental				
State Sources	<u>835,559</u>	<u>814,670</u>	<u>20,889</u>	2.6%
 Total Revenues	 <u>\$ 8,175,017</u>	 <u>\$ 8,083,999</u>	 <u>\$ 91,018</u>	 1.1%

**Riverdale Board of Education
Riverdale, New Jersey**

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2016**

General Fund (Continued)

The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2016 and 2015.

	Fiscal Year Ended <u>6/30/2016</u>	Fiscal Year Ended <u>6/30/2015</u>	Amount of Increase <u>(Decrease)</u>	Percent Change
Instruction	\$ 5,811,681	\$ 5,642,756	\$ 168,925	3%
Support Services	2,592,576	2,437,688	154,888	6%
Debt Service	10,590	10,589	1	0%
Capital Outlay	<u>-</u>	<u>9,045</u>	<u>(9,045)</u>	-100%
 Total Expenditures	 <u>\$ 8,414,847</u>	 <u>\$ 8,100,078</u>	 <u>\$ 314,769</u>	 4%

Total General Fund expenditures increased by \$314,769 or 4% from the previous year.

Special Revenue Fund - The Special Revenue Fund includes all restricted Federal and other local sources utilized in the operations of the district in providing educational services to students with special needs.

Revenues of the Special Revenue Fund were \$104,536 for the year ended June 30, 2016. Federal sources accounted for \$100,694 or 96% of Special Revenue Fund's revenue for the year.

Total Special Revenue Fund revenues decreased \$8,729 or 8% from the previous year.

Expenditures of the Special Revenue Fund were \$104,536. Instructional expenditures were \$80,626 or 77%.

Proprietary Funds

The District maintains an Enterprise Fund to account for activities which are supported in part through user fees.

Enterprise Fund - The District uses an Enterprise Fund to report activities related to the Food Services programs. The District's Enterprise Fund provides the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.

**Riverdale Board of Education
Riverdale, New Jersey**

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2016**

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared according to New Jersey Department of Education guidelines, and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgetary fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into two categories

- Implementing budgets for specially funded projects, which include both federal and state grants, reinstating prior year purchase orders being carried over, and appropriating surplus for unbudgeted costs.

Capital Assets. At the end of the fiscal year 2016, the school district had invested in land, buildings, furniture, machinery and equipment as stated in Table A-4 as follows:

**Table A-4
Capital Assets
(net of depreciation) at June 30**

	Governmental Activities		Business-Type Activities		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	\$ 11,800	\$ 11,800			\$ 11,800	\$ 11,800
Buildings and Building Improvements	7,057,900	7,057,900			7,057,900	7,057,900
Machinery and Equipment	<u>358,098</u>	<u>358,098</u>	<u>\$ 25,303</u>	<u>\$ 22,269</u>	<u>383,401</u>	<u>380,367</u>
Total	7,427,798	7,427,798	25,303	22,269	7,453,101	7,450,067
Less: Accumulated Depreciation	<u>(2,987,412)</u>	<u>(2,789,401)</u>	<u>(16,184)</u>	<u>(14,390)</u>	<u>(3,003,596)</u>	<u>(2,803,791)</u>
Total	<u>\$ 4,440,386</u>	<u>\$ 4,638,397</u>	<u>\$ 9,119</u>	<u>\$ 7,879</u>	<u>\$ 4,449,505</u>	<u>\$ 4,646,276</u>

Additional information about the District's capital assets can be found in Note 4 of this report.

Debt Administration. As of June 30, 2016 the school district had long-term debt and outstanding long-term liabilities in the amount of \$1,138,753.

Riverdale Board of Education
Riverdale, New Jersey

Management's Discussion and Analysis (continued)
Year Ended June 30, 2016

Table A-7
Long-Term Debt
Outstanding Long-Term Liabilities

	<u>2016</u>	<u>2015</u>
Capital Lease Payable	\$ 16,903	\$ 26,392
Net Pension Liability	1,088,127	984,142
Compensated Absences Payable	<u>33,723</u>	<u>24,221</u>
Total	<u>\$ 1,138,753</u>	<u>\$ 1,034,755</u>

Additional information about the District's long-term debt can be found in Note 4 of this report.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the office of the Business Administrator, Riverdale Board of Education, 52 Newark Pompton Turnpike, Riverdale, New Jersey 07457.

BASIC FINANCIAL STATEMENTS

**RIVERDALE BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2016**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,466,056	\$ 14,419	\$ 1,480,475
Receivables, net			
Receivables from Other Governments	39,844	5,772	45,616
Other	18,299		18,299
Internal Balances	447	(447)	-
Inventory		2,676	2,676
Capital Assets, not being depreciated	11,800		11,800
Capital Assets, net of depreciation	<u>4,428,586</u>	<u>9,119</u>	<u>4,437,705</u>
Total Assets	<u>5,965,032</u>	<u>31,539</u>	<u>5,996,571</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows on Net Pension Liability	<u>182,158</u>	-	<u>182,158</u>
Total Deferred Outflows of Resources	<u>182,158</u>	-	<u>182,158</u>
Total Assets and Deferred Outflows of Resources	<u>6,147,190</u>	<u>31,539</u>	<u>6,178,729</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	27,162	-	27,162
Unearned Revenue	18,003		18,003
Noncurrent Liabilities			
Due within one year	51,647		51,647
Due beyond one year	<u>1,087,106</u>	-	<u>1,087,106</u>
Total Liabilities	<u>1,183,918</u>	-	<u>1,183,918</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows on Net Pension Liability	82,474		82,474
Deferred Commodities Revenue	<u>-</u>	<u>1,232</u>	<u>1,232</u>
Total Deferred Inflows of Resources	<u>82,474</u>	<u>1,232</u>	<u>83,706</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,266,392</u>	<u>1,232</u>	<u>1,267,624</u>
NET POSITION			
Net Investment in Capital Assets	4,423,483	9,119	4,432,602
Restricted for:			
Capital Projects	496,131		496,131
Other Purposes	379,825		379,825
Unrestricted	<u>(418,641)</u>	<u>21,188</u>	<u>(397,453)</u>
Total Net Position	<u>\$ 4,880,798</u>	<u>\$ 30,307</u>	<u>\$ 4,911,105</u>

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

**RIVERDALE BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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	\$ 4,269,838	\$ 37,480	\$ 821,219		\$ (3,411,139)		\$ (3,411,139)
Special Education	2,094,539		598,026		(1,496,513)		(1,496,513)
Other Instruction	118,468		39,343		(79,125)		(79,125)
School Sponsored Activities and Athletics	58,279				(58,279)		(58,279)
Support Services							
Student and Instruction Related Services	933,331		114,144		(819,187)		(819,187)
General Administration Services	392,220				(392,220)		(392,220)
School Administration Services	170,633		48,852		(121,781)		(121,781)
Central Services	214,617				(214,617)		(214,617)
Plant Operations and Maintenance	678,014		9,794		(668,220)		(668,220)
Pupil Transportation	530,445		23,560		(506,885)		(506,885)
Interest on Debt	1,101	-	-	-	(1,101)	-	(1,101)
Total Governmental Activities	9,461,485	37,480	1,654,938	-	(7,769,067)	-	(7,769,067)
Business-Type Activities							
Food Service	93,542	58,686	37,048	-	-	\$ 2,192	2,192
Total Business-Type Activities	93,542	58,686	37,048	-	-	2,192	2,192
Total Primary Government	\$ 9,555,027	\$ 96,166	\$ 1,691,986	\$ -	(7,769,067)	2,192	(7,766,875)
General Revenues							
Property Taxes, Levied for General Purposes					7,280,360		7,280,360
State Aid - Unrestricted					4,430		4,430
Miscellaneous Income					21,618	38	21,656
Total General Revenues					7,306,408	38	7,306,446
Change in Net Position					(462,659)	2,230	(460,429)
Net Position, Beginning of Year					5,343,457	28,077	5,371,534
Net Position, End of Year					\$ 4,880,798	\$ 30,307	\$ 4,911,105

FUND FINANCIAL STATEMENTS

**RIVERDALE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 1,466,056			\$ 1,466,056
Receivables				
Intergovernmental	3,512	\$ 8,452	\$ 27,880	39,844
Other	18,272			18,272
Interfunds Receivable	8,757	-	-	8,757
	<u>1,496,597</u>	<u>8,452</u>	<u>27,880</u>	<u>1,532,929</u>
Total Assets	<u>\$ 1,496,597</u>	<u>\$ 8,452</u>	<u>\$ 27,880</u>	<u>\$ 1,532,929</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Interfunds Payable	\$ 13,507	\$ 4,647	\$ 3,636	\$ 21,790
Accounts Payable	13,655			13,655
Unearned Revenue	4,500	3,805	9,698	18,003
	<u>31,662</u>	<u>8,452</u>	<u>13,334</u>	<u>53,448</u>
Total Liabilities	<u>31,662</u>	<u>8,452</u>	<u>13,334</u>	<u>53,448</u>
Fund Balances				
Restricted Fund Balance				
Excess Surplus - Designated for Subsequent Year's				
Expenditures	255,641			255,641
Excess Surplus	177,473			177,473
Capital Reserve	481,585			481,585
Maintenance Reserve - Designated for Subsequent				
Year's Expenditures	20,000			20,000
Maintenance Reserve	359,825			359,825
Capital Projects			14,546	14,546
Committed				
Year End Encumbrances	16,305			16,305
Assigned				
Year End Encumbrances	5,751			5,751
Unassigned Fund Balance	148,355	-	-	148,355
	<u>1,464,935</u>	<u>-</u>	<u>14,546</u>	<u>1,479,481</u>
Total Fund Balances	<u>1,464,935</u>	<u>-</u>	<u>14,546</u>	<u>1,479,481</u>
Total Liabilities and Fund Balances	<u>\$ 1,496,597</u>	<u>\$ 8,452</u>	<u>\$ 27,880</u>	

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 \$7,427,798, and the accumulated depreciation is \$2,987,412. 4,440,386

Certain amounts resulting from the calculation of liabilities are reported as deferred outflows and deferred inflows of resources on the statement of net position and amortized over future years. (See Note 2A) 99,684

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 2A) (1,138,753)

Net position of governmental activities \$ 4,880,798

RIVERDALE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
REVENUES				
Local Sources				
Property Tax Levy	\$ 7,280,360			\$ 7,280,360
Tuition	37,480			37,480
Interest	3,249			3,249
Miscellaneous	18,369	-	-	18,369
	<hr/>			<hr/>
Total - Local Sources	7,339,458	-	-	7,339,458
State Sources				
Federal Sources	-	\$ 100,694	-	100,694
Other Sources	-	3,842	-	3,842
	<hr/>			<hr/>
Total Revenues	<u>8,175,017</u>	<u>104,536</u>	<u>-</u>	<u>8,279,553</u>
EXPENDITURES				
Current				
Instruction				
Regular Instruction	3,764,207	2,014		3,766,221
Special Education Instruction	1,895,619	75,563		1,971,182
Other Instruction	93,576	3,049		96,625
School-Sponsored Activities and Athletics	58,279			58,279
Support Services				
Student and Instruction Related Services	854,352	23,910		878,262
General Administrative Services	370,315			370,315
School Administrative Services	141,232			141,232
Central Services	214,617			214,617
Plant Operations and Maintenance	481,615			481,615
Pupil Transportation	530,445			530,445
Debt Service				
Principal	9,489			9,489
Interest and Other Charges	1,101			1,101
Capital Outlay	-	-	-	-
	<hr/>			<hr/>
Total Expenditures	<u>8,414,847</u>	<u>104,536</u>	<u>-</u>	<u>8,519,383</u>
Net Change in Fund Balance	(239,830)	-	-	(239,830)
Fund Balance, Beginning of Year	<u>1,704,765</u>	<u>-</u>	<u>\$ 14,546</u>	<u>1,719,311</u>
Fund Balance, End of Year	<u>\$ 1,464,935</u>	<u>\$ -</u>	<u>\$ 14,546</u>	<u>\$ 1,479,481</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**RIVERDALE BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ (239,830)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which depreciation exceeds capital outlay expenditures in the current period.

