

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**

Riverside, New Jersey  
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**

**RIVERSIDE, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Prepared by**

**Riverside Township Public School District  
Finance Department**

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**INTRODUCTORY SECTION**

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# Riverside Township Public School District

112 E, Washington Street  
Riverside, New Jersey 08075-3899  
Phone 856-461-1255  
Fax 856-461-5168

Robin A. Ehrich  
Superintendent of Schools  
Ext. 1111

Jodi Lennon  
Business Administrator/ Board Secretary  
Ext. 1112

Honorable President and  
Members of the Board of Education  
Riverside Township Public School District  
County of Burlington, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Riverside Township Public School 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 Board of Education. To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The 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 auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the requirements of the Uniform Guidance and New Jersey OMB's Circular 15-08. 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**, Riverside School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Riverside Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational, as well as special education for the gifted and handicapped youngsters. The District had an enrollment of 1399as of October 15, 2015. This enrollment

**1) REPORTING ENTITY AND ITS SERVICES (continued)**

reflects a decrease of five students from the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years:

Average Daily Enrollment	
Fiscal Year	Student Enrollment
15-16	1,403.9
14-15	1,393.3
13-14	1,470.5
12-13	1,444.8
11-12	1,385.8

**2) INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for Establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurances 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.

**3) 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, special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2016. There were \$0 in reservations of fund balance at June 30, 2016.

4) **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 and account groups. These funds and account groups are explained in "Notes to the Financial Statements" Note 1.

5) **FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund, capital projects fund and debt service fund revenues for the fiscal year ended June 30, 2016 and the fiscal year ended June 30, 2015.

	2015-2016 Revenue	Percentage of Total	2014-2015 Revenue	Percentage of Total
Local Sources	\$ 9,906,880	40.04%	\$ 9,896,517	40.28%
State Sources	13,802,720	55.79%	13,674,531	55.65%
Federal Sources	1,029,859	4.16%	1,000,621	4.07%
Total	<u>\$ 24,739,459</u>	<u>100.00%</u>	<u>\$ 24,571,669</u>	<u>100.00%</u>

The following schedule presents a summary of general fund, special revenue fund, capital projects and debt service fund expenditures for the fiscal year ended June 30, 2016 and for the fiscal year ended June 30, 2015.

Expenditures	2015-2016 Expenditures	Percentage of Total	2014-2015 Expenditures	Percentage of Total
Current Expenditures	\$ 22,360,774	89.89%	\$ 21,565,953	89.22%
Capital Outlay	206,005	0.83%	182,358	0.75%
Special Revenue Fund	1,565,701	6.29%	1,578,611	6.53%
Debt Service	742,165	2.98%	843,535	3.49%
Total	<u>\$ 24,874,645</u>	<u>100.00%</u>	<u>\$ 24,170,457</u>	<u>100.00%</u>

6) **DEBT ADMINISTRATION:** At June 30, 2016, the District had \$254,322 outstanding in Capital Leases and \$4,540,000 in bonds.

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

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

9) **OTHER INFORMATION:**

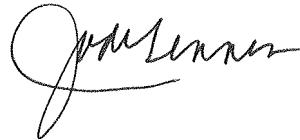
**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P. C., was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Uniform Guidance and New Jersey OMB's Circular 15-08. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

10) **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Riverside Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,

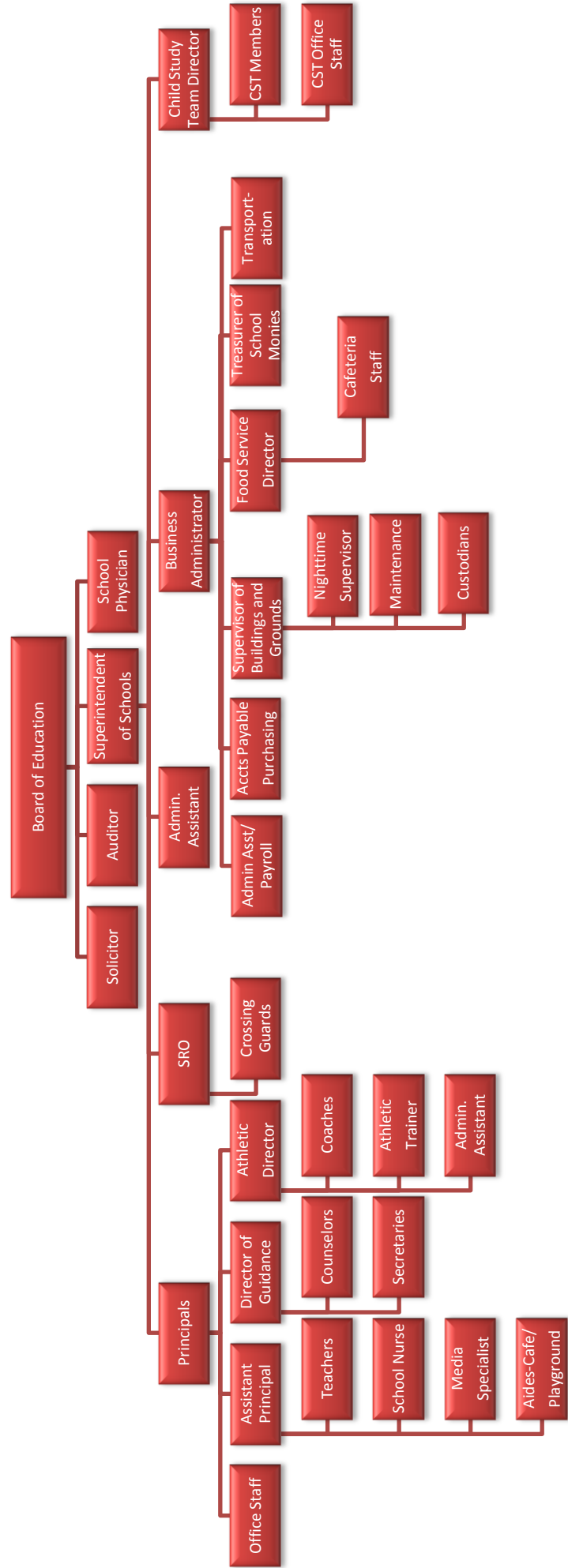


Robin A. Ehrich  
Superintendent of Schools



Jodi Lennon  
Business Administrator/Board Secretary

# RIVERSIDE TOWNSHIP BOARD OF EDUCATION ORGANIZATIONAL CHART



**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**

112 E. Washington Street  
Riverside, New Jersey 08075

**ROSTER OF OFFICIALS**

**JUNE 30, 2016**

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<b>TERM EXPIRES</b>
Ronald Russell, President	2016
Deborah Graf, Vice President	2016
Joseph D'Agostino	2017
Michael Holak	2016
Agnes Lobley	2017
Timothy McElroy	2018
Scott T. Parker	2018
Dean W. Potts	2017
Vacant	2018
Phil Jenkins- Delance	

**OTHER OFFICIALS**

Robin A. Ehrich, Superintendent

Jodi Lennon, Business Administrator/Board Secretary

Eleanor Ruehmling, Treasurer of School Monies

Capehart Scatchard, Solicitor



**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

Michael Holt, CPA, PSA  
Holman Frenia Allison, P. C.  
618 Stokes Road  
Medford, New Jersey 08055

**ATTORNEY**

Joseph F. Betley  
Capehart Scatchard  
8000 Midlantic Drive, Suite 300  
Mount Laurel, New Jersey 08054

**OFFICIAL DEPOSITORY**

Investors Bank  
1105 S. Fairview Street  
Delran, NJ 08075

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Riverside Township Public School District  
County of Burlington  
Riverside, New Jersey 08075

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Riverside Township Public School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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 Riverside Township Public School District, County of Burlington, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and the schedules related to accounting and reporting for pensions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 Riverside Township Public School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are also not a required part of the basic financial statements.