Depreciation Expense (198,011)

In the statement of activities, certain operating expenses - compensated absences and pension expense - are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial sources (used) paid:

Increase in Compensated Absences	(9,502)	
Increase in Pension Expense	<u>(24,805)</u>	
		(34,307)

Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities

Capital Leases 9,489

Change in net position of governmental activities (Exhibit A-2) \$ (462,659)

**RIVERDALE BOARD OF EDUCATION
 PROPRIETARY FUND
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2016**

	Enterprise Fund Totals
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 14,419
Intergovernmental Receivable	
State	192
Federal	5,580
Inventories	<u>2,676</u>
Total Current Assets	<u>22,867</u>
Capital Assets	
Equipment	25,303
Less: Accumulated Depreciation	<u>(16,184)</u>
Total Capital Assets	<u>9,119</u>
Total Assets	<u>31,986</u>
LIABILITIES	
Current Liabilities	
Due to Other Funds	<u>447</u>
Total Current Liabilities	<u>447</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Commodities Revenue	<u>1,232</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,679</u>
NET POSITION	
Invested in Capital Assets	9,119
Unrestricted	<u>21,188</u>
Total Net Position	<u>\$ 30,307</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**RIVERDALE BOARD OF EDUCATION
 PROPRIETARY FUND
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Enterprise Fund Totals
OPERATING REVENUES	
Charges for Services	
Daily Sales - Reimbursable Programs	38,536
Daily Sales - Non-Reimbursable Programs	\$ 20,150
	58,686
OPERATING EXPENSES	
Salaries and Wages	26,406
Insurance	2,450
Purchased Services	7,075
Supplies and Materials	375
Repair and Maintenance	10,094
Cost of Sales - Reimbursable Programs	39,439
Cost of Sales - Non-Reimbursable Programs	3,265
Depreciation Expense	1,794
Miscellaneous	2,644
	93,542
Operating (Loss)	(34,856)
NONOPERATING REVENUES	
Interest Earnings	38
State Sources	
State School Lunch Program	969
Federal Sources	
National Lunch Program	27,636
Food Distribution Program	8,443
	37,086
Net Income/Change in Net Position	2,230
Net Position, Beginning of Year	28,077
Net Position, End of Year	\$ 30,307

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**RIVERDALE BOARD OF EDUCATION
 PROPRIETARY FUND
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Enterprise Fund Totals</u>
Cash Flows from Operating Activities	
Cash Received from Customers and Other Operating Activities	\$ 58,686
Cash Payments for Employees - Salaries and Benefits	(26,406)
Cash Payments to Suppliers for Goods and Services	<u>(62,650)</u>
Net Cash Used by Operating Activities	<u>(30,370)</u>
Cash Flows from Noncapital Financing Activities	
Cash Received from State and Federal Subsidy Reimbursements	<u>25,200</u>
Net Cash Provided by Noncapital Financing Activities	<u>25,200</u>
Cash Flows from Capital and Related Financing Activities	
Purchases of capital assets	<u>(3,034)</u>
Net cash provided by (used for) capital and related financing activities	<u>(3,034)</u>
Cash Flows from Investing Activities	
Interest Earnings	<u>38</u>
Net Cash Provided by Investing Activities	<u>38</u>
Net Increase in Cash and Cash Equivalents	(8,166)
Cash and Cash Equivalents, Beginning of Year	<u>22,585</u>
Cash and Cash Equivalents, End of Year	<u>\$ 14,419</u>
Reconciliation of Operating (Loss) to Net Cash Used by Operating Activities	
Operating (Loss)	\$ (34,856)
Adjustments to Reconcile Operating (Loss) to Net Cash Used by Operating Activities	
Depreciation Expense	1,794
Non-Cash Federal Assistance-Food Distribution Program	8,443
Change in Assets, Liabilities and Deferred Inflows of Resources (Increase)/Decrease in Inventory	(1,848)
Increase/(Decrease) in Accounts Payable	(4,849)
Increase/(Decrease) in Deferred Commodities Revenue	<u>946</u>
Total Adjustments	<u>4,486</u>
Net Cash Used by Operating Activities	<u>\$ (30,370)</u>
Non-Cash Investing, Capital and Financing Activities	
Value Received - Food Distribution Program	\$ 9,389

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**RIVERDALE BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2016**

	Unemployment Compensation <u>Trust Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 18,250	\$ 29,607
Due from Other Funds	<u>13,507</u>	<u>1,265</u>
Total Assets	<u>31,757</u>	<u>\$ 30,872</u>
LIABILITIES		
Due to Student Groups		\$ 16,350
Due to Other Funds	1,265	27
Payroll Deductions Payable		13,774
Accounts Payable	<u>190</u>	<u>721</u>
Total Liabilities	<u>1,455</u>	<u>\$ 30,872</u>
NET POSITION		
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 30,302</u>	

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**RIVERDALE BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Unemployment Compensation <u>Trust Fund</u>
ADDITIONS	
Contributions	
Employees	\$ 9,491
District	<u>105</u>
Total Contributions	9,596
Investment Earnings	
Interest	<u>25</u>
Total Additions	<u>9,621</u>
DEDUCTIONS	
Unemployment Claims and Contributions	<u>9,271</u>
Total Deductions	<u>9,271</u>
Change in Net Position	350
Net Position, Beginning of Year	<u>29,952</u>
Net Position, End of Year	<u>\$ 30,302</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

NOTES TO THE FINANCIAL STATEMENTS

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Riverdale Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of seven elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board’s duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

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

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Riverdale Board of Education this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

B. New Accounting Standards

During fiscal year 2016, the District adopted the following GASB statements:

- GASB No. 72, *Fair Value Measurement and Application*, June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement applies to donated capital assets, donated works of art, donated historical treasures, and also to similar assets and capital assets received in a service concession arrangement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective beginning with the fiscal year ending June 30, 2016. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB No. 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*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB No. 77, *Tax Abatement Disclosures*, will be effective beginning with the fiscal year ending June 30, 2017. The requirements of this Statement will improve financial reporting by providing disclosure of information about the nature and magnitude of tax abatements that will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.
- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pension*, and No. 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*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid, and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and enterprise funds to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

The District reports the following major proprietary fund which is organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for teachers and special events.

Additionally, the government reports the following fund type:

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

Reclassifications

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Property taxes, tuition, transportation fees, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, it is the Board's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. *Cash, Cash Equivalents and Investments*

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

2. *Receivables*

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

3. *Inventories*

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year-end is reported as deferred inflows of resources.

4. *Capital Assets*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

4. *Capital Assets (Continued)*

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	20-50
Building Improvements	20
Office Equipment	5
Computer Equipment	5

5. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has one item which arises only under the accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types of items which arise only under the accrual basis of accounting that qualify for reporting in this category. The first item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The second item is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

6. *Compensated Absences*

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds do not permit the accrual of unused sick leave. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

7. *Pensions*

In the district-wide financial statements, 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 retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. 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.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

8. *Long-Term Obligations*

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

9. *Net Position/Fund Balance*

District-Wide Statements

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

9. *Net Position/Fund Balance (Continued)*

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Restricted Fund Balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2015 audited excess surplus that was appropriated in the 2016/2017 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2016 audited excess surplus that is required to be appropriated in the 2017/2018 original budget certified for taxes.

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures.

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education.

Maintenance Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2016/2017 District budget certified for taxes

Capital Projects – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

Committed Fund Balance – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Year-End Encumbrances – Represent outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustees for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Year-End Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Unassigned Fund Balance – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, and miscellaneous revenues.

2. Property Taxes

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. Tuition Revenues and Expenditures

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2014-2015 and 2015-2016 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. Proprietary Funds, Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the district-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position– governmental activities as reported in the district-wide statement of net position. One element of that reconciliation explains that “deferred outflows and inflows are amortized over future years and therefore are not reported in the funds.” The details of this \$99,684 difference are as follows:

Deferred Outflows on Net Pension Liability	\$ 182,158
Deferred Inflows on Net Pension Liability	<u>(82,474)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 99,684</u>

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position– governmental activities as reported in the district-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including capital leases, net pension liability and compensated absences are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$1,138,753 difference are as follows:

Capital Leases Payable	\$ 16,903
Net Pension Liability	1,088,127
Compensated Absences	<u>33,723</u>
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 1,138,753</u>

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education (“the Department”), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The annual budget is adopted in the spring of the preceding year for the general and special revenue funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. The annual budget is voted upon at the annual school election on the third Tuesday in April.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2015/2016. Also, during 2015/2016 the Board increased the original budget by \$188,792. The increase was funded by additional surplus appropriated, grant awards and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional fund balance appropriations of \$111,216 and \$16,305 from the general fund were made on January 13, 2016 and February 12, 2016, respectively.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

B. Capital Reserve

A capital reserve account was established by the District. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

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

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2016 is as follows:

Balance, July 1, 2015		\$	497,593
Increased by			
Interest Earnings			<u>497</u>
			498,090
Withdrawals			
Approved in District Budget	\$	200	
Approved by Board Resolution		<u>16,305</u>	
Total Withdrawals			<u>16,505</u>
Balance, June 30, 2016		\$	<u>481,585</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

C. Maintenance Reserve

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve

The activity of the maintenance reserve for the fiscal year ended June 30, 2016 is as follows:

Balance, July 1, 2015		\$	400,033
Increased by			
Return of Unexpended Maintenance Reserve			
Funds in District Budget	\$	2,038	
Interest earnings		<u>120</u>	
			<u>2,158</u>
			402,191
Withdrawals			
Approved in District Budget			<u>22,366</u>
Balance, June 30, 2016		\$	<u>379,825</u>

The June 30, 2016 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$418,761. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

D. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2016 is \$433,114. Of this amount, \$255,641 was designated and appropriated in the 2016/2017 original budget certified for taxes and the remaining amount of \$177,473 will be appropriated in the 2017/2018 original budget certified for taxes.

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2016, the book value of the Board's deposits were \$1,528,332 and bank and brokerage firm balances of the Board's deposits amounted to \$1,886,634. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ <u>1,886,634</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2016 none of the Board's bank balances were exposed to custodial credit risk.

Investments

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

As of June 30, 2016, the Board had no outstanding investments.

Interest Rate Risk – The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

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

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2016 for the district's individual major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Enterprise Fund</u>	<u>Total</u>
Receivables:					
Intergovernmental					
Federal		\$ 8,452		\$ 5,580	\$ 14,032
State	\$ 3,512		\$ 27,880	192	31,584
Other	18,272	-	-	-	18,272
	<u>21,784</u>	<u>8,452</u>	<u>27,880</u>	<u>5,772</u>	<u>63,888</u>
Gross Receivables					
Less: Allowance for Uncollectibles	-	-	-	-	-
Net Total Receivables	<u>\$ 21,784</u>	<u>\$ 8,452</u>	<u>\$ 27,880</u>	<u>\$ 5,772</u>	<u>\$ 63,888</u>

C. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

	<u>Unearned</u>
General Fund	
Tuition	\$ 4,500
Special Revenue Fund	
Unencumbered grant draw downs	3,805
Capital Projects Fund	
Unrealized Schools Development Authority School Facilities Grants	<u>9,698</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 18,003</u>

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	<u>Balance, July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2016</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 11,800			\$ 11,800
Construction in Progress	-	-	-	-
Total capital assets, not being depreciated	<u>11,800</u>	<u>-</u>	<u>-</u>	<u>11,800</u>
Capital assets, being depreciated:				
Buildings and Building Improvements	7,057,900			7,057,900
Machinery and equipment	358,098	-	-	358,098
Total capital assets being depreciated	<u>7,415,998</u>	<u>-</u>	<u>-</u>	<u>7,415,998</u>
Less accumulated depreciation for:				
Buildings and Building Improvements	(2,488,068)	\$ (182,507)		(2,670,575)
Machinery and equipment	(301,333)	(15,504)	-	(316,837)
Total accumulated depreciation	<u>(2,789,401)</u>	<u>(198,011)</u>	<u>-</u>	<u>(2,987,412)</u>
Total capital assets, being depreciated, net	<u>4,626,597</u>	<u>(198,011)</u>	<u>-</u>	<u>4,428,586</u>
Governmental activities capital assets, net	<u>\$ 4,638,397</u>	<u>\$ (198,011)</u>	<u>\$ -</u>	<u>\$ 4,440,386</u>
Business-type activities:				
Capital assets, being depreciated:				
Machinery and equipment	\$ 22,269	\$ 3,034	-	\$ 25,303
Total capital assets being depreciated	<u>22,269</u>	<u>3,034</u>	<u>-</u>	<u>25,303</u>
Less accumulated depreciation for:				
Machinery and equipment	(14,390)	(1,794)	-	(16,184)
Total accumulated depreciation	<u>(14,390)</u>	<u>(1,794)</u>	<u>-</u>	<u>(16,184)</u>
Total capital assets, being depreciated, net	<u>7,879</u>	<u>1,240</u>	<u>-</u>	<u>9,119</u>
Business-type activities capital assets, net	<u>\$ 7,879</u>	<u>\$ 1,240</u>	<u>\$ -</u>	<u>\$ 9,119</u>

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:

Instruction	
Regular	\$ 13,252
Total Instruction	<u>13,252</u>
Support Services	
Support Services-Students	762
Operations and Maintenance of Plant	<u>183,997</u>
Total Support Services	<u>184,759</u>
Total depreciation expense - governmental activities	<u>\$ 198,011</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 1,794</u>

Construction and Other Significant Commitments

The District has other significant commitments at June 30, 2016 as follows:

<u>Purposes</u>	<u>Remaining Commitment</u>
Purchase and Installation of a New Digital Announcement Sign	<u>\$ 16,305</u>

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2016, is as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 4,647
General Fund	Capital Projects Fund	3,636
General Fund	Food Service Enterprise Fund	447
General Fund	Payroll Agency Fund	27
Unemployment Compensation Trust Fund	General Fund	13,507
Payroll Agency Fund	Unemployment Compensation Trust Fund	<u>1,265</u>
		<u>\$ 23,529</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year.