The accompanying combining statements and the Schedule of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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 accompanying

combining statements and Schedule 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 and statistical section listed in the table of contents 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 Riverside Township Public School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Riverside Township Public School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt  
Certified Public Accountant  
Public School Accountant, No. 1148

Medford, New Jersey  
September 30, 2016

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**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

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**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FISCAL YEAR ENDED JUNE 30, 2016**

**UNAUDITED**

This section of the Riverside Township Public School District'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 follow this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Account Standards 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 (2015-16) and the prior year (2014-15) is required to be presented in the MD&A.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

The statement of net position (A-1) presents information on all of the assets and liabilities of the District, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities (A-2) presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found as Exhibits A-1 and A-2 in this report.

**Fund financial statements**

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

## **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

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

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, special revenue fund, capital projects fund and debt service fund.

The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

## **Proprietary Funds**

The District maintains one proprietary fund type, an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the District is that the costs of providing goods or services be financed through user charges. The food services enterprise fund provides for the operation of food services in all schools within the District. The proprietary fund has been included within business-type activities in the government-wide financial statements.

The food services fund detail financial statements can be found as Exhibits B-4 through B-6 in this report.

## **Fiduciary Funds**

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

The District uses trust and agency funds to account for resources held for student activities and groups, scholarships, for payroll transactions and for the District's unemployment trust fund.

The basic fiduciary fund financial statements can be found as Exhibits B-7 and B-8 in this report.

## **Notes to the Financial Statements**

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements in this report.

## Other Information

The combining and individual fund statements referred to earlier in connection with governmental and enterprise funds are presented immediately following the notes to the financial statements.

## FINANCIAL HIGHLIGHTS

Key financial highlights for the 2015-2016 fiscal year include the following:

- The General Fund's portion of the local tax levy increased from FY14-15 to FY15-16 by \$274,261.
- The General Fund's local tax levy was \$7,595,583.
- The Debt Service Fund's portion of the local tax levy for 2015-2016 was \$739,826.
- The General Fund's unassigned fund balance at 6/30/16 is \$(566,389).
- State aid increased by \$128,189 in 2015-2016 from 2014-2015.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The following table provides a summary of net position:

	TABLE I - NET POSITION		
	Governmental Activities 2016	Business- Type Activities 2016	Total
<b>ASSETS</b>			
Current Assets	\$ 1,789,880	\$ 157,079	\$ 1,946,959
Capital Assests, net	9,351,064	33,346	9,384,410
<b>Total Assets</b>	<b>11,140,944</b>	<b>190,425</b>	<b>11,331,369</b>
Deferred Outflows of Resources	1,090,833	-	1,090,833
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 12,231,777</b>	<b>\$ 190,425</b>	<b>12,422,202</b>
<b>LIABILITIES</b>			
Current Liabilities	\$ 794,277	\$ -	\$ 794,277
Noncurrent Liabilities	11,832,099	-	11,832,099
<b>Total Liabilities</b>	<b>12,626,376</b>	<b>-</b>	<b>12,626,376</b>
Deferred Inflows of Resources	210,688	-	210,688
<b>Total Liabilites and Deferred Inflows of Resources</b>	<b>12,837,064</b>	<b>-</b>	<b>12,837,064</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	4,556,742	33,346	4,590,088
Restricted	1,182,646	-	1,182,646
Unrestricted	(6,344,675)	157,079	(6,187,596)
<b>Total Net Position</b>	<b>\$ (605,287)</b>	<b>\$ 190,425</b>	<b>\$ (414,862)</b>

**Government-wide Financial Analysis (continued):**

The District's investment in capital assets within the net position above, less any related debt used to acquire those assets that is still outstanding is \$4,556,742.

The unrestricted net position may be used to meet the District's ongoing obligations to student, employees, and creditors. The unrestricted net position includes the amount of long-term obligations that are not invested in capital assets, such as compensated absences.

At the end of the current fiscal year, the District is able to report a positive balance in total net position. The same situation held true for the prior fiscal year.

The following table provides a summary of revenues and expenses for the District's governmental and business-type activities and the change in net position from the prior year:

**TABLE 2  
CHANGES IN NET POSITION**

<b>Description</b>	<b>Governmental Activities</b>		<b>Business- Type Activities</b>		<b>Totals</b>
	<b>2016</b>		<b>2016</b>		
<b>REVENUES -</b>					
Program Revenues:					
Charges for services	\$	-	\$	159,399	\$ 159,399
Operating grants & contributions		6,890,195		402,724	7,292,919
General Revenues:					
Property Taxes		8,335,409		-	8,335,409
Grants & entitlements		10,873,114		-	10,873,114
Other		1,571,471		679	1,572,150
<b>Total Revenues</b>	<b>\$</b>	<b>27,670,189</b>	<b>\$</b>	<b>562,802</b>	<b>\$ 28,232,991</b>
<b>EXPENSES -</b>					
Instruction	\$	9,802,622	\$	-	9,802,622
Tuition		1,868,906		-	1,868,906
Related Services		1,555,676		-	1,555,676
General Administration		2,051,806		-	2,051,806
Operations & Maintenance		1,750,674		-	1,750,674
Transportation		468,566		-	468,566
Unallocated Employee Benefits		9,508,686		-	9,508,686
Food Service		-		543,200	543,200
Other		509,711		-	509,711
<b>Total Expenses</b>	<b>\$</b>	<b>27,516,647</b>	<b>\$</b>	<b>543,200</b>	<b>\$ 28,059,847</b>
Incr. in Net Position before Transfers	\$	153,542	\$	19,602	\$ 173,144
Changes in Net Position	\$	153,542	\$	19,602	173,144
Net Position - July 1		(758,829)		170,823	(588,006)
<b>Net Position - June 30</b>	<b>\$</b>	<b>(605,287)</b>	<b>\$</b>	<b>190,425</b>	<b>\$ (414,862)</b>

**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.

## Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund, special revenue fund, capital projects and debt service fund revenues for the fiscal year ended June 30, 2016 and the amount and percentage of increases and (decreases) in relation to prior year revenues.

	Revenue	Percentage of Total	(Decrease)/ Increase from 2015	Percentage Decrease/ Increase
Local Sources	\$ 9,906,880	55.29%	\$ 10,363	0.10%
State Sources	13,802,720	42.20%	128,189	0.94%
Federal Sources	1,029,859	2.51%	29,238	2.92%
<b>Total</b>	<b>\$ 24,739,459</b>	<b>100.00%</b>	<b>\$ 167,790</b>	<b>3.96%</b>

The following schedule presents a summary of general fund, special revenue fund, capital projects and debt service fund for the fiscal year ended June 30, 2016 and the percentage of increases and (decreases) in relation to prior year amounts.

	Expenditure	Percentage of Total	(Decrease)/ Increase from 2015	Percentage Decrease/ Increase
Current Expenditures:				
Instruction	\$ 8,629,015	34.69%	\$ 117,213	1.36%
Support Services & Undistributed Costs	13,731,759	55.20%	(677,608)	-4.93%
Special Revenue:				
Instruction	1,173,607	4.72%	10,836	0.92%
Support Services & Undistributed Costs	392,094	1.58%	(23,746)	-6.06%
Debt Service	742,165	2.98%	(101,370)	-13.66%
Capital Outlay	206,005	0.83%	(23,647)	-11.48%
<b>Totals</b>	<b>\$ 24,874,645</b>	<b>100.00%</b>	<b>\$ (698,322)</b>	<b>-2.81%</b>

## General Fund Budgetary Highlights

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

During the course of the fiscal year 2016, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

### **General Fund Budgetary Highlights (continued):**

While the District's final budget for the general fund anticipated that revenues and expenditures would be equal, the actual results for the year show a surplus.

### **Proprietary Funds**

The District's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

The Food Services Enterprise fund's operating revenue increased by \$2,399 over the operating revenue in 2014-15, from \$157,679 to \$160,078. The net position of the food service program was \$190,425 at June 30, 2016. The food services program continues to be self-sustaining and does not require any appropriation of funds from the District's general fund budget.

### **Capital Assets**

At June 30, 2016 the District had capital assets of \$9,384,410, net of depreciation, which includes land, land improvements, buildings/construction, machinery and equipment, and vehicles,

Additional information on the District's capital assets can be found in Note 6 to the basic financial statements.

### **Debt Administration and Other Obligations**

At June 30, 2016 the District's outstanding debt issues included \$4,540,000 in general obligation bonds.

Additional information on the District's debt administration and other obligations can be found in Note 6 to the basic financial statements.

### **Economic Factors and Next Year's Budget**

- The District anticipates that the approved 2016-2017 budget will be adequate to satisfy all 2016-17 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.

### **Requests for Information**

This financial report is designed to provide a general overview of the Riverside Township Public School District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator/Board Secretary's Office, Riverside Township Board of Education, 112 E, Washington Street, Riverside, New Jersey 08075,



**BASIC FINANCIAL STATEMENTS**

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A. Government-Wide Financial Statements

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**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTALS
Cash & Cash Equivalents	\$ 1,204,004	\$ 136,228	\$ 1,340,232
Receivables, Net	572,707	17,830	590,537
Inventory	-	5,480	5,480
Restricted Assets:			
Capital Reserve Account - Cash	13,169	-	13,169
Capital Assets:			
Depreciable, Net (Note 5)	9,351,064	33,346	9,384,410
<b>Total Assets</b>	<b>11,140,944</b>	<b>190,425</b>	<b>11,331,369</b>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Charges of Refunding of Debt	125,566	-	125,566
Deferred Outflows Related to Pensions	965,267	-	965,267
<b>Total Deferred Outflow of Resources</b>	<b>1,090,833</b>	<b>-</b>	<b>1,090,833</b>
<b>Total Assets and Deferred Outflow of Resources</b>	<b>12,231,777</b>	<b>190,425</b>	<b>12,422,202</b>
LIABILITIES			
Accounts Payable	200,617	-	200,617
Accrued Interest Payable	32,190	-	32,190
Unearned Revenue	561,470	-	561,470
Noncurrent Liabilities (Note 6):			
Due Within One Year	742,182	-	742,182
Due Beyond One Year	11,089,917	-	11,089,917
<b>Total Liabilities</b>	<b>12,626,376</b>	<b>-</b>	<b>12,626,376</b>
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions	210,688	-	210,688
<b>Total Deferred Inflow of Resources</b>	<b>210,688</b>	<b>-</b>	<b>210,688</b>
<b>Total Liabilities and Deferred Inflow of Resources</b>	<b>12,837,064</b>	<b>-</b>	<b>12,837,064</b>
NET POSITION			
Net Investment in Capital Assets	4,556,742	33,346	4,590,088
Restricted For:			
Debt Service	(32,190)	-	(32,190)
Other Purposes	1,594,182	-	1,594,182
Unrestricted	(6,724,021)	157,079	(6,566,942)
<b>Total Net Position</b>	<b>\$ (605,287)</b>	<b>\$ 190,425</b>	<b>\$ (414,862)</b>

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

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTALS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
Governmental Activities:					
Instruction:					
Regular	\$ 5,996,924	\$ -	\$ -	\$ (5,996,924)	\$ (5,996,924)
Special Education	3,016,477	-	1,173,607	(1,842,870)	(1,842,870)
Other Special Instruction	731,983	-	-	(731,983)	(731,983)
Other Instruction	57,238	-	-	(57,238)	(57,238)
Support Services & Undistributed Costs:					
Tuition	1,868,906	-	-	(1,868,906)	(1,868,906)
Student & Instruction Related Services	1,555,676	-	-	(1,555,676)	(1,555,676)
School Administrative Services	1,347,570	-	392,094	(955,476)	(955,476)
General & Business Administrative Services	704,236	-	-	(704,236)	(704,236)
Plant Operations & Maintenance	1,750,674	-	-	(1,750,674)	(1,750,674)
Pupil Transportation	468,566	-	-	(468,566)	(468,566)
Unallocated Employee Benefits	9,508,686	-	5,324,494	(4,184,192)	(4,184,192)
Interest & Other Changes on Long Term Debt	172,779	-	-	(172,779)	(172,779)
Unallocated Depreciation	336,932	-	-	(336,932)	(336,932)
<b>Total Governmental Activities</b>	<b>\$ 27,516,647</b>	<b>\$ -</b>	<b>\$ 6,890,195</b>	<b>\$ (20,626,452)</b>	<b>\$ (20,626,452)</b>

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

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTALS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
Business-Type Activities:					
Food Service	\$ 543,200	\$ 159,399	\$ 402,724	\$ -	\$ 18,923
Total Business-Type Activities	543,200	159,399	402,724	-	18,923
Total Primary Government	28,059,847	159,399	7,292,919	(20,626,452)	(20,607,529)
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes, Net				7,595,583	-
Taxes Levied for Debt Service				739,826	-
Federal & State Aid Not Restricted				10,873,114	-
Tuition Received				1,326,805	-
Miscellaneous Income				244,666	679
Total General Revenues, Special Items, Extraordinary Items & Transfers				20,779,994	679
Change In Net Position				153,542	19,602
Net Position - Beginning				(758,829)	170,823
Net Position - Ending				\$ (605,287)	\$ 190,425
					\$ (414,862)

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

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## B. Fund Financial Statements

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Governmental Funds

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**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2016**

ASSETS	GENERAL	SPECIAL REVENUE	TOTALS
Cash & Cash Equivalents	\$ 754,866	\$ 449,138	\$ 1,204,004
Accounts Receivable:			
Receivables - Other - Net	270,333	-	270,333
Intergovernmental - State	68,416	-	68,416
Intergovernmental - Federal	25,279	208,679	233,958
Restricted Cash & Cash Equivalents	13,169	-	13,169
	<hr/>	<hr/>	<hr/>
Total Assets	1,132,063	657,817	1,789,880
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>LIABILITIES &amp; FUND BALANCES</b>			
Liabilities:			
Accounts Payable	104,270	96,347	200,617
Unearned Revenue	-	561,470	561,470
	<hr/>	<hr/>	<hr/>
Total Liabilities	104,270	657,817	762,087
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Fund Balances:			
Restricted for:			
Excess Surplus - Current Year	280,998	-	280,998
Excess Surplus - Prior Year Designated for Subsequent Year's Expenditures	920,669	-	920,669
Capital Reserve Account	13,169	-	13,169
Assigned to:			
Designated by the BOE for Subsequent Year's Expenditures	358,204	-	358,204
Other Purposes	21,142	-	21,142
Unassigned:			
General Fund	(566,389)	-	(566,389)
	<hr/>	<hr/>	<hr/>
Total Fund Balances	1,027,793	-	1,027,793
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total Liabilities & Fund Balances	\$ 1,132,063	\$ 657,817	

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 \$15,987,949 and the accumulated depreciation is \$6,636,885.	\$ 9,351,064
Accrued interest payable is not recorded in the fund financial Statements due to the fact that the payable is not due in the current period.	(32,190)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.	754,579
Unamortized bond issuance loss on refunding net of Bond Premium is not recorded in the fund financials But is recorded on the government-wide financials	(152,906)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Illustrative Note 6)	<hr/> (11,553,627)
Net Position of Governmental Activities	<hr/> <hr/> \$ (605,287)

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

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS
<b>Revenues:</b>				
Local Sources:				
Local Tax Levy	\$ 7,595,583	\$ -	\$ 739,826	\$ 8,335,409
Tuition	1,326,805	-	-	1,326,805
Miscellaneous	244,666	-	-	244,666
<b>Total Revenues - Local Sources</b>	<b>9,167,054</b>	<b>-</b>	<b>739,826</b>	<b>9,906,880</b>
State Sources	13,231,259	571,461	-	13,802,720
Federal Sources	35,619	994,240	-	1,029,859
<b>Total Revenues</b>	<b>22,433,932</b>	<b>1,565,701</b>	<b>739,826</b>	<b>24,739,459</b>
<b>Expenditures:</b>				
Current Expense				
Instruction - Regular Programs	5,996,924	-	-	5,996,924
Special Education	1,842,870	1,173,607	-	3,016,477
Other Special Instruction	731,983	-	-	731,983
Other Instruction	57,238	-	-	57,238
Support Services:				
Tuition	1,868,906	-	-	1,868,906
Student & Instruction Related Services	1,555,676	-	-	1,555,676
School Administrative Services	955,476	392,094	-	1,347,570
General Administrative Services	704,236	-	-	704,236
Plant Operations & Maintenance	1,782,317	-	-	1,782,317
Pupil Transportation	468,566	-	-	468,566
Employee Benefits	6,396,582	-	-	6,396,582
Debt Service:				
Principal	-	-	560,000	560,000
Interest & Other Charges	-	-	182,165	182,165
Capital Outlay	206,005	-	-	206,005
<b>Total Expenditures</b>	<b>22,566,779</b>	<b>1,565,701</b>	<b>742,165</b>	<b>24,874,645</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	(132,847)	-	(2,339)	(135,186)
Fund Balance - July 1	1,160,640	-	2,339	1,162,979
Fund Balance - June 30	\$ 1,027,793	\$ -	\$ -	\$ 1,027,793

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

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (135,186)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period:

Depreciation Expense	\$	(346,247)	
Fixed Asset Disposals - Accumulated Depreciation		9,315	
Fixed Asset Disposals		(15,525)	
Capital Outlays		<u>100,488</u>	(251,969)

Amortization of losses on early extinguishments of debt and premiums from refunded debt issuances are recorded when incurred in the governmental funds but are accrued and expensed over time in the statement of activities.