F. Leases

Capital Leases

The District is leasing copiers totaling \$46,780 under capital leases. The leases are for a term of 4 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Machinery and Equipment	\$ <u>46,780</u>
Total	\$ <u>46,780</u>

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

Capital Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 were as follows:

Fiscal <u>Year Ending June 30</u>	Governmental <u>Activities</u>
2017	\$ 10,590
2018	<u>7,060</u>
Total minimum lease payments	17,650
Less: amount representing interest	<u>(747)</u>
Present value of minimum lease payments	<u>\$ 16,903</u>

G. Long-Term Debt

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2016 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 25,571,637
Less: Net Debt	<u>-</u>
Remaining Borrowing Power	<u>\$ 25,571,637</u>

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2016, was as follows:

	Balance, <u>July 1, 2015</u>	<u>Increases</u>	<u>Reductions</u>	Balance, <u>June 30, 2016</u>	Due Within <u>One Year</u>
Governmental activities:					
Capital Leases	\$ 26,392		\$ 9,489	\$ 16,903	\$ 9,973
Net Pension Liability	984,142	\$ 103,985		1,088,127	41,674
Compensated absences payable	<u>24,221</u>	<u>9,502</u>	<u>-</u>	<u>33,723</u>	<u>-</u>
Governmental activity Long-term liabilities	<u>\$ 1,034,755</u>	<u>\$ 113,487</u>	<u>\$ 9,489</u>	<u>\$ 1,138,753</u>	<u>\$ 51,647</u>

For the governmental activities, the liabilities for compensated absences, net pension liability and capital leases are generally liquidated by the general fund.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The District is a member of the Pooled Insurance Program of New Jersey (PIPNJ). The Group is a risk sharing public entity pool, established for the purpose of insuring against various types of claims.

The relationship between the Board and the insurance fund is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the fund, to report claims on a timely basis, cooperate with the management of the fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the fund. Members have a contractual obligation to fund any deficit of the fund attributable to a membership year during which they were a member.

PIPNJ provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

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

Fiscal Year Ended <u>June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	\$ 105	\$ 9,491	\$ 9,271	\$ 30,302
2015	21,280	5,300	20,883	29,952
2014	7,423	7,499	10,023	24,242

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 OTHER INFORMATION (Continued)

B. Contingent Liabilities

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

Federal and State Awards – The Board 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 Board may be required to reimburse the grantor government. As of June 30, 2016, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Employee Retirement Systems and Pension Plans

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all eligible Board employees:

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. PERS is a cost sharing multi-employer defined benefit pension plan.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. TPAF is a cost sharing plan with special funding situations.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds (Continued)

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Basis of Accounting

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at www.state.nj.us/treasury/doinvest.

Funding Status and Funding Progress

As of July 1, 2014, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 35 percent with an unfunded actuarial accrued liability of \$86 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 28.71 percent and \$63.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 47.9 percent and \$22.4 billion, respectively.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Actuarial Methods and Assumptions

In the July 1, 2014 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 2.60-9.48 percent based on age for the PERS and varying percentages based on experience for TPAF.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.92% for PERS, 6.92% for TPAF and 5.50% for DCRP of the employee's annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2016 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the fiscal years ended June 30, 2016, 2015 and 2014 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-Behalf <u>TPAF</u>	<u>DCRP</u>
2016	\$ 41,674	\$ 153,633	\$ 10,594
2015	43,333	122,286	-
2014	41,595	94,761	-

For fiscal years 2015/2016 and 2014/2015, the state contributed \$153,633 and \$122,286, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$94,761 for normal cost pension and NCGI premium.

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 24. The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$139,281 during the fiscal year ended June 30, 2016 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees Retirement System (PERS)

At June 30, 2016, the District reported in the statement of net position (accrual basis) a liability of \$1,088,127 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the District's proportionate share was .00485 percent, which was a decrease of .00041 percent from its proportionate share measured as of June 30, 2014 of .00526 percent.

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$66,479 for PERS. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>2015</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 25,959	
Changes of Assumptions	116,856	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 17,495
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>39,343</u>	<u>64,979</u>
Total	<u>\$ 182,158</u>	<u>\$ 82,474</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Fiscal Year	
Ending <u>June 30,</u>	
2017	\$ 17,650
2018	17,650
2019	17,650
2020	32,312
2021	<u>14,422</u>
	<u>\$ 99,684</u>

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15-4.40%
Thereafter	Based on Age 3.15-5.40%
Investment Rate of Return	Based on Age 7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience Study Upon Which Actuarial Assumptions were Based	July 1, 2008 - June 30, 2011

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
 Related to Pensions (Continued)**

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Plan</u>	<u>Discount Rate</u>
PERS	4.90%

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2033
Municipal Bond Rate *	From July 1, 2033 and Thereafter

* The municipal bond return rate used is 3.80%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 4.90%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90 percent) or 1-percentage-point higher (5.90 percent) than the current rate:

	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 1,352,409</u>	<u>\$ 1,088,127</u>	<u>\$ 866,555</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2015. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Teachers Pension and Annuity Fund (TPAF)

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$872,906 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2016 the State's proportionate share of the net pension liability attributable to the District is \$14,296,105. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2015. At June 30, 2015, the state's share of the net pension liability attributable to the District was .02262 percent, which was a decrease of .00034 percent from its proportionate share measured as of June 30, 2014 of .02296 percent.

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience Study Upon Which Actuarial Assumptions were Based	July 1, 2009 - June 30, 2012

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

<u>Plan</u>	<u>Discount Rate</u>
TPAF	4.13%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2027
Municipal Bond Rate *	From July 1, 2027 and Thereafter

* The municipal bond return rate used is 3.80%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.13%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current rate:

	1% Decrease <u>(3.13%)</u>	Current Discount Rate <u>(4.13%)</u>	1% Increase <u>(5.13%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 16,990,386</u>	<u>\$ 14,296,105</u>	<u>\$ 11,974,820</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2015. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2015 was not provided by the pension system.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

D. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2015.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

Health Benefits Program Fund (HBPF) – Local Education (including Prescription Drug Program Fund) – The State of New Jersey provides paid coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides paid coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for state paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

Basis of Accounting

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

Significant Legislation

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Funded Status and Funding Progress

As of July 1, 2014, the most recent actuarial valuation date, the State had a \$65.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$24.4 billion for state active and retired members and \$40.6 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2014, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2015, there were 107,314, retirees receiving post-retirement medical benefits and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State and 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

The School Employees Health Benefits Program (SEHBP) 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 Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing 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 contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2016, 2015 and 2014 were \$182,934, \$194,129 and \$155,372, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 7,280,360		\$ 7,280,360	\$ 7,280,360	
Tuition	28,000		28,000	37,480	\$ 9,480
Interest	200		200	3,249	3,049
Unrestricted Miscellaneous Revenue	26,400	-	26,400	18,369	(8,031)
Total Local Sources	<u>7,334,960</u>	<u>-</u>	<u>7,334,960</u>	<u>7,339,458</u>	<u>4,498</u>
State Sources					
Special Education Aid	209,761		209,761	209,761	-
Transportation Aid	20,048		20,048	20,048	-
Security Aid	9,794		9,794	9,794	-
PARCC Readiness Aid	4,430		4,430	4,430	-
Per Pupil Growth Aid	4,430		4,430	4,430	-
Extraordinary Aid	81,925		81,925	147,612	65,687
Non Public Transportation				3,512	3,512
On-behalf TPAF Pension Benefit Contribution (Non-Budget)				146,343	146,343
On-behalf TPAF Pension NCGI Premium (Non-Budget)				7,290	7,290
On-behalf TPAF Post Retirement Medical Contribution (Non-Budget)				182,934	182,934
TPAF Social Security Contribution (Non-Budget)	-	-	-	139,281	139,281
Total State Sources	<u>330,388</u>	<u>-</u>	<u>330,388</u>	<u>875,435</u>	<u>545,047</u>
Total Revenues	<u>7,665,348</u>	<u>-</u>	<u>7,665,348</u>	<u>8,214,893</u>	<u>549,545</u>
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction					
Regular Programs					
Salaries of Teachers					
Preschool	88,555	\$ (16,727)	71,828	71,827	1
Kindergarten	149,929	(22,942)	126,987	125,473	1,514
Grades 1-5	690,119	(16,508)	673,611	673,366	245
Grades 6-8	549,084	(32,337)	516,747	515,596	1,151
Regular Program - Home Instruction					
Salaries of Teachers	20,000	(15,960)	4,040	3,602	438
Other Salaries for Instruction	10,000	-	10,000	9,272	728
Purchased Professional-Educational Services		3,200	3,200	3,192	8
Other Purchased Services	22,000	16,397	38,397	33,147	5,250
General Supplies	59,455	7,271	66,726	62,279	4,447
Textbooks	15,000	(7,995)	7,005	7,004	1
Miscellaneous Expenditures	10,000	(8,480)	1,520	756	764
Total Regular Programs	<u>1,614,142</u>	<u>(94,081)</u>	<u>1,520,061</u>	<u>1,505,514</u>	<u>14,547</u>

**RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 50,000	\$ 78,912	\$ 128,912	\$ 128,905	\$ 7
Other Salaries for Instruction	25,794	4,693	30,487	29,742	745
General Supplies	2,400	(2,142)	258	258	-
Textbooks	400	(400)	-	-	-
Total Learning and/or Language Disabilities	<u>78,594</u>	<u>81,063</u>	<u>159,657</u>	<u>158,905</u>	<u>752</u>
Resource Room/Resource Center					
Salaries of Teachers	245,535	(24,800)	220,735	220,732	3
Other Salaries for Instruction		36,782	36,782	35,898	884
General Supplies	2,500	(285)	2,215	1,062	1,153
Textbooks	600	-	600	-	600
Total Resource Room/Resource Center	<u>248,635</u>	<u>11,697</u>	<u>260,332</u>	<u>257,692</u>	<u>2,640</u>
Total Special Education - Instruction	<u>327,229</u>	<u>92,760</u>	<u>419,989</u>	<u>416,597</u>	<u>3,392</u>
Basic Skills/Remedial Instruction					
Salaries of Teachers	106,863	(44,900)	61,963	61,911	52
General Supplies	2,000	-	2,000	30	1,970
Textbooks	300	-	300	-	300
Total Basic Skills/Remedial Instruction	<u>109,163</u>	<u>(44,900)</u>	<u>64,263</u>	<u>61,941</u>	<u>2,322</u>
School Sponsored Cocurricular Activities					
Salaries	16,500	6,508	23,008	22,890	118
Supplies and Materials	1,200	(500)	700	349	351
Other Objects	2,500	(1,625)	875	335	540
Total School Sponsored Cocurricular Activities	<u>20,200</u>	<u>4,383</u>	<u>24,583</u>	<u>23,574</u>	<u>1,009</u>
School Sponsored Athletics					
Salaries	13,100	-	13,100	13,073	27
Supplies and Materials	2,200	(35)	2,165	2,118	47
Other Objects	4,000	235	4,235	3,995	240
Total School Sponsored Athletics	<u>19,300</u>	<u>200</u>	<u>19,500</u>	<u>19,186</u>	<u>314</u>
Total Instruction	<u>2,090,034</u>	<u>(41,638)</u>	<u>2,048,396</u>	<u>2,026,812</u>	<u>21,584</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Regular	1,483,612	14,424	1,498,036	1,490,814	7,222
Tuition to Other LEAs Within the State-Special	473,504	(8,074)	465,430	457,247	8,183
Tuition to County Voc. School Dist-Regular	113,808	(49,000)	64,808	64,279	529
Tuition to Private Schools - Disabled - W/I State	720,526	101,865	822,391	814,792	7,599
Total Undistributed Expenditures - Instruction	<u>2,791,450</u>	<u>59,215</u>	<u>2,850,665</u>	<u>2,827,132</u>	<u>23,533</u>

**RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Attendance and Social Work Services					
Salaries	\$ 22,153	\$ (3,000)	\$ 19,153	\$ 18,261	\$ 892
Total Attendance and Social Work Services	<u>22,153</u>	<u>(3,000)</u>	<u>19,153</u>	<u>18,261</u>	<u>892</u>
Undistributed Expenditures					
Health Services					
Salaries	52,675	60	52,735	52,680	55
Purchased Professional and Technical Services	2,500	(60)	2,440	2,127	313
Supplies and Materials	2,500	-	2,500	1,828	672
Other Objects	525	-	525	460	65
Total Health Services	<u>58,200</u>	<u>-</u>	<u>58,200</u>	<u>57,095</u>	<u>1,105</u>
Speech, OT, PT & Related Services					
Salaries	55,352	(8,000)	47,352	47,132	220
Purchased Professional - Educational Services	42,700	6,084	48,784	42,104	6,680
Supplies and Materials	500	-	500	179	321
Total Speech, OT, PT & Related Services	<u>98,552</u>	<u>(1,916)</u>	<u>96,636</u>	<u>89,415</u>	<u>7,221</u>
Other Support Serv. Students - Extra. Svcs.					
Salaries	28,853	18,522	47,375	47,374	1
Purchased Professional-Educational Services	74,227	55,232	129,459	117,490	11,969
Other Objects	300	-	300	-	300
Total Other Support Serv. Students - Extra. Svcs.	<u>103,380</u>	<u>73,754</u>	<u>177,134</u>	<u>164,864</u>	<u>12,270</u>
Guidance					
Salaries of Secretarial and Clerical Assistants	21,153	(1,710)	19,443	17,822	1,621
Other Purchased Services		430	430	428	2
Supplies and Materials	2,500	(840)	1,660	-	1,660
Total Guidance	<u>23,653</u>	<u>(2,120)</u>	<u>21,533</u>	<u>18,250</u>	<u>3,283</u>
Child Study Teams					
Salaries of Other Professional Staff	156,282	(711)	155,571	153,924	1,647
Salaries of Secretarial and Clerical Assistants	47,276	(239)	47,037	44,827	2,210
Other Purchased Professional and Tech. Services	5,500	8,725	14,225	12,841	1,384
Supplies and Materials	2,225	749	2,974	2,769	205
Other Objects	275	-	275	275	-
Total Child Study Teams	<u>211,558</u>	<u>8,524</u>	<u>220,082</u>	<u>214,636</u>	<u>5,446</u>
Educational Media Services/School Library					
Salaries	45,861	710	46,571	46,558	13
Purchased Professional and Technical Services	17,000	10,397	27,397	27,183	214
Supplies and Materials	7,600	(397)	7,203	6,998	205
Total Educational Media Serv./School Library	<u>70,461</u>	<u>10,710</u>	<u>81,171</u>	<u>80,739</u>	<u>432</u>

**RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Instructional Staff Training Services					
Purchased Professional/Educational Services	\$ 30,075	\$ (6,040)	\$ 24,035	\$ 13,305	\$ 10,730
Other Purchased Services - Travel	800	3,200	4,000	612	3,388
Total Instructional Staff Training Services	30,875	(2,840)	28,035	13,917	14,118
Support Services General Administration					
Salaries	169,027	1,858	170,885	170,885	-
Legal Services	8,000	9,000	17,000	16,590	410
Audit Fees	16,500	2,215	18,715	18,715	-
Architectural/Engineering Services	3,000	600	3,600		3,600
Other Purchased Professional Services	2,895	2,620	5,515	5,490	25
Communications/Telephone	20,000	(5,083)	14,917	14,633	284
BOE Other Purchased Services	8,000	(6,085)	1,915	1,908	7
Miscellaneous Purchased Services	26,401	7,028	33,429	33,341	88
General Supplies	2,750	(998)	1,752	1,436	316
Miscellaneous Expenditures	8,200	5,312	13,512	13,495	17
BOE Membership Dues and Fees	4,010	-	4,010	3,954	56
Total Support Services General Administration	268,783	16,467	285,250	280,447	4,803
Support Services School Administration					
Salaries of Principal/Asst. Principals	102,000	(11,048)	90,952	83,334	7,618
Salaries of Secretarial and Clerical Assistants	5,175	-	5,175	4,343	832
Supplies and Materials	7,500	105	7,605	7,555	50
Other Objects	1,500	45	1,545	1,544	1
Total Support Services School Administration	116,175	(10,898)	105,277	96,776	8,501
Central Services					
Salaries	122,893	(130)	122,763	122,713	50
Purchased Professional Services	11,950	6,085	18,035	17,849	186
Miscellaneous Purchased Services - Travel	7,100	(6,971)	129	129	-
Supplies and Materials	4,000	(74)	3,926	3,858	68
Miscellaneous Expenditures	1,000	765	1,765	1,765	-
Total Central Services	146,943	(325)	146,618	146,314	304
Admin. Info. Technology					
Salaries		1,575	1,575	1,575	-
Purchased Technical Services		9,772	9,772	9,597	175
Supplies and Materials	-	3,496	3,496	3,496	-
Total Admin. Info. Technology	-	14,843	14,843	14,668	175
Required Maintenance for School Facilities					
Salaries	48,000	(2,205)	45,795	45,792	3
Cleaning, Repair and Maintenance Services	48,921	(6,500)	42,421	40,838	1,583
General Supplies	10,000	(3,016)	6,984	6,532	452
Total Required Maintenance for School Fac.	106,921	(11,721)	95,200	93,162	2,038

**RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Custodial Services					
Salaries	\$ 136,781	\$ 2,911	\$ 139,692	\$ 138,643	\$ 1,049
Salaries of Non-Instructional Aides		14,490	14,490	13,784	706
Purchased, Professional and Technical Services	5,300	-	5,300	2,928	2,372
Cleaning, Repair and Maintenance Service	14,000	-	14,000	8,817	5,183
Insurance	25,585	-	25,585	24,534	1,051
Miscellaneous Purchased Services	1,800	-	1,800	372	1,428
General Supplies	20,000	5,160	25,160	25,119	41
Energy (Natural)	26,000	-	26,000	18,317	7,683
Energy (Electricity)	95,932	(14,549)	81,383	75,411	5,972
Other Objects	830	228	1,058	937	121
Total Custodial Services	<u>326,228</u>	<u>8,240</u>	<u>334,468</u>	<u>308,862</u>	<u>25,606</u>
Student Transportation Services					
Salaries for Pupil Transportation					
(Between Home and School) - Regular	19,243	551	19,794	19,792	2
Contracted Serv (Bet. Home and Sch)-Vendors	145,451	18,300	163,751	163,365	386
Contracted Serv (Other than Bet Home & Sch) - Vendors	6,720	773	7,493	7,432	61
Contracted Serv (Sp Ed Students)- Vendors		3,200	3,200	3,200	-
Contracted Serv.-Aid in Lieu of Payments-Non Public	21,120	111	21,231	17,554	3,677
Contracted Serv. (Reg. Students)-ESCs & CTSA's	32,882	-	32,882	30,021	2,861
Contracted Serv. (Spl.Ed.Students)-ESCs & CTSA's	335,665	(55,054)	280,611	273,139	7,472
General Supplies	3,000	-	3,000	1,135	1,865
Other Objects	2,000	-	2,000	318	1,682
Total Student Transportation Services	<u>566,081</u>	<u>(32,119)</u>	<u>533,962</u>	<u>515,956</u>	<u>18,006</u>
Unallocated Benefits-Employee Benefits					
Social Security Contributions	59,645	18,711	78,356	77,505	851
Other Retirement Contributions - PERS	56,860	(3,711)	53,149	52,268	881
Unemployment Compensation	15,000	(14,895)	105	105	-
Workmen's Compensation	30,815	(1,300)	29,515	29,479	36
Health Benefits	723,138	49,513	772,651	772,434	217
Tuition Reimbursement	5,000	5,053	10,053	10,052	1
Other Employee Benefits	16,547	(1,797)	14,750	13,725	1,025
Total Unallocated Benefits - Employee Benefits	<u>907,005</u>	<u>51,574</u>	<u>958,579</u>	<u>955,568</u>	<u>3,011</u>
On-behalf TPAF Pension Benefit Contribution (Non-Budget)					
				146,343	(146,343)
On-behalf TPAF Pension NCGI Premium (Non-Budget)					
				7,290	(7,290)
On-behalf TPAF Post Retirement Medical Contribution (Non-Budget)					
				182,934	(182,934)
On-behalf TPAF Social Security Contributions (Non-Budget)					
	-	-	-	139,281	(139,281)
Total Undistributed Expenditures	<u>5,848,418</u>	<u>178,388</u>	<u>6,026,806</u>	<u>6,371,910</u>	<u>(345,104)</u>
Total Expenditures - Current Expenditures	<u>7,938,452</u>	<u>136,750</u>	<u>8,075,202</u>	<u>8,398,722</u>	<u>(323,520)</u>

**RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures					
Instruction	\$ 28,500	\$ 353	\$ 28,853	-	\$ 28,853
Total Equipment	<u>28,500</u>	<u>353</u>	<u>28,853</u>	<u>-</u>	<u>28,853</u>
Facilities and Acquisition and Construction Services					
Construction Services		16,305	16,305		16,305
Assessment for Debt Service on SDA Funding	16,125	-	16,125	\$ 16,125	-
Total Facilities Acquis. and Const. Services	<u>16,125</u>	<u>16,305</u>	<u>32,430</u>	<u>16,125</u>	<u>16,305</u>
Interest to Capital Reserve	200	-	200	-	200
Total Capital Outlay	<u>44,825</u>	<u>16,658</u>	<u>61,483</u>	<u>16,125</u>	<u>45,358</u>
Total Expenditures	<u>7,983,277</u>	<u>153,408</u>	<u>8,136,685</u>	<u>8,414,847</u>	<u>(278,162)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(317,929)</u>	<u>(153,408)</u>	<u>(471,337)</u>	<u>(199,954)</u>	<u>271,383</u>
Other Financing Sources					
Transfers In	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>(317,929)</u>	<u>(153,408)</u>	<u>(471,337)</u>	<u>(199,954)</u>	<u>271,383</u>
Fund Balance, Beginning of Year	<u>1,835,733</u>	<u>-</u>	<u>1,835,733</u>	<u>1,835,733</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,517,804</u>	<u>\$ (153,408)</u>	<u>\$ 1,364,396</u>	<u>\$ 1,635,779</u>	<u>\$ 271,383</u>
Restricted Fund Balance:					
Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 255,641	
Excess Surplus				177,473	
Capital Reserve				481,585	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				20,000	
Maintenance Reserve				359,825	
Committed Fund Balance					
Year-end Encumbrances				16,305	
Assigned Fund Balance:					
Year-end Encumbrances				5,751	
Unassigned Fund Balance:				<u>319,199</u>	
				1,635,779	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: State Aid Payments Not Recognized on GAAP Basis					
Delayed State Aid Payments			\$ (23,232)		
Extraordinary Aid			<u>(147,612)</u>		
				<u>(170,844)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 1,464,935</u>	

**RIVERDALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
Federal	\$ 87,010	\$ 27,738	\$ 114,748	\$ 100,380	\$ (14,368)
Other	-	7,646	7,646	3,842	(3,804)
Total Revenues	<u>87,010</u>	<u>35,384</u>	<u>122,394</u>	<u>104,222</u>	<u>(18,172)</u>
EXPENDITURES					
Instruction					
Salaries		6,480	6,480		6,480
Purchased Professional/Educational Services		873	873	873	-
Tuition	61,736	10,264	72,000	72,000	-
General Supplies	<u>21,767</u>	<u>(9,124)</u>	<u>12,643</u>	<u>7,439</u>	<u>5,204</u>
Total Instruction	<u>83,503</u>	<u>8,493</u>	<u>91,996</u>	<u>80,312</u>	<u>11,684</u>
Support Services					
Salaries		1,500	1,500	1,500	-
Employee Benefits		496	496		496
Purchased Professional/Educational Services	3,507	19,419	22,926	17,026	5,900
General Supplies	<u>-</u>	<u>5,476</u>	<u>5,476</u>	<u>5,384</u>	<u>92</u>
Total Support Services	<u>3,507</u>	<u>26,891</u>	<u>30,398</u>	<u>23,910</u>	<u>6,488</u>
Capital Outlay- Instructional Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>87,010</u>	<u>35,384</u>	<u>122,394</u>	<u>104,222</u>	<u>18,172</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	General Fund		Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1) \$ 8,214,893		(C-2) \$ 104,222
Difference - Budget to GAAP:			
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (prior year)	130,968		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (current year)	(170,844)		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Encumbrances, Prior Year			314
Encumbrances, Current Year	-		-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) \$ <u>8,175,017</u>		(B-2) \$ <u>104,536</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ 8,414,847		(C-2) \$ 104,222
Differences - Budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.			
Encumbrances, June 30, 2015			314
Encumbrances, June 30, 2016	-		-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>8,414,847</u>		(B-2) \$ <u>104,536</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**RIVERDALE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

**PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Three Fiscal Years ***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.00485 %	0.00526 %	0.00496 %
District's Proportionate Share of the Net Pension Liability (Asset)	1,088,127	984,142	947,534
District's Covered-Employee Payroll	317,879	311,078	310,024
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	342%	316%	306%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

* The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**RIVERDALE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**

**PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Three Fiscal Years**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 41,674	\$ 43,333	\$ 41,595
Contributions in Relation to the Contractually Required Contributions	<u>41,674</u>	<u>43,333</u>	<u>41,595</u>
Contribution Deficiency (Excess)	-	-	-
District's Covered- Employee Payroll	317,879	311,078	310,024
Contributions as a Percentage of Covered-Employee Payroll	13.11%	13.93%	13.42%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**RIVERDALE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

**TEACHERS PENSION AND ANNUITY FUND
Last Three Fiscal Years ***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0 %	0 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>14,296,105</u>	<u>11,971,862</u>	<u>11,605,771</u>
Total	\$ 14,296,105	\$ 11,971,862	\$ 11,605,771
District's Covered-Employee Payroll	1,933,044	1,946,722	2,087,474
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.76%

* The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**RIVERDALE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Change of Benefit Terms: None.

Change of Assumptions: Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 5.

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

**RIVERDALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	IDEA Part B Basic	IDEA Part B Preschool	NCLB Title I	NCLB Title II-A	NCLB Title III	Local	Total 2016
REVENUES							
Intergovernmental							
Federal	\$ 73,649	\$ 1,600	\$ 19,748	\$ 4,676	\$ 707		\$ 100,380
Other	-	-	-	-	-	\$ 3,842	3,842
Total Revenues	<u>\$ 73,649</u>	<u>\$ 1,600</u>	<u>\$ 19,748</u>	<u>\$ 4,676</u>	<u>\$ 707</u>	<u>\$ 3,842</u>	<u>\$ 104,222</u>
EXPENDITURES							
Instruction							
Purchased Professional/Educational Services		\$ 500				\$ 373	\$ 873
Tuition	\$ 72,000						72,000
General Supplies	<u>1,649</u>	<u>1,100</u>	<u>\$ 2,342</u>	<u>-</u>	<u>\$ 707</u>	<u>1,641</u>	<u>7,439</u>
Total Instruction	<u>73,649</u>	<u>1,600</u>	<u>2,342</u>	<u>-</u>	<u>707</u>	<u>2,014</u>	<u>80,312</u>
Support Services							
Salaries				\$ 1,500			1,500
Purchased Professional/Educational Services			13,850	3,176			17,026
General Supplies	-	-	<u>3,556</u>	<u>-</u>	<u>-</u>	<u>1,828</u>	<u>5,384</u>
Total Support Services	<u>-</u>	<u>-</u>	<u>17,406</u>	<u>4,676</u>	<u>-</u>	<u>1,828</u>	<u>23,910</u>
Capital Outlay- Instructional Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 73,649</u>	<u>\$ 1,600</u>	<u>\$ 19,748</u>	<u>\$ 4,676</u>	<u>\$ 707</u>	<u>\$ 3,842</u>	<u>\$ 104,222</u>

**RIVERDALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**RIVERDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance, June 30, 2016</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Window Replacement at Riverdale Public School	\$ 69,700	\$ 45,456	\$ -	\$ 24,244
	<u>\$ 69,700</u>	<u>\$ 45,456</u>	<u>\$ -</u>	<u>\$ 24,244</u>
Reconciliation to GAAP				
				Project Balance - Budgetary Basis, June 30, 2016
				\$ 24,244
				Less:
				Unearned SDA Grant Revenue
				<u>(9,698)</u>
				Fund Balance - GAAP Basis, June 30, 2016
				<u>\$ 14,546</u>

**RIVERDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Revenues and Other Financing Sources

State Sources- SCC Grant	
Other Local Sources - Capital Reserve	
Interest on Investments	
Transfer in Debt Service Fund	-
	-
Total Revenues and Other Financing Sources	-

Expenditures and Other Financing Uses

Construction Services	
Purchased Professional and Technical Services	
Prior Year Expenditures Paid by General Fund	-
	-
Total Expenditures and Other Financing Uses	-

Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures
and Other Financing Uses -

Fund Balance - Beginning of Year \$ 24,244

Fund Balance- Ending of Year \$ 24,244

Reconciliation to GAAP

Fund Balance - Ending - Budgetary Basis	\$ 24,244
Less: Unearned EDA Grant Revenue	<u>(9,698)</u>
Fund Balance, June 30, 2016 GAAP Basis	<u>\$ 14,546</u>

**RIVERDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WINDOW REPLACEMENT AT THE RIVERDALE PUBLIC SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 27,880		\$ 27,880	
Other Local Sources - Capital Reserve	41,820	-	41,820	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	69,700	-	69,700	-
Expenditures and Other Financing Uses				
Construction Services	38,456		38,456	
Purchased Professional and Technical Services	7,000		7,000	
Unallocated	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	45,456	-	45,456	-
Excess of Revenue Over Expenditures	<u>\$ 24,244</u>	<u>\$ -</u>	<u>\$ 24,244</u>	<u>\$ -</u>

Additional Project Information:	
Project Number	4440-050-09-1003
Grant Date	FY 2011
Bond Authorization Date	
Bonds Authorized	
Bonds Issued	
Original Authorized Cost	\$ 69,700
Additional Authorized Cost	-
Revised Authorized Cost	69,700
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100%
Original Target Completion Date	Sep-10
Revised Target Completion Date	Sep-12

ENTERPRISE FUND

EXHIBIT G-1

**RIVERDALE BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2016**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

**RIVERDALE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES
AS OF JUNE 30, 2016**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 17,071	\$ 12,536	\$ 29,607
Due from Other Funds	<u>-</u>	<u>1,265</u>	<u>1,265</u>
Total Assets	<u>\$ 17,071</u>	<u>\$ 13,801</u>	<u>\$ 30,872</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 13,774	\$ 13,774
Due to Other Funds		27	27
Accounts Payable	\$ 721		721
Due to Student Groups	<u>16,350</u>	<u>-</u>	<u>16,350</u>
Total Liabilities	<u>\$ 17,071</u>	<u>\$ 13,801</u>	<u>\$ 30,872</u>

**RIVERDALE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

THIS STATEMENT IS NOT APPLICABLE

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Balance, July 1, 2015</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance, June 30, 2016</u>
Elementary School				
Programs and Activities	\$ 13,089	\$ 63,157	\$ 59,175	\$ 17,071
Athletics	<u>-</u>	<u>3,660</u>	<u>3,660</u>	<u>-</u>
 Total All Schools	 <u>\$ 13,089</u>	 <u>\$ 66,817</u>	 <u>\$ 62,835</u>	 <u>\$ 17,071</u>

**RIVERDALE BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Balance, July 1, <u>2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>2016</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 967	\$ 1,360,462	\$ 1,347,655	\$ 13,774
Accrued Salaries and Wages		1,865,239	1,865,239	-
Due To/From Other Funds - Unemployment Trust	69	2,551	3,885	(1,265)
Due To/From Other Funds - General Fund	<u>26</u>	<u>62</u>	<u>61</u>	<u>27</u>
 Total	 <u>\$ 1,062</u>	 <u>\$ 3,228,314</u>	 <u>\$ 3,216,840</u>	 <u>\$ 12,536</u>

LONG-TERM DEBT

**RIVERDALE BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOT APPLICABLE

**RIVERDALE PARK BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2015</u>	<u>Matured</u>	<u>Balance, June 30, 2016</u>
Copiers-3	\$ 46,780	4.98%	<u>\$ 26,392</u>	<u>\$ 9,489</u>	<u>\$ 16,903</u>

**RIVERDALE BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOT APPLICABLE

STATISTICAL SECTION

This part of the Riverdale Board of Education's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Exhibits

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

RIVERDALE BOARD OF EDUCATION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
								(Restated)		
Governmental activities										
Invested in capital assets, net of related debt	\$ 3,590,617	\$ 3,790,638	\$ 3,948,130	\$ 4,104,235	\$ 4,454,224	\$ 4,593,297	\$ 4,937,669	\$ 4,800,412	\$ 4,612,005	\$ 4,423,483
Restricted	158,000	150,662	212,492	132,548	173,243	471,703	761,897	962,090	962,172	875,956
Unrestricted	221,822	389,216	344,773	578,464	804,054	879,909	775,471	(190,381)	(230,720)	(418,641)
Total governmental activities net position	<u>\$ 3,970,439</u>	<u>\$ 4,330,516</u>	<u>\$ 4,505,395</u>	<u>\$ 4,815,247</u>	<u>\$ 5,431,521</u>	<u>\$ 5,944,909</u>	<u>\$ 6,475,037</u>	<u>\$ 5,572,121</u>	<u>\$ 5,343,457</u>	<u>\$ 4,880,798</u>
Business-type activities										
Invested in capital assets, net of related debt						\$ 2,316	\$ 1,737	\$ 9,370	\$ 7,879	\$ 9,119
Restricted										
Unrestricted	\$ 10,564	\$ 12,690	\$ 13,399	\$ 12,268	\$ 12,042	16,004	22,031	12,642	20,198	21,188
Total business-type activities net position	<u>\$ 10,564</u>	<u>\$ 12,690</u>	<u>\$ 13,399</u>	<u>\$ 12,268</u>	<u>\$ 12,042</u>	<u>\$ 18,320</u>	<u>\$ 23,768</u>	<u>\$ 22,012</u>	<u>\$ 28,077</u>	<u>\$ 30,307</u>
District-wide										
Invested in capital assets, net of related debt	\$ 3,590,617	\$ 3,790,638	\$ 3,948,130	\$ 4,104,235	\$ 4,454,224	\$ 4,595,613	\$ 4,939,406	\$ 4,809,782	\$ 4,619,884	\$ 4,432,602
Restricted	158,000	150,662	212,492	132,548	173,243	471,703	761,897	962,090	962,172	875,956
Unrestricted	232,386	401,906	358,172	590,732	816,096	895,913	797,502	(177,739)	(210,522)	(397,453)
Total district net position	<u>\$ 3,981,003</u>	<u>\$ 4,343,206</u>	<u>\$ 4,518,794</u>	<u>\$ 4,827,515</u>	<u>\$ 5,443,563</u>	<u>\$ 5,963,229</u>	<u>\$ 6,498,805</u>	<u>\$ 5,594,133</u>	<u>\$ 5,371,534</u>	<u>\$ 4,911,105</u>