Current Year		93,235	
Prior Year		<u>(70,859)</u>	22,376

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 560,000

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

Pension Expense - PERS Contribution - 2016		242,203	
State Share of Unfunded TPAF Pension Expense		2,930,730	
Unfunded TPAF Pension Expense		(2,930,730)	
Pension Expense		<u>(423,577)</u>	(181,374)

Net Difference Accrued interest on bonds is not recorded in fund financial statements

Current Year		(32,190)	
Prior Year		<u>35,146</u>	2,956

Increase in accrual for compensated absences (11,452)

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 148,191

Change in Net Position of Governmental Activities \$ 153,542

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## Proprietary Funds

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**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS <u>FOOD SERVICE</u>
Current Assets:	
Cash & Cash Equivalents	\$ 136,228
Accounts Receivable:	
State	324
Federal	17,506
Inventories	<u>5,480</u>
Total Current Assets	<u>159,538</u>
Noncurrent Assets:	
Furniture, Machinery & Equipment	196,443
Less: Accumulated Depreciation	<u>(163,097)</u>
Total Noncurrent Assets	<u>33,346</u>
Total Assets	<u>192,884</u>
LIABILITIES	
Unearned Revenue	<u>2,459</u>
Total Liabilities	<u>2,459</u>
NET POSITION	
Net Investment in Capital Assets	33,346
Unrestricted	<u>157,079</u>
Total Net Position	<u><u>\$ 190,425</u></u>

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

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET POSITION  
 FOR FISCAL YEAR ENDED JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS <hr/> FOOD SERVICE
Operating Revenues:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 95,154
Daily Sales - Nonreimbursable Programs	63,961
Special Functions	284
Miscellaneous	679
	<hr/>
Total Operating Revenue	160,078
	<hr/>
Operating Expenses:	
Cost of Sales	246,204
Salaries & Benefits	170,961
Employee Benefits	44,204
Other Purchased Professional Services	31,780
Cleaning, Repair & Maintenance Services	6,361
Insurance	8,151
General Supplies	22,838
Miscellaneous	6,585
Depreciation	6,116
	<hr/>
Total Operating Expenses	543,200
	<hr/>
Operating Income/(Loss )	(383,122)
	<hr/>
Nonoperating Revenues/(Expenses):	
State Sources:	
State School Lunch Program	6,618
Federal Sources:	
National School Lunch Program	297,276
Regular School Breakfast Program	43,293
Special Milk Program	689
Healthy Hunger-Free Kids Act	7,807
Food Distribution Program	46,782
Interest & Investment Revenue	259
	<hr/>
Total Nonoperating Revenues/(Expenses)	402,724
	<hr/>
Net Income/(Loss)	19,602
Total Net Position - Beginning	170,823
	<hr/>
Total Net Position - Ending	\$ 190,425
	<hr/> <hr/>

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

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR FISCAL YEAR ENDED JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS
	FOOD SERVICE
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 160,078
Payments to Employees	(170,961)
Payments for Employee Benefits	(44,204)
Payments to Suppliers	(334,349)
	(389,436)
Net Cash Provided by/(Used) by Operating Activities	(389,436)
Cash Flows From Noncapital Financing Activities:	
State Sources	6,824
Federal Sources	396,251
	403,075
Net Cash Provided by/(Used) by Noncapital Financing Activities	403,075
Cash Flows From Investing Activities:	
Interest & Dividends	259
	259
Net Cash Provided by/(Used) by Investing Activities	259
Net Increase/(Decrease) in Cash & Cash Equivalents	13,898
Balances - Beginning of Year	122,330
Balances - End of Year	\$ 136,228
 <b>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:</b>	
Operating Income/(Loss)	\$ (383,122)
Adjustments to Reconcile Operating Income/Loss to	
Net Cash Provided/(Used) by Operating Activities:	
Depreciation & Net Amortization	6,116
(Decrease)/Increase in Accounts Payable, Net	(14,029)
Increase/(Decrease) in Unearned Revenues	2,459
(Increase)/Decrease in Inventories	(860)
	(6,314)
Total Adjustments	(6,314)
Net Cash Provided/(Used) by Operating Activities	\$ (389,436)

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

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Fiduciary Fund

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**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2016**

ASSETS	PRIVATE PURPOSE			TOTALS
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	AGENCY FUNDS	
Cash & Cash Equivalents	\$ 145,557	\$ 236,142	\$ 169,177	\$ 550,876
Interfund Receivable	15,864	-	-	15,864
<b>Total Assets</b>	<b>161,421</b>	<b>236,142</b>	<b>169,177</b>	<b>566,740</b>
<b>LIABILITIES</b>				
Due to Student Groups	-	-	99,824	99,824
Payroll Deductions & Withholdings	-	-	53,489	53,489
Interfund Payable	-	-	15,864	15,864
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>169,177</b>	<b>169,177</b>
<b>NET POSITION</b>				
Restricted for Unemployment Compensation	-	236,142	-	236,142
Restricted for Scholarships	161,421	-	-	161,421
<b>Total Net Position</b>	<b>\$ 161,421</b>	<b>\$ 236,142</b>	<b>\$ -</b>	<b>\$ 397,563</b>

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

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ADDITIONS	PRIVATE PUPOSE		TOTALS
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	
Contributions:			
Plan Members	\$ -	\$ 19,844	\$ 19,844
Other	27,937	-	27,937
Total Contributions	27,937	19,844	47,781
Investment Earnings:			
Interest	646	396	1,042
Net Investment Earnings	646	396	1,042
Total Additions	28,583	20,240	48,823
DEDUCTIONS			
Unemployment Claims	-	7,310	7,310
Scholarships Awarded	10,775	-	10,775
Total Deductions	10,775	7,310	18,085
Change in Net Position	17,808	12,930	30,738
Net Position - Beginning of the Year	143,613	223,212	366,825
Net Position - End of the Year	\$ 161,421	\$ 236,142	\$ 397,563

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

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2016**

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# RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

### Note 1. Summary of Significant Accounting Policies

The financial statements of the Riverside Township Public School District (the 'District') have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

#### **Reporting Entity**

The Riverside Township Public School District is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board consists of 5 members elected to three-year terms. These terms are staggered. A Superintendent is appointed by the Board and is responsible for the administrative control of the District. The District provides a full range of educational services appropriate to grade levels K through 12. The Riverside Township Public School District has an approximate enrollment at June 30, 2016 of 1,404 students.

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

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

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

#### **Component Units**

GASB Statement No.14. The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units and GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34. The District had no component units as of for the year ended June 30, 2016.

#### **Government-Wide Financial Statements**

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

## RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FISCAL YEAR ENDED JUNE 30, 2016

#### **Note 1. Summary of Significant Accounting Policies (continued):**

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

#### **Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

#### **Proprietary Fund Financial Statements**

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and

## RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FISCAL YEAR ENDED JUNE 30, 2016

#### **Note 1. Summary of Significant Accounting Policies (continued):**

decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

#### **Fiduciary Fund Financial Statements**

Fiduciary fund financial statements include a Statement of Net Position. The District's fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

#### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in 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.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges 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 taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

## RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FISCAL YEAR ENDED JUNE 30, 2016

#### **Note 1. Summary of Significant Accounting Policies (continued):**

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements 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 (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

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 Fund and PALS Program are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

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

As required by the New Jersey Department of Education the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

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

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt



## RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FISCAL YEAR ENDED JUNE 30, 2016

#### Note 1. Summary of Significant Accounting Policies (continued):

Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

The District reports the following major proprietary funds:

**Food Service Fund** – This fund accounts for the revenues and expenses pertaining to the District's cafeteria operations.

Additionally, the District reports the following major fiduciary funds:

**Private Purpose Trust Funds** - Private-purpose trust funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The District currently maintains an Unemployment Trust Fund and Scholarship Fund private purpose trusts.

**Agency Funds** - Agency funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity's own operating programs. The district currently maintains Payroll funds and Student Activity Funds as Agency Funds.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

#### **Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on

## RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FISCAL YEAR ENDED JUNE 30, 2016

#### **Note 1. Summary of Significant Accounting Policies (continued):**

budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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

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

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

#### **Encumbrances**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as 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.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

## RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FISCAL YEAR ENDED JUNE 30, 2016

#### Note 1. Summary of Significant Accounting Policies (continued):

##### **Cash and Cash Equivalents**

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

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

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

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

##### **Tuition Payable/Receivable**

Tuition rates for the fiscal year end June 30, 2016 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

##### **Inventories**

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

##### **Short-Term Interfund Receivables/Payables**

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

##### **Capital Assets**

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Note 1. Summary of Significant Accounting Policies (continued):**

estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Buildings	20 – 50 Years
Machinery and Equipment	5 – 10 Years
Improvements	10 – 20 Years

**Compensated Absences**

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

In the Government-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

**Unearned Revenue**

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

**Accrued Liabilities and Long-Term Obligations**

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

## RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FISCAL YEAR ENDED JUNE 30, 2016

#### Note 1. Summary of Significant Accounting Policies (continued):

##### Use of Estimates

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

##### Fund Balance

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

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2016.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

## RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FISCAL YEAR ENDED JUNE 30, 2016

#### Note 1. Summary of Significant Accounting Policies (continued):

##### Net Position

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

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

##### Impact of Recently Issued Accounting Principles

###### Adopted Accounting Pronouncements

For the year ended June 30, 2016, the District implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the District is required to measure certain investments at fair value for financial reporting purposes. In addition, the District is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement 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*. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the District's financial statements.

###### Recently Issued and Adopted Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. 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

## RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FISCAL YEAR ENDED JUNE 30, 2016

#### Note 1. Summary of Significant Accounting Policies (continued):

external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

## RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FISCAL YEAR ENDED JUNE 30, 2016

#### **Note 1. Summary of Significant Accounting Policies (continued):**

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. 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 Pensions*, 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*. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

#### **Bond Premiums, Discounts and Issuance Costs**

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

#### **Deferred Loss on Refunding Debt**

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

#### **Deferred Inflows/Outflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

#### **Subsequent Events**

The District has evaluated subsequent events occurring after June 30, 2016 through the date of September 30, 2016, which is the date the financial statements were available to be issued.

#### **Pensions Section**

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 pension plan's fiduciary net



**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Note 1. Summary of Significant Accounting Policies (continued):**

position and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

**Note 2. Cash**

**Cash Deposits**

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

As of June 30, 2016, the District’s bank balance of \$2,575,210 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$ 399,938
Uninsured and uncollateralized	603,977
Collateralized in the District’s Name Under GUDPA	<u>1,571,296</u>
Total	<u>\$2,575,210</u>

**Investments**

New Jersey statutes permit the Board to purchase the following types of securities:

1. Bonds and other obligations of the United State or obligations guaranteed by the United States.
2. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank , which have a maturity date not greater than twelve months from the date of purchase.
3. New Jersey Cash Management Fund, New Jersey Asset and Rebate Management Fund and MBIA CLASS.

Custodial credit risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have custodial credit risk policies for investments.

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Note 2. Cash (continued):**

Interest rate risk - This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Concentrations - The District places no limit in the amount the District may invest in any one issuer

The District did not hold any investments at June 30, 2016.

**Note 3. Capital Reserve Account**

A capital reserve account was established by the Riverside Township Public School District by inclusion of \$220,000 in the 2000-2001 budget for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$	13,146
Interest Earnings		<u>23</u>
Ending Balance, June 30, 2016	\$	<u><u>13,169</u></u>

The June 30, 2016 LRFP balance of local support costs of uncompleted capital projects at June 30, 2016 is \$10,154,000. The withdrawals from the capital reserve were used in a DOE approved facilities project, consistent with the district's Long Range Facilities Plan.

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2016 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year

**Note 4. Accounts Receivable (continued):**

guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major funds, in the aggregate, are as follows:

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Proprietary Funds</b>	<b>Total</b>
State Aid	\$ 68,416	\$ -	\$ 324	\$ 68,740
Federal Aid	25,279	208,679	17,506	251,464
Other	270,333	-	-	270,333
<b>Total</b>	<b>\$ 364,028</b>	<b>\$ 208,679</b>	<b>\$ 17,830</b>	<b>\$ 590,537</b>

**Note 5. Capital Assets**

The following schedules are a summarization of the capital assets by source for the fiscal year ended June 30, 2016:

	June 30, 2015	Additions	Deletions	June 30, 2016
<b>Governmental Activities:</b>				
Capital assets being depreciated:				
Buildings and improvements	\$ 15,174,482	\$ 24,380	\$ -	\$ 15,198,862
Machinery and equipment	728,504	76,108	(15,525)	789,087
<b>Total Capital assets being depreciated</b>	<b>15,902,986</b>	<b>100,488</b>	<b>(15,525)</b>	<b>15,987,949</b>
Less: accumulated depreciation:				
Buildings and improvements	(5,734,467)	(304,451)	-	(6,038,918)
Machinery and equipment	(565,486)	(41,796)	9,315	(597,967)
<b>Total accumulated depreciation</b>	<b>(6,299,953)</b>	<b>(346,247)</b>	<b>9,315</b>	<b>(6,636,885)</b>
<b>Total capital assets being depreciated, net</b>	<b>9,603,033</b>	<b>(245,759)</b>	<b>(6,210)</b>	<b>9,351,064</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 9,603,033</b>	<b>\$ (245,759)</b>	<b>\$ (6,210)</b>	<b>\$ 9,351,064</b>

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Note 5. Capital Assets (continued):**

	June 30, 2015	Additions	June 30, 2016
<b>Business-Type Activities:</b>			
Machinery and equipment	\$ 196,443	\$ -	\$ 196,443
Subtotal	<u>196,443</u>	<u>-</u>	<u>196,443</u>
Less: accumulated depreciation:			
Machinery and equipment	<u>(156,981)</u>	<u>(6,116)</u>	<u>(163,097)</u>
Total accumulated depreciation	<u>(156,981)</u>	<u>(6,116)</u>	<u>(163,097)</u>
Total capital assets being depreciated, net	<u>39,462</u>	<u>(6,116)</u>	<u>33,346</u>
Business-type activities capital assets, net	<u>\$ 39,462</u>	<u>\$ (6,116)</u>	<u>\$ 33,346</u>

**Note 6. Long-Term Obligations**

**A. Long-Term Obligations**

During the fiscal year ended June 30, 2016 the following changes occurred in liabilities reported in the long-term obligations:

	<b>June 30, 2015</b>	<b>Accrued/ Increases</b>	<b>Retired/ Decreases</b>	<b>June 30, 2016</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 5,100,000	\$ -	\$ (560,000)	\$ 4,540,000	\$ 560,000
Add: Premium	319,224	-	(40,752)	278,472	40,752
Obligations Under Capital					
Leases	402,513	-	(148,191)	254,322	126,430
Compensated Absences	423,820	11,452	-	435,272	-
Net Pension Liability	5,401,731	922,302	-	6,324,033	-
Total	<u>\$ 11,647,288</u>	<u>\$ 933,754</u>	<u>\$ (748,943)</u>	<u>\$ 11,832,099</u>	<u>\$ 727,182</u>

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness.