RIVERDALE BOARD OF EDUCATION
 CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS
 (Unaudited)
 (accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities										
Instruction										
Regular	\$ 2,850,563	\$ 3,089,022	\$ 3,242,150	\$ 3,177,713	\$ 3,109,283	\$ 3,285,868	\$ 3,520,307	\$ 3,553,560	\$ 4,288,907	\$ 4,269,838
Special education	828,102	895,111	891,369	1,039,953	1,083,073	1,324,189	1,324,401	1,619,403	1,747,281	2,094,539
Other instruction	137,296	103,937	95,526	78,805	77,082	64,166	95,630	107,595	133,987	118,468
School Sponsored Activities and Athletics	47,734	49,951	47,788	51,500	46,182	44,620	53,725	54,988	55,775	58,279
Support Services:										
Student & instruction related services	725,660	808,565	776,216	742,370	727,129	725,022	742,748	820,422	841,953	933,331
School Administrative services	141,320	140,338	147,913	143,618	155,359	158,062	160,922	168,892	346,971	392,220
General administration	306,259	317,051	289,811	357,519	377,459	377,719	401,219	354,101	197,204	170,633
Central Services	167,664	116,044	105,875	117,882	184,050	173,254	180,530	193,217	181,511	214,617
Plant operations and maintenance	544,961	605,354	732,641	633,581	617,942	594,606	586,531	640,255	626,950	678,014
Pupil transportation	273,557	297,076	327,890	344,832	330,178	345,811	321,239	432,568	525,741	530,445
Other support services										
Interest on long-term debt	90,917	75,869	42,176	39,587	23,744	14,363	7,989	1,999	1,561	1,101
Total governmental activities expenses	6,114,033	6,498,318	6,699,355	6,727,360	6,731,481	7,107,680	7,395,241	7,947,000	8,947,841	9,461,485
Business-type activities:										
Food service	76,797	75,038	75,568	81,876	82,704	85,691	77,998	86,928	77,995	93,542
Total business-type activities expense	76,797	75,038	75,568	81,876	82,704	85,691	77,998	86,928	77,995	93,542
Total district expenses	\$ 6,190,830	\$ 6,573,356	\$ 6,774,923	\$ 6,809,236	\$ 6,814,185	\$ 7,193,371	\$ 7,473,239	\$ 8,033,928	\$ 9,025,836	\$ 9,555,027
Program Revenues										
Governmental activities:										
Charges for Services		\$ 33,077	\$ 14,900	\$ 25,000	\$ 28,680	\$ 25,200	\$ 86,068	\$ 51,493	\$ 99,986	\$ 37,480
Operating grants and contributions	\$ 837,763	860,885	602,589	785,816	569,945	755,121	935,149	909,178	1,445,832	1,654,938
Capital grants and contributions	13,278	-	53,363	10,393	84,859					
Total governmental activities program revenues	851,041	893,962	670,852	821,209	683,484	780,321	1,021,217	960,671	1,545,818	1,692,418
Business-type activities:										
Charges for services										
Food service	\$ 60,283	\$ 64,410	\$ 62,395	\$ 62,634	\$ 60,843	\$ 62,505	\$ 52,121	\$ 54,260	\$ 53,568	\$ 58,686
Operating grants and contributions	11,477	12,754	13,882	18,111	21,635	29,464	31,307	30,885	30,465	37,048
Total business type activities program revenues	71,760	77,164	76,277	80,745	82,478	91,969	83,428	85,145	84,031	95,734
Total district program revenues	\$ 922,801	\$ 971,126	\$ 747,129	\$ 901,954	\$ 765,962	\$ 872,290	\$ 1,104,645	\$ 1,045,816	\$ 1,629,849	\$ 1,788,152
Net (Expense)/Revenue										
Governmental activities	\$ (5,262,992)	\$ (5,604,356)	\$ (6,028,503)	\$ (5,906,151)	\$ (6,047,997)	\$ (6,327,359)	\$ (6,374,024)	\$ (6,986,329)	\$ (7,402,023)	\$ (7,769,067)
Business-type activities	(5,037)	2,126	709	(1,131)	(226)	6,278	5,430	(1,783)	6,036	2,192
Total district-wide net expense	\$ (5,268,029)	\$ (5,602,230)	\$ (6,027,794)	\$ (5,907,282)	\$ (6,048,223)	\$ (6,321,081)	\$ (6,368,594)	\$ (6,988,112)	\$ (7,395,987)	\$ (7,766,875)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 5,138,915	\$ 5,847,010	\$ 6,037,484	\$ 6,251,522	\$ 6,611,738	\$ 6,816,628	\$ 6,888,062	\$ 7,004,522	\$ 7,144,612	\$ 7,280,360
Unrestricted state & federal aid	53,356	64,621	142,385	47,117	7,092	11,802	-	-	4,016	4,430
EDA grant revenue										
Investment earnings	24,087	23,262	13,875	384						
Miscellaneous income	110,553	29,540	9,638	16,980	45,441	12,317	16,090	26,425	24,731	21,618
Transfers										
Cancellation of Accounts Receivable	(1,818)	-	-	(100,000)						
Total governmental activities	5,325,073	5,964,433	6,203,382	6,216,003	6,664,271	6,840,747	6,904,152	7,030,947	7,173,359	7,306,408
Business-type activities:										
Transfers	1,818	-	-	-	-	-	-	-	-	-
Miscellaneous Income							18	27	29	38
Total business-type activities	1,818	-	-	-	-	-	18	27	29	38
Total district-wide	\$ 5,326,891	\$ 5,964,433	\$ 6,203,382	\$ 6,216,003	\$ 6,664,271	\$ 6,840,747	\$ 6,904,170	\$ 7,030,974	\$ 7,173,388	\$ 7,306,446
Change in Net Position										
Governmental activities	\$ 62,081	\$ 360,077	\$ 174,879	\$ 309,852	\$ 616,274	\$ 513,388	\$ 530,128	\$ 44,618	\$ (228,664)	\$ (462,659)
Business-type activities	(3,219)	2,126	709	(1,131)	(226)	6,278	5,448	(1,756)	6,065	2,230
Total district	\$ 58,862	\$ 362,203	\$ 175,588	\$ 308,721	\$ 616,048	\$ 519,666	\$ 535,576	\$ 42,862	\$ (222,599)	\$ (460,429)

RIVERDALE BOARD OF EDUCATION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 222,065	\$ 346,618	\$ 273,122	\$ 372,156						
Unreserved	230,830	307,699	341,585	247,859						
Restricted					\$ 711,422	\$ 1,071,340	\$ 1,242,195	\$ 1,445,070	\$ 1,448,630	\$ 1,294,524
Committed										16,305
Assigned					67,258	48,169	64,957	44,739	25,887	5,751
Unassigned					248,564	236,112	231,816	231,035	230,248	148,355
Total general fund	<u>\$ 452,895</u>	<u>\$ 654,317</u>	<u>\$ 614,707</u>	<u>\$ 620,015</u>	<u>\$ 1,027,244</u>	<u>\$ 1,355,621</u>	<u>\$ 1,538,968</u>	<u>\$ 1,720,844</u>	<u>\$ 1,704,765</u>	<u>\$ 1,464,935</u>
All Other Governmental Funds										
Reserved/Restricted				\$ 194,160	\$ (6,597)	\$ 14,547	\$ 14,547	\$ 14,546	\$ 14,546	\$ 14,546
Unreserved	\$ (49,262)	\$ (49,261)	\$ 4,102	(48,223)	-	-	-	-	-	-
Total all other governmental funds	<u>\$ (49,262)</u>	<u>\$ (49,261)</u>	<u>\$ 4,102</u>	<u>\$ 145,937</u>	<u>\$ (6,597)</u>	<u>\$ 14,547</u>	<u>\$ 14,547</u>	<u>\$ 14,546</u>	<u>\$ 14,546</u>	<u>\$ 14,546</u>

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

RIVERDALE BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Tax levy	\$ 5,138,915	\$ 5,847,010	\$ 6,037,484	\$ 6,251,522	\$ 6,611,738	\$ 6,816,628	\$ 6,888,062	\$ 7,004,522	\$ 7,144,612	\$ 7,280,360
Interest earnings	24,087	23,262	13,875	384		991	2,017	3,682	3,876	3,249
Tuition					28,680	25,200	86,068	51,493	99,986	37,480
Miscellaneous	113,553	62,617	29,538	41,980	45,441	11,349	14,073	22,743	20,855	18,369
State sources	806,720	834,166	700,177	671,580	559,144	643,792	821,653	786,964	814,670	835,559
Federal sources	94,657	91,340	93,161	171,746	102,752	123,108	113,496	122,214	113,265	100,694
Other sources										3,842
Total revenue	<u>6,177,932</u>	<u>6,858,395</u>	<u>6,874,235</u>	<u>7,137,212</u>	<u>7,347,755</u>	<u>7,621,068</u>	<u>7,925,369</u>	<u>7,991,618</u>	<u>8,197,264</u>	<u>8,279,553</u>
Expenditures										
Instruction										
Regular Instruction	2,849,482	3,088,474	3,233,389	3,166,942	3,098,042	3,282,837	3,503,483	3,536,948	3,893,919	3,766,221
Special education instruction	828,102	895,111	891,369	1,039,953	1,083,073	1,326,361	1,324,401	1,619,403	1,671,679	1,971,182
Other instruction	137,441	103,356	99,369	78,805	77,085	64,427	95,630	107,595	118,205	96,625
School sponsored activities and athletics	47,734	49,951	47,788	51,500	46,182	44,821	53,725	54,988	55,775	58,279
Support Services:										
Student & inst. related services	719,854	802,959	770,610	737,590	722,349	727,153	741,984	819,658	807,908	878,262
General administration	306,259	317,051	289,811	357,519	385,710	379,279	401,219	354,101	338,919	370,315
School administrative services	139,931	138,949	146,524	142,230	153,971	158,852	160,922	168,892	170,260	141,232
Central services	167,664	116,044	105,875	117,882	184,050	174,131	180,530	193,217	181,511	214,617
Plant operations and maintenance	388,908	434,451	560,320	465,606	449,967	416,571	401,569	452,109	429,792	481,615
Pupil transportation	270,129	293,648	324,462	341,405	326,751	345,944	321,239	432,568	525,741	530,445
Other Support Services										
Capital outlay	39,052	72,633	76,252	68,159	242,942	27,231	274,932	59,675	9,045	-
Debt service:										
Principal	255,000	260,000	270,000	280,000	295,000	305,000	318,770	8,590	9,028	9,489
Interest and other charges	80,940	84,345	44,713	42,478	27,938	18,940	10,398	1,999	1,561	1,101
Total expenditures	<u>6,230,496</u>	<u>6,656,972</u>	<u>6,860,482</u>	<u>6,890,069</u>	<u>7,093,060</u>	<u>7,271,547</u>	<u>7,788,802</u>	<u>7,809,743</u>	<u>8,213,343</u>	<u>8,519,383</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(52,564)</u>	<u>201,423</u>	<u>13,753</u>	<u>247,143</u>	<u>254,695</u>	<u>349,521</u>	<u>136,567</u>	<u>181,875</u>	<u>(16,079)</u>	<u>(239,830)</u>
Other Financing sources (uses)										
Transfers in	24,087		764	261,910		21,143		1		-
Transfers out	(25,905)	-	(764)	(261,910)		(21,143)		(1)		-
Capital Lease Proceeds							46,780			-
Cancellation of Accounts Receivable	-	-	-	(100,000)						-
Total other financing sources (uses)	<u>(1,818)</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>46,780</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (54,382)</u>	<u>\$ 201,423</u>	<u>\$ 13,753</u>	<u>\$ 147,143</u>	<u>\$ 254,695</u>	<u>\$ 349,521</u>	<u>\$ 183,347</u>	<u>\$ 181,875</u>	<u>\$ (16,079)</u>	<u>\$ (239,830)</u>
Debt service as a percentage of noncapital expenditures	5.70%	5.23%	4.64%	4.73%	4.71%	4.47%	4.38%	0.14%	0.13%	0.12%

* Noncapital expenditures are total expenditures less capital outlay.