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Note 6. Long-Term Obligations (continued):**

**B. Bonds Payable**

In July 2011, the Riverside Township Public School District issued \$750,000 of General Obligation School Bonds. Payments are due each February 1<sup>st</sup> and August 1<sup>st</sup> commencing August 1, 2012 at an interest rate of 3.30%.

In May 2012, the Riverside Township Public School District refunded \$5,635,000 for the 2003 General Obligation School Bonds. Payments are due each May 1<sup>st</sup> and November 1<sup>st</sup> commencing November 1, 2012 at an interest rate of 2.00% to 4.00%.

Principal and interest due on the bonds outstanding as of June 30, 2016 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016/17	\$ 575,000	\$ 167,645	\$ 742,645
2017/18	595,000	150,200	745,200
2018/19	615,000	132,140	747,140
2019/20	650,000	108,030	758,030
2020/21	670,000	82,555	752,555
2022/23	<u>1,435,000</u>	<u>84,920</u>	<u>1,519,920</u>
	<u>\$ 4,540,000</u>	<u>\$ 725,490</u>	<u>\$ 5,265,490</u>

**C. Bonds Authorized But Not Issued**

As of June 30, 2016, the District had no authorized but not issued bonds.

**D. Capital Leases**

During 2013-2014, the District issued an additional capital lease in the amount of \$625,000 for modular buildings which are used as classrooms.

The District issued \$110,000 for replacement, upgrades & repairs to the High School. All capital leases are for terms of five to seven year, with the exception of COP's which are for 10 years. The following is a schedule of the remaining future minimum lease payments at June 30, 2016:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016/17	\$ 126,430	\$ 2,942	\$ 129,372
2017/18	<u>127,892</u>	<u>1,480</u>	<u>129,372</u>
	<u>\$ 254,322</u>	<u>\$ 4,422</u>	<u>\$ 258,744</u>

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Note 7. Interfund Receivables, Payables and Transfers**

The following interfund balances remained on the balance sheet at June 30, 2016:

Fund	Interfund Receivable	Interfund Payable
Scholarship Trust	\$ 15,864	\$ -
Student Activities	-	15,864
	<hr/>	<hr/>
Total	<u>\$ 15,864</u>	<u>\$ 15,864</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 14,029	\$ -
Food Service Fund	-	14,029
Scholarship Trust	10,778	-
Student Activities	-	10,778
	<hr/>	<hr/>
	<u>\$ 24,807</u>	<u>\$ 24,807</u>

The purpose of interfund transfers were for the liquidation of prior year interfund receivables and payables and for payments made on behalf of other funds.

**Note 8. Inventory**

Inventory recorded at June 30, 2016 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 2,119
Commodities	2,458
Supplies	<u>903</u>
Total	<u>\$ 5,480</u>

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Note 9. Pension Obligations**

**A. Public Employees' Retirement System (PERS)**

**Plan Description** - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to **Note 9. Pension Obligations (continued)**:

Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

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

The following represents the membership tiers for PERS:

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

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

**Basis of Presentation** - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Note 9: Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS) (continued):**

includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**Three-Year Trend Information for PERS**

<b>Year Funded</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/2016	\$ 242,203	100%	\$ 6,324,033
6/30/2015	237,845	100%	5,401,731
6/30/2014	209,654	100%	5,317,867

**Components of Net Pension Liability** - At June 30, 2016, the District reported a liability of \$6,324,033 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The District's proportion measured as of June 30, 2015, was .02817%, which was a decrease of .00068% from its proportion measured as of June 30, 2014.

Balances at June 30, 2016 and June 30, 2015

	<u>6/30/2016</u>	<u>6/30/2015</u>
	July 1, 2015	July 1, 2014
Actuarial valuation date		
Deferred Outflows of Resources	\$ 965,267	\$ -
Deferred Inflows of Resources	210,688	321,914
Net Pension Liability	6,324,033	5,401,731
District's portion of the Plan's total net pension Liability	0.02817%	0.02885%



**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Note 9: Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS) (continued):**

**Pension Expense and Deferred Outflows/Inflows of Resources** - For the year ended June 30, 2015, the District recognized pension expense of \$423,571. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 150,869	\$ -
Changes of assumptions	679,151	-
Net difference between projected and actual earnings on pension plan investments	-	101,678
Changes in proportion and differences between District contributions and proportionate share of contributions	135,247	107,897
Pension Expense Related to Specific Employees	-	1,113
<b>Total</b>	<b>\$ 965,267</b>	<b>\$ 210,688</b>

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

Year Ended June 30:	
2017	\$ 135,658
2018	135,658
2019	135,658
2020	216,136
2021	131,470
Thereafter	-

**Actuarial Assumptions** - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Note 9: Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS) (continued):**

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.04%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Note 9: Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS) (continued):**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
Core Bonds	1.75%	1.64%
Intermediate - Term Bonds	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%
Total	100.00%	

**Discount Rate** - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the District's proportionate share of the net pension liability as of June 30, 2015, calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Note 9: Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS) (continued):**

	<u>Decrease</u> (3.90%)	<u>Discount</u> (4.90%)	<u>Increase</u> (5.90%)
District's proportionate share of the net pension liability	\$ 7,859,999	\$ 6,324,033	\$ 5,036,290

**B. Teachers' Pension and Annuity Fund (TPAF)**

**Plan Description** - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Note 9: Pension Obligations (continued):**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued):**

his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Basis of Presentation** - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Contributions** - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount.

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

**Three-Year Trend Information for TPAF & Post Retirement Medical Contributions  
(Paid on behalf of the District)**

<b>Year Funded</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/2016	\$ 1,681,763	100%	-
6/30/2015	1,340,614	100%	-
6/30/2014	1,112,549	100%	-

**Teachers Pensions and Annuity Fund (TPAF)** - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF)

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Note 9: Pension Obligations (continued):**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued):**

and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

	<u>TPAF</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	Varies Based On Experience
Inflation rate	2.50%

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

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Note 9: Pension Obligations (continued)**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgage	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%
Total	100%	

**Discount Rate** - The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of employers' contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Pension plan fiduciary net position** - Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS & TPAF financial report.

**Defined Contribution Retirement Plan (DCRP)** – The District contributes to the New Jersey Defined Contribution Retirement Program (DCRP) which is a defined contribution retirement benefit plan, along with life insurance and disability coverage, for its employees who are ineligible for PERS or TPAF.

## RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FISCAL YEAR ENDED JUNE 30, 2016

#### **Note 9: Pension Obligations (continued)**

##### **Defined Contribution Retirement Plan (DCRP) (continued)**

When enrolled in the DCRP, members contribute 5.5 percent of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3 percent employer contribution. For the year ended June 30, 2016, employee contributions totaled \$11,527, and the District recognized pension expense of \$6,288.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in District contributions and earnings on District contributions after commencement of their second year of employment, with some exceptions. Nonvested District contributions and earnings are forfeited upon separation from covered employment. Such forfeitures are reverted back to a forfeiture account for the employer and may be used to reduce pension expenses. For the year ended June 30, 2016, the District did not apply forfeitures to reduce the District's pension expense.

#### **Note 10. Post-Retirement Benefits**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 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 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.

#### **Note 11. Risk Management**

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

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

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



**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Note 11. Risk Management (continued):**

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 trust fund for the current and previous two years:

<b>Fiscal Year</b>	<b>District Contributions</b>	<b>Employee Contributions</b>	<b>Amount Reimbursed</b>	<b>Ending Balance</b>
2015-2016	\$ 396	\$ 19,844	\$ 7,310	\$ 236,142
2014-2015	215	18,933	8,430	223,212
2013-2014	213	19,378	18,853	212,494

**Note 12. Contingent Liabilities**

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2016 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

**Note 13. Economic Dependency**

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District's programs and activities.

**Note 14. Compensated Absences**

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2016 is \$435,272.

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Note 14. Compensated Absences (continued):**

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2016 no liability existed for compensated absences in the proprietary fund types.

**Note 15. Fund Balance Disclosure**

**General Fund (Exhibit B-1)** – Of the \$1,027,793 General Fund fund balance at June 30, 2016, \$13,169 has been restricted for the capital reserve account; \$920,669 has been restricted for excess surplus designated for subsequent year's expenditures; \$280,998 has been restricted for the excess surplus; \$0 has been assigned to be designated for subsequent year expenditures; \$0 has been assigned for other purposes and \$(187,043) is unassigned.