EXHIBIT J-5

RIVERDALE BOARD OF EDUCATION
 GENERAL FUND OTHER LOCAL REVENUES BY SOURCE*
 LAST TEN FISCAL YEARS
 (Unaudited)

<u>Fiscal Year Ended June 30</u>	<u>Tuition</u>	<u>Other</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 37,480	\$ 18,369	\$ 3,249	\$ 59,098
2015	99,986	20,855	3,876	124,717
2014	51,493	22,743	3,682	77,918
2013	86,068	14,073	2,017	102,158
2012	25,200	11,326	991	37,517
2011	28,680	45,441		74,121
2010	25,000	16,980	384	42,364
2009	14,900	14,638	13,875	43,413
2008	33,077	29,540	23,262	85,879
2007	52,033	5,077	32,923	90,033

* Source: School District's Financial Statements

**RIVERDALE BOARD OF EDUCATION
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
 (Unaudited)**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate *
2007	\$ 61,518,300	\$ 505,020,000		\$ 5,600	\$ 167,336,900	\$ 39,583,100	\$ 1,646,700	\$ 775,110,600	\$ 6,759,635	\$ 781,870,235	\$ 819,745,192	\$ 0.696
2008	44,919,300	532,729,300		5,600	211,390,000	43,368,700	1,646,700	834,683,800	6,751,997	841,435,797	890,190,256	0.702
2009	30,846,100	552,982,300	\$ 624,200	5,600	215,911,400	45,667,000	1,646,700	847,683,300	7,152,016	854,835,316	N/A	0.715
2010	30,432,000	601,005,670	624,200	5,600	218,057,760	43,401,400	1,452,800	894,979,430	6,858,306	901,837,736	958,019,399	0.713
2011	25,297,000	574,725,450	624,200	1,700	218,808,300	43,401,400	1,460,800	864,318,850	7,430,677	871,749,527	894,021,098	0.734
2012	24,519,800	574,056,730	624,200	5,600	259,597,000	43,301,400	1,452,800	903,557,530	7,245,200	910,802,730	854,563,669	0.749
2013	18,334,400	481,793,800	465,400	5,600	209,935,500	42,536,200	40,794,000	793,864,900	7,430,677	801,295,577	882,433,241	0.864
2014	18,334,400	481,745,500	465,400	5,600	208,547,800	42,536,200	40,794,000	792,428,900	7,245,200	799,674,100	868,202,233	0.881
2015	18,334,400	481,688,400	465,400	5,600	205,831,900	41,226,600	40,794,000	788,346,300	7,245,200	795,591,500	856,801,548	0.904
2016	18,192,800	471,545,300	465,400	5,600	192,456,200	41,226,600	40,794,000	764,685,900	7,245,200	771,931,100	836,741,274	0.969

Source: County Abstract of Ratables

a Tax rates are per \$100

**RIVERDALE BOARD OF EDUCATION
PROPERTY TAX RATES
PER \$100 OF ASSESSED VALUATION
LAST TEN YEARS
(Unaudited)**

Calendar Year	<u>Total</u>	<u>Local School District</u>	<u>Municipality</u>	<u>County</u>
2016	\$1.960	\$0.969	\$0.722	\$0.269
2015	1.857	0.904	0.683	0.270
2014	1.843	0.881	0.685	0.277
2013	1.814	0.864	0.673	0.277
2012	1.517	0.749	0.539	0.229
2011	1.492	0.734	0.526	0.232
2010	1.47	0.713	0.510	0.244
2009	1.44	0.715	0.488	0.239
2008	1.44	0.702	0.489	0.247
2007	1.42	0.696	0.474	0.250

(1) Revaluation

Source: Tax Collector

**RIVERDALE BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

Taxpayer	2016		2007	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
D.R. Horton			\$ 58,477,100	7.48%
Riverdale Road Development, LLC	\$ 39,500,500	5.17%		
Riverdale Crossing	39,000,000	5.10%	48,155,500	6.16%
Riverdale Quarry, LLC	19,364,600	2.53%	19,975,500	2.55%
Target Corp.	18,942,800	2.48%	22,045,500	2.82%
Cresskill Hills	15,500,000	2.03%	17,780,900	2.27%
Home Depot	13,500,000	1.77%	14,433,800	1.85%
Riverdale Square	9,375,000	1.23%	10,000,000	1.28%
Verizon	7,245,200	0.95%	6,759,635	0.86%
Filtra Corp	7,086,000	0.93%	7,666,300	0.98%
Cho & Nam Associates LLC	6,308,000	0.82%		
Sava			7,438,500	0.95%
	\$ 175,822,100	22.99%	\$212,732,735	27.20%

Source: Municipal Tax Assessor

**RIVERDALE BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	\$ 5,138,915	\$ 5,138,915	100.00%	-
2008	5,847,010	5,847,010	100.00%	-
2009	6,037,484	6,037,484	100.00%	-
2010	6,251,522	6,251,522	100.00%	-
2011	6,611,738	6,611,738	100.00%	-
2012	6,816,628	6,816,628	100.00%	-
2013	6,888,062	6,888,062	100.00%	-
2014	7,004,522	7,004,522	100.00%	-
2015	7,144,612	7,144,612	100.00%	-
2016	7,280,360	7,280,360	100.00%	-

**RIVERDALE BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Population	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Project Anticipation Notes	Capital Leases	Total District		
2007	\$ 1,726,000	N/A	N/A	\$ 850,000	N/A	\$ 2,576,000	5,033	\$ 512
2008	1,466,000	N/A	N/A	750,000	N/A	2,216,000	5,235	423
2009	1,196,000	N/A	N/A	300,000	N/A	1,496,000	5,632	266
2010	916,000	N/A	N/A	-	N/A	916,000	3,570	257
2011	621,000	N/A	N/A	-	N/A	621,000	3,903	159
2012	316,000	N/A	N/A	-	N/A	316,000	4,089	77
2013	-	N/A	\$ 44,010	-	N/A	44,010	4,192	10
2014	-	N/A	35,420	-	N/A	35,420	4,275	8
2015	-	N/A	26,392	-	N/A	26,392	4,273	6
2016	-	N/A	16,903	-	N/A	16,903	4,273 *	4

Source: District records

* Estimate

RIVERDALE BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2007	\$ 1,726,000		\$ 1,726,000	0.22%	\$ 343
2008	1,466,000		1,466,000	0.17%	280
2009	1,196,000		1,196,000	0.14%	212
2010	916,000		916,000	0.10%	257
2011	621,000		621,000	0.07%	159
2012	316,000		316,000	0.03%	77
2013	-		-	0.00%	-
2014	-		-	0.00%	-
2015	-		-	0.00%	-
2016	-		-	0.00%	-

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**RIVERDALE BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
AS OF DECEMBER 31, 2015
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt			
Borough of Riverdale (1)	\$ 10,907,250	\$ 6,704,322	\$ 4,202,928
Total Direct Debt	<u>\$ 10,907,250</u>	<u>\$ 6,704,322</u>	4,202,928
Net Overlapping Debt of School District:			
County of Morris - Borough's Share			<u>2,202,788</u>
Total Direct and Overlapping Debt			<u>\$ 6,405,716</u>

Source: Borough of Riverdale School District Chief Financial Officer and Morris County Treasurer's Office

(1) Borough of Riverdale 2015 Annual Debt Statement

**RIVERDALE BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Equalized valuation basis	
2015	\$ 850,060,707
2014	849,334,298
2013	<u>857,768,666</u>
	<u>\$ 2,557,163,671</u>
	\$ 852,387,890
	25,571,637
	-
	<u>\$ 25,571,637</u>

Fiscal Year June 30,

	<u>2007</u>	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$18,401,691	\$ 21,460,632	\$ 24,020,177	\$ 25,850,388	\$ 26,421,447	\$ 26,100,976	\$ 25,775,087	\$ 25,624,673	\$ 25,700,172	\$ 25,571,637
Total net debt applicable to limit	<u>1,728,432</u>	<u>1,468,432</u>	<u>1,198,432</u>	<u>916,000</u>	<u>621,000</u>	<u>316,000</u>	-	-	-	-
Legal debt margin	<u>\$16,673,259</u>	<u>\$ 19,992,200</u>	<u>\$ 22,821,745</u>	<u>\$ 24,934,388</u>	<u>\$ 25,800,447</u>	<u>\$ 25,784,976</u>	<u>\$ 25,775,087</u>	<u>\$ 25,624,673</u>	<u>\$ 25,700,172</u>	<u>\$ 25,571,637</u>
Total net debt applicable to the limit as a percentage of debt limit	9.39%	6.84%	4.99%	3.54%	2.35%	1.21%	0.00%	0.00%	0.00%	0.00%

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

a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

**RIVERDALE BOARD OF EDUCATION
DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(Unaudited)**

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income</u>	<u>Population</u>
2016	N/A	\$82,810 *	4,273 *
2015	4.7%	82,810 *	4,273
2014	5.2%	82,810	4,275
2013	7.6%	79,094	4,192
2012	9.9%	78,693	4,089
2011	9.5%	76,194	3,903
2010	9.8%	72,780	3,570
2009	9.7%	70,516	5,632
2008	5.7%	74,636	5,235
2007	4.3%	72,211	5,033

Source: State Department of Labor, Office of Demographic and Economic Analysis

* Estimate

RIVERDALE BOARD OF EDUCATION
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

<u>Employer</u>	<u>2016</u>		<u>2007</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

**RIVERDALE BOARD OF EDUCATION
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (Unaudited)**

<u>Function/Program</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Instruction										
Regular	24.5	23.7	24.00	24.10	23.00	22.30	22.70	28.70	26.70	25.50
Special education	9.0	8.2	7.2	6.3	7.2	7.2	6	5.5	6	
Support Services:										
Student & instruction related services	10.5	10.5	10.1	9.2	7.8	7.8	6.6	6	7	9
General administration	1.4	1.4	1.5	1.5	2	2	2	2	2	2
School administrative services	1.5	1.5	1	1	1	1	1	1	1	2
Other administrative services					0.09	0.09	0.5	1	1	1
Central services	1.3	1.3	1.3	1.3	1	1	0.5	0.5	0.5	1
Administrative Information Technology								0.5	1	1
Plant operations and maintenance	4.0	4.0	4.1	4.1	4.5	4.5	4.5	3.5	3.5	4
Pupil transportation	0.3	0.3	0.3	0.3	0.3	0.3	1			
Other support services										
Special Schools										
Food Service										
Child Care										
Total	<u><u>52.5</u></u>	<u><u>50.9</u></u>	<u><u>49.5</u></u>	<u><u>47.8</u></u>	<u><u>46.9</u></u>	<u><u>46.2</u></u>	<u><u>44.8</u></u>	<u><u>48.7</u></u>	<u><u>48.7</u></u>	<u><u>45.5</u></u>

Source: District Personnel Records

RIVERDALE BOARD OF EDUCATION
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS
 (Unaudited)

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School				
2007	276.0	\$ 5,855,504	\$ 21,216	5.52%	29	1:9	N/A	270.5	260.0	2.46%	96.12%
2008	280.1	6,584,339	23,507	10.80%	31.7	1:9	N/A	280.1	269.5	3.55%	96.22%
2009	292.3	6,545,769	22,394	-4.74%	34.2	1:9	N/A	292.3	281.5	4.36%	96.31%
2010	312.0	6,499,432	20,832	-6.98%	28.7	1:11	N/A	308.8	297.4	5.64%	96.31%
2011	318.0	6,527,180	20,526	-1.47%	29.5	1:11	N/A	318.2	305.1	3.04%	95.88%
2012	341.5	6,920,376	20,265	-1.27%	27.7	1:12	N/A	341.5	329.9	7.32%	96.60%
2013	333.3	7,463,164	22,392	10.50%	30.0	1:11	N/A	333.3	318.9	-2.40%	95.68%
2014	330.5	7,739,479	23,417	15.56%	31.2	1:11	N/A	330.5	317.7	-0.84%	96.12%
2015	332.4	8,193,709	24,650	5.26%	31.8	1:11	N/A	332.4	318.3	0.57%	95.76%
2016	342.0	8,508,793	24,880	0.93%	33.5	1:10	N/A	336.4	323.0	1.20%	96.02%

Sources: District records

- Note:
- a Enrollment based on annual October district count.
 - b Operating expenditures equal total expenditures less debt service and capital outlay.
 - c Cost per pupil represents operating expenditures divided by enrollment.