**Note 16. Calculation of Excess Surplus**

The designation for Restricted for: Excess Surplus – Current Year is a required calculation pursuant to *N.J.S.A. 18A:7F-7*, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$280,998.

**Note 17. Deficit Fund Balance**

The District has a deficit fund balance of \$566,389 in the General Fund as of June 30, 2016 as reported in the fund statements (modified accrual basis). *N.J.S.A. 18A:22-44.2* provides that in the event a state school aid payment not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one governmental recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to *N.J.S.A. 18A:22-44.2* any negative unassigned general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action.

**Note 18. Transfers to Capital Outlay**

During the year ending June 30, 2016, the district did not transfer funds to the capital outlay accounts.

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Note 19. Deficit in Net Position**

**Restricted Net Position** – The School District had a deficit in restricted net position for Debt Service in the amount of \$32,190 at June 30, 2016. The deficit is caused by the accrual of bond interest in the government-wide financial statements.

**Unrestricted Net Position** – The School District had a deficit in unrestricted net position for the Governmental Activities in the amount of \$6,724,021 at June 30, 2016. The primary causes of this deficit includes the District not recognizing the receivable for the last two state aid payments and the recording of long-term liabilities for compensated absences and net pension liability. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

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**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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### C. Budgetary Comparison Schedules

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**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	POSITIVE/ (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		FINAL TO ACTUAL
<b>Revenues:</b>						
<b>Local Sources:</b>						
Local Tax Levy	10-1210	\$ 7,595,583	\$ -	\$ 7,595,583	\$ 7,595,583	\$ -
Tuition	10-1320	1,422,567	-	1,422,567	1,326,805	(95,762)
Interest on Capital Reserve Funds	10-1511	10	-	10	23	13
Miscellaneous	10-1990	427,000	-	427,000	244,643	(182,357)
<b>Total Local Sources</b>		<b>9,445,160</b>	<b>-</b>	<b>9,445,160</b>	<b>9,167,054</b>	<b>(278,106)</b>
<b>State Sources:</b>						
Categorical Special Education Aid	10-3132	690,094	-	690,094	690,094	-
Equalization Aid	10-3176	9,997,701	-	9,997,701	9,997,701	-
Categorical Security Aid	10-3177	72,973	-	72,973	72,973	-
Categorical Transportation Aid	10-3121	44,573	-	44,573	44,573	-
Extraordinary Aid - Current Year	10-3131	49,422	-	49,422	33,494	(15,928)
Under Adequacy Aid	10-3XXX	19,179	-	19,179	19,179	-
PARCC Readiness Aid	10-3XXX	12,640	-	12,640	12,640	-
Per Pupil Growth Aid	10-3XXX	12,640	-	12,640	12,640	-
<b>Nonbudgeted:</b>						
On-Behalf TPAF Pension Contributions		-	-	-	767,674	767,674
On-Behalf TPAF Medical Contributions		-	-	-	914,089	914,089
Reimbursed TPAF Social Security Contributions		-	-	-	712,001	712,001
<b>Total State Sources</b>		<b>10,899,222</b>	<b>-</b>	<b>10,899,222</b>	<b>13,277,058</b>	<b>2,377,836</b>
<b>Federal Sources:</b>						
Medicaid Aid Reimbursement	10-4200	42,453	-	42,453	35,619	(6,834)
<b>Total Federal Sources</b>		<b>42,453</b>	<b>-</b>	<b>42,453</b>	<b>35,619</b>	<b>(6,834)</b>
<b>Total Revenues</b>		<b>20,386,835</b>	<b>-</b>	<b>20,386,835</b>	<b>22,479,731</b>	<b>2,092,896</b>
<b>Expenditures:</b>						
<b>Current Expense:</b>						
<b>Instruction - Regular Programs:</b>						
<b>Salaries of Teachers:</b>						
Kindergarten	11-110-100-101	333,749	(25,285)	308,464	300,099	8,365
Grades 1 - 5	11-120-100-101	1,775,470	(45,884)	1,729,586	1,717,404	12,182
Grades 6 - 8	11-130-100-101	1,389,476	4,185	1,393,661	1,383,836	9,825
Grades 9-12	11-140-100-101	2,182,514	23,887	2,206,401	2,163,772	42,629
<b>Regular Programs - Home Instruction:</b>						
Salaries of Teachers	11-150-100-101	13,215	(3,260)	9,955	9,843	112
<b>Purchased Professional/</b>						
Educational Services	11-150-100-320	1,500	3,260	4,760	4,688	72
<b>Regular Programs - Undistributed Instruction:</b>						
<b>Purchased Professional/</b>						
Educational Services	11-190-100-320	197,900	32,239	230,139	226,828	3,311
Purchased Technical Services	11-190-100-340	10,725	-	10,725	7,101	3,624
Other Purchased Services	11-190-100-500	4,290	-	4,290	4,290	-
General Supplies	11-190-100-610	216,238	(989)	215,249	173,740	41,509
Textbooks	11-190-100-640	13,850	-	13,850	4,368	9,482
Other Objects	11-190-100-800	2,900	-	2,900	955	1,945
<b>Total Regular Programs</b>		<b>6,141,827</b>	<b>(11,847)</b>	<b>6,129,980</b>	<b>5,996,924</b>	<b>133,056</b>

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Special Education:						
Resource Room/ Resource Center:						
Salaries of Teachers	11-213-100-101	1,463,445	(4,140)	1,459,305	1,394,967	64,338
Other Salaries for Instruction	11-213-100-106	303,424	4,140	307,564	307,086	478
General Supplies	11-213-100-610	11,240	100	11,340	10,842	498
Textbooks	11-213-100-640	2,500	-	2,500	440	2,060
Other Objects	11-213-100-800	100	(100)	-	-	-
Total Resource Room/Resource Center		1,780,709	-	1,780,709	1,713,335	67,374
Preschool Disabilities - Part-Time:						
Salaries of Teachers	11-215-100-101	82,679	-	82,679	82,679	-
Other Salaries for Instruction	11-215-100-106	32,183	-	32,183	31,681	502
General Supplies	11-215-100-610	800	-	800	774	26
Total Preschool Disabilities - Part-Time		115,662	-	115,662	115,134	528
Home Instruction:						
Salaries of Teachers	11-219-100-101	22,101	-	22,101	8,066	14,035
Purchased Professional/ Educational Services	11-219-100-320	8,715	-	8,715	6,335	2,380
Total Home Instruction		30,816	-	30,816	14,401	16,415
Total Special Education		1,927,187	-	1,927,187	1,842,870	84,317
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	158,200	(17,123)	141,077	134,393	6,684
General Supplies	11-230-100-610	7,500	(5)	7,495	610	6,885
Total Basic Skills/Remedial		165,700	(17,128)	148,572	135,003	13,569
Bilingual Education - Instruction:						
Salaries of Teachers	11-240-100-101	112,770	-	112,770	111,570	1,200
General Supplies	11-240-100-610	200	5	205	205	-
Total Bilingual Education - Instruction		112,970	5	112,975	111,775	1,200
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	74,512	-	74,512	69,550	4,962
Purchased Services	11-401-100-500	3,090	-	3,090	-	3,090
Supplies & Materials	11-401-100-600	1,870	-	1,870	1,121	749
Other Objects	11-401-100-800	11,905	-	11,905	7,276	4,629
Total School Sponsored Cocurricular Activities		91,377	-	91,377	77,947	13,430
School Sponsored Athletics:						
Salaries	11-402-100-100	302,529	-	302,529	294,780	7,749
Purchased Services	11-402-100-500	82,250	-	82,250	68,282	13,968
Supplies & Materials	11-402-100-600	44,450	-	44,450	36,172	8,278
Other Objects	11-402-100-800	9,950	-	9,950	8,024	1,926
Total School Sponsored Athletics		439,179	-	439,179	407,258	31,921