**RIVERDALE BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>District Building</u>										
<u>Elementary</u>										
Square Feet	73,120	73,120	73,120	73,120	73,120	73,210	73,210	73,210	73,210	73,210
Capacity (students)	520	520	520	520	520	520	520	520	520	520
Enrollment	342	332	330	333	342	318	280	280	280	276
Number of Schools at June 30										
Elementary =	1	1	1	1	1	1	1	1	1	1

Source: District Records

**RIVERDALE BOARD OF EDUCATION
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS**

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

11-000-261-xxx

School Facilities	Project #	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Riverdale Public School	N/A	\$ 93,162	\$ 81,014	\$ 95,976	\$ 76,841	\$ 100,272	\$ 86,202	\$ 80,323	\$ 80,807	\$ 60,195	\$ 53,342

**RIVERDALE BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2016
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - General Security - Pooled Insurance Limit Blanket Building & Contents per Statement of Values	\$ 27,081,776	\$ 5,000
Flood/Earthquake Per Occurrence	5,000,000	50,000
Inland Marine:		
EDP Equipment	2,500,000	5,000
Contractors Equipment	250,000	1,000
Crime Coverage	500,000	5,000
Boiler & Machinery - Included in Property Value	27,031,776	1,000
Comprehensive/Commercial General Liability:		
Zurich Ins. Co.		
General Aggregate Limit	2,000,000	1,000
Comprehensive Auto Liability	1,000,000	1,000
Catastrophe Liability	9,000,000	
Excess Liability in Excess of \$10m as a Group Shared Limit	50,000,000	
Public Official Bonds -		
Western Surety Company		
Treasurer of School Monies	175,000	
Business Administrator/Board Secretary	100,000	

Source: Riverdale School District records.

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLOSI, CPA
ROBERT AMPONSAH, CPA

**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

Honorable President and Members
of the Board of Trustees
Riverdale Board of Education
Riverdale, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements 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 Riverdale Board of Education as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Riverdale Board of Education’s basic financial statements and have issued our report thereon dated September 30, 2016.

Internal Control Over Financial Reporting

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

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

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

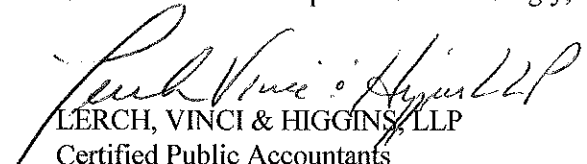
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Riverdale Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no 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.


However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Riverdale Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated September 30, 2016.

Purpose of this Report

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



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants



Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
September 30, 2016



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**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS REQUIRED BY NEW
JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Riverdale Board of Education
Riverdale, New Jersey

Report on Compliance for Each Major State Program

We have audited the Riverdale Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Riverdale Board of Education's major state programs for the fiscal year ended June 30, 2016. The Riverdale Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Riverdale Board of Education's compliance.

Opinion on Each Major State Program

In our opinion, the Riverdale Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2016.

Report on Internal Control Over Compliance

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

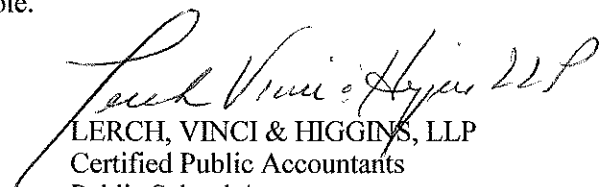
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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


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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the New Jersey OMB Circular 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 Circular 15-08

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverdale Board of Education, a component unit of the Riverdale Board of Education as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated September 30, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants


Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
September 30, 2016

**RIVERDALE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal		Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2015					Cash Received	Budgetary Expenditures	Balance, June 30, 2016			GAAP Receivable
	CFDA Number	FAIN Number				Unearned Revenue	(Accounts Receivable)	Due to Grantor	Carryover/ (Walkover)	Unearned Revenue			(Accounts Receivable)	Due to Grantor		
U.S. Department of Agriculture Passed-through State Department of Education																
National School Lunch Program																
Cash Assistance	10.555	16161NJ304N1099	N/A	7/1/15-6/30/16	\$ 27,636					\$ 22,056	\$ 27,636		\$ (5,580)		\$ (5,580)	
Cash Assistance	10.555		N/A	7/1/14-6/30/15	24,486		\$ (2,254)			2,254						
Non-Cash Assistance	10.555	16161NJ304N1099	N/A	7/1/15-6/30/16	9,389					9,389	8,157	\$ 1,232				
Non-Cash Assistance	10.555		N/A	7/1/14-6/30/15	5,258	\$ 286	-	-	-	-	286	-	-	-	-	
Total U.S. Department of Agriculture/Child Nutrition Cluster						286	(2,254)	-	-	33,699	36,079	1,232	(5,580)	-	(5,580)	
U.S. Department of Education Passed-through State Department of Education																
I.D.E.A. Part B, Basic	84.027	H027A150100	NCLB444004	7/1/15-6/30/16	73,649					73,403	73,649		(246)		(246)	
I.D.E.A. Part B, Preschool	84.173	H173A150114	NCLB444004	7/1/15-6/30/16	3,088				(3)	392	1,600	1,491	(2,696)		(1,205)	
I.D.E.A. Part B, Preschool	84.173		NCLB444004	7/1/14-6/30/15	3,024	3	-	-	3	-	-	-	-	-	-	
Total Special Education Cluster (IDEA)						3	-	-	-	73,795	75,249	1,491	(2,942)	-	(1,451)	
NCLB Title I	84.010A	S010A150030	NCLB444004	7/1/15-6/30/16	32,619				(5)	12,747	19,748	12,876	(19,877)		(7,001)	
NCLB Title I	84.010A		NCLB444004	7/1/14-6/30/15	33,015	5	(3,259)		5	3,254						
NCLB Title II A	84.367A	S010A150030	NCLB444004	7/1/15-6/30/16	4,676					4,676	4,676				-	
NCLB Title III	84.365A	S010A150030	NCLB444004	7/1/15-6/30/16	707	-	-	-	-	707	707	-	-	-	-	
Total U.S. Department of Education						8	(3,259)	-	-	95,179	100,380	14,367	(22,819)	-	(8,452)	
Total Federal Financial Assistance						\$ 294	\$ (5,513)	\$ -	\$ -	\$ 128,878	\$ 136,459	\$ 15,599	\$ (28,399)	\$ -	\$ (14,032)	

FAIN numbers are only applicable for current year grant awards.

This schedule was not subject to Single Audit in accordance with U.S. Uniform Guidance.

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

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**RIVERDALE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2015				Balance, June 30, 2016				MEMO		
				Accounts Receivable	Unearned Revenue	Due to Grantor	Cash Received	Budgetary Expenditures	Unearned Revenue	(Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
State Department of Education														
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	\$ 209,761				\$ 190,148	\$ 209,761		\$ (19,613)			\$ 209,761	
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	209,761	\$ (19,613)									19,613	
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	20,048				18,173	20,048		(1,875)				20,048
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	20,048	(1,875)									1,875	
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	9,794				8,878	9,794		(916)				9,794
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	9,794	(916)									916	
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	4,430				4,016	4,430		(414)				4,430
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	4,430	(414)									414	
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	4,430				4,016	4,430		(414)				4,430
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	4,430	(414)									414	
Total State Aid - Public Cluster				(23,232)	-	-	248,463	248,463	-	(23,232)	-	-	-	248,463
Additional Nonpublic Transportation Aid	16-100-034-5120-068	7/1/15-6/30/16	3,512					3,512		(3,512)			\$ (3,512)	3,512
Additional Nonpublic Transportation Aid	15-100-034-5120-068	7/1/14-6/30/15	3,480	(3,480)			3,480							
Extraordinary Aid	16-100-034-5120-044	7/1/15-6/30/16	147,612					147,612		(147,612)				147,612
Extraordinary Aid	15-100-034-5120-044	7/1/14-6/30/15	107,736	(107,736)			107,736							
On-Behalf TPAF Pension - Normal Cost	16-495-034-5094-002	7/1/15-6/30/16	146,343				146,343	146,343						146,343
On-Behalf TPAF Pension - NCGI Premium	16-495-034-5094-004	7/1/15-6/30/16	7,290				7,290	7,290						7,290
On-Behalf TPAF Post Retirement Medical Benefits	16-495-034-5094-001	7/1/15-6/30/16	182,934				182,934	182,934						182,934
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	7/1/15-6/30/16	139,281				139,281	139,281						139,281
Total General Fund State Aid				(134,448)	-	-	835,527	875,435	-	(174,356)	-	-	(3,512)	875,435
Capital Projects Fund														
Educational Facilities Construction and Financing Act	4440-050-09-0ZVT	7/1/09-6/30/10	27,880	(27,880)	\$ 9,898				\$ 9,898	(27,880)			(27,880)	17,982
Total Capital Projects Fund/SDA Cluster				(27,880)	9,898	-	-	-	9,898	(27,880)	-	-	(27,880)	17,982
Enterprise Funds														
National School Lunch Program (State Share)	16-100-010-3350-023	7/1/15-6/30/16	969				777	969		(192)			(192)	969
National School Lunch Program (State Share)	15-100-010-3350-023	7/1/14-6/30/15	952	(113)			113							
Total Enterprise Fund/Child Nutrition Cluster				(113)	-	-	890	969	-	(192)	-	-	(192)	969
Total State Financial Assistance Subject to Single Audit Determination				(162,441)	9,898	-	836,417	876,404	9,898	(202,428)	-	-	(31,584)	894,386
Less:														
State Financial Assistance Programs Not Subject to Major Program Determination														
On-Behalf TPAF Pension - Normal Cost	16-495-034-5094-006	7/1/15-6/30/16	146,343				(146,343)	(146,343)						(146,343)
On-Behalf TPAF Pension - NCGI Premium	16-495-034-5094-007	7/1/15-6/30/16	7,290				(7,290)	(7,290)						(7,290)
On-Behalf TPAF Post Retirement Medical Benefits	16-495-034-5094-001	7/1/15-6/30/16	182,934				(182,934)	(182,934)						(182,934)
State Financial Assistance Amount Utilized for Calculation to Determine Single Audit and Major Programs.				\$ (162,441)	\$ 9,898	\$ -	\$ 499,850	\$ 539,837	\$ 9,898	\$ (202,428)	\$ -	\$ -	\$ (31,584)	\$ 557,819

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Riverdale Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and 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 basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2.. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain state aid payments 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, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$39,876 for the general fund and an increase of \$314 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 835,559	\$ 835,559
Special Revenue Fund	\$ 100,694		100,694
Food Service Fund	<u>36,079</u>	<u>969</u>	<u>37,048</u>
Total Financial Assistance	<u>\$ 136,773</u>	<u>\$ 836,528</u>	<u>\$ 973,301</u>

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$139,281 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2016. The amount reported as TPAF Pension System Contributions in the amount of \$153,633 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$182,934 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2016.

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

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

NOTE 7 DE MINIMIS INDIRECT COST RATE

The District has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**RIVERDALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Part 1 – Summary of Auditor’s Results

Financial Statement Section

Description

A) Type of auditors' report issued on financial statements	Unmodified
<hr/>	
B) Internal control over financial reporting:	
(1) Material weakness(es) identified:	_____ Yes <u> X </u> No
(2) Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes <u> X </u> None reported
Noncompliance material to basic financial statements noted?	_____ Yes <u> X </u> No

Federal Awards

NOT APPLICABLE

State Awards

Internal control over major programs:	
(1) Material weakness(es) identified:	_____ Yes <u> X </u> No
(2) Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes <u> X </u> None reported

Type of auditors' report issued on compliance for major programs	Unmodified
<hr/>	

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08?	_____ Yes <u> X </u> No
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Identification of major state programs:

GMIS Number	Name of State Program or Cluster
16-495-034-5094-003	TPAF Social Security Aid
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>

Dollar threshold used to distinguish between Type A and Type B programs:	<u> \$ 750,000 </u>
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Auditee qualified as low-risk auditee?	<u> X </u> Yes _____ No
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**RIVERDALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Part 2 – Schedule of Financial Statement Findings

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

There are none.

**RIVERDALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Part 3 – Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

Not Applicable

CURRENT YEAR STATE AWARDS

There are none.

**RIVERDALE BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 Uniform Guidance and New Jersey OMB's Circular 15-08..

STATUS OF PRIOR YEAR FINDINGS

There were none.