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Other Instructional Programs:						
Salaries	11-403-100-100	70,200	-	70,200	29,285	40,915
Supplies & Materials	11-403-100-600	200	-	200	80	120
<b>Total Other Instructional Programs</b>		<b>70,400</b>	<b>-</b>	<b>70,400</b>	<b>29,365</b>	<b>41,035</b>
Before/After School Programs - Instruction:						
Salaries of Teachers	11-421-100-101	3,130	-	3,130	2,953	177
<b>Total Before/After School Programs - Instruction</b>		<b>3,130</b>	<b>-</b>	<b>3,130</b>	<b>2,953</b>	<b>177</b>
Summer School - Instruction:						
Salaries of Teachers	11-422-100-101	24,920	-	24,920	24,920	-
General Supplies	11-422-100-610	300	-	300	-	300
<b>Total Summer School - Instruction</b>		<b>25,220</b>	<b>-</b>	<b>25,220</b>	<b>24,920</b>	<b>300</b>
Community Services Programs/Operations:						
Purchased Services	11-800-330-500	50	-	50	-	50
<b>Total Community Services Programs/Operations</b>		<b>50</b>	<b>-</b>	<b>50</b>	<b>-</b>	<b>50</b>
<b>Total - Instruction</b>		<b>8,977,040</b>	<b>(28,970)</b>	<b>8,948,070</b>	<b>8,629,015</b>	<b>319,055</b>
Undistributed Expenditures:						
Instruction:						
Tuition to Other LEAs Within State - Regular	11-000-100-561	35,000	4,500	39,500	31,671	7,829
Tuition to Other LEAs Within State - Special	11-000-100-562	209,143	91,923	301,066	301,065	1
Tuition to County Vocational School District - Regular	11-000-100-563	159,200	-	159,200	159,200	-
Tuition to CSSD & Regional Day Schools	11-000-100-565	1,339,339	(57,249)	1,282,090	1,118,963	163,127
Tuition to Private Schools for the Handicapped Within the State	11-000-100-566	312,770	(82,114)	230,656	185,736	44,920
Tuition - State Facilities	11-000-100-568	72,271	-	72,271	72,271	-
<b>Total Instruction</b>		<b>2,127,723</b>	<b>(42,940)</b>	<b>2,084,783</b>	<b>1,868,906</b>	<b>215,877</b>
Health Services:						
Salaries	11-000-213-100	176,031	-	176,031	175,506	525
Purchased Professional & Technical Services	11-000-213-300	12,800	-	12,800	10,012	2,788
Other Purchased Services	11-000-213-500	120	-	120	-	120
Supplies and Materials	11-000-213-600	8,068	-	8,068	6,543	1,525
<b>Total Health Services</b>		<b>197,019</b>	<b>-</b>	<b>197,019</b>	<b>192,061</b>	<b>4,958</b>

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Speech, OT, PT & Related Services:						
Salaries	11-000-216-100	145,212	1,000	146,212	145,776	436
Purchased Professional/Educational Services	11-000-216-320	153,273	(1,095)	152,178	116,401	35,777
Supplies & Materials	11-000-216-600	1,550	-	1,550	1,488	62
<b>Total Speech, OT, PT &amp; Related Services</b>		<b>300,035</b>	<b>(95)</b>	<b>299,940</b>	<b>263,665</b>	<b>36,275</b>
Guidance:						
Salaries of Other Professional Staff	11-000-218-104	278,117	5,123	283,240	283,237	3
Salaries of Secretarial & Clerical Assistants	11-000-218-105	97,208	(2)	97,206	97,026	180
Purchased Professional/Educational Services	11-000-218-320	900	95	995	895	100
Purchased Professional & Technical Services	11-000-218-390	2,400	(1)	2,399	2,193	206
Other Purchased Services	11-000-218-500	200	-	200	-	200
Supplies & Materials	11-000-218-600	10,614	-	10,614	8,737	1,877
Other Objects	11-000-218-800	605	-	605	422	183
<b>Total Guidance</b>		<b>390,044</b>	<b>5,215</b>	<b>395,259</b>	<b>392,510</b>	<b>2,749</b>
Child Study Team:						
Salaries of Other Professional Staff	11-000-219-104	485,003	-	485,003	475,576	9,427
Salaries of Secretarial & Clerical Assistants	11-000-219-105	86,419	-	86,419	83,819	2,600
Miscellaneous Purchased Services	11-000-219-592	5,995	-	5,995	5,841	154
Supplies & Materials	11-000-219-600	6,297	-	6,297	5,669	628
Other Objects	11-000-219-800	1,087	-	1,087	1,053	34
<b>Total Child Study Team</b>		<b>584,801</b>	<b>-</b>	<b>584,801</b>	<b>571,958</b>	<b>12,843</b>
Improvement of Instruction:						
Salaries of Other Professional Staff	11-000-221-104	2,380	(444)	1,936	1,857	79
Supplies & Materials	11-000-221-600	300	(281)	19	19	-
<b>Total Improvement of Instruction</b>		<b>2,680</b>	<b>(725)</b>	<b>1,955</b>	<b>1,876</b>	<b>79</b>
Educational Media Services/School Library:						
Salaries	11-000-222-100	116,288	-	116,288	116,288	-
Purchased Professional & Technical Services	11-000-222-300	330	-	330	324	6
Supplies & Materials	11-000-222-600	12,455	-	12,455	11,112	1,343
Other Objects	11-000-222-800	250	-	250	134	116
<b>Total Educational Media Services/School Library</b>		<b>129,323</b>	<b>-</b>	<b>129,323</b>	<b>127,858</b>	<b>1,465</b>

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
<b>Instructional Staff Training:</b>						
Purchased Professional Educational Services	11-000-223-320	4,100	1,005	5,105	5,069	36
Other Purchased Services	11-000-223-500	230	150	380	379	1
Supplies	11-000-223-600	1,500	(430)	1,070	300	770
<b>Total Instructional Staff Training</b>		<b>5,830</b>	<b>725</b>	<b>6,555</b>	<b>5,748</b>	<b>807</b>
<b>Support Services - General Administration:</b>						
Salaries	11-000-230-100	189,576	-	189,576	189,576	-
Legal Services	11-000-230-331	25,000	-	25,000	9,714	15,286
Audit Fees	11-000-230-332	17,500	115	17,615	17,615	-
Architectural/Engineering Services	11-000-230-334	14,400	(115)	14,285	-	14,285
Other Purchased Professional Services	11-000-230-339	12,365	-	12,365	7,786	4,579
Communications/Telephone	11-000-230-530	65,400	-	65,400	33,294	32,106
BOE Other Purchased Services	11-000-230-585	6,000	(500)	5,500	2,601	2,899
Miscellaneous Purchased Services	11-000-230-590	61,245	-	61,245	51,651	9,594
General Supplies	11-000-230-610	17,451	-	17,451	13,621	3,830
Miscellaneous Expenditures	11-000-230-890	7,180	-	7,180	3,807	3,373
BOE Membership Dues & Fees	11-000-230-895	9,747	500	10,247	10,246	1
<b>Total Support Services General Administration</b>		<b>425,864</b>	<b>-</b>	<b>425,864</b>	<b>339,911</b>	<b>85,953</b>
<b>Support Services - School Administration:</b>						
Salaries of Principals & Assistant Principal	11-000-240-103	634,212	1	634,213	634,212	1
Salaries of Secretarial & Clerical Assistants	11-000-240-105	292,419	5,999	298,418	285,257	13,161
Purchased Professional & Technical Services	11-000-240-300	19,462	186	19,648	18,995	653
Other Purchased Services	11-000-240-500	750	-	750	450	300
Supplies and Materials	11-000-240-600	10,048	907	10,955	7,504	3,451
Other Objects	11-000-240-800	10,520	820	11,340	9,058	2,282
<b>Total Support Services School Administration</b>		<b>967,411</b>	<b>7,913</b>	<b>975,324</b>	<b>955,476</b>	<b>19,848</b>
<b>Support Services - Central Services:</b>						
Salaries	11-000-251-100	229,775	-	229,775	227,025	2,750
Purchased Professional Services	11-000-251-330	3,700	-	3,700	3,700	-
Purchased Technical Services	11-000-251-340	17,050	610	17,660	17,200	460
Miscellaneous Purchased Services	11-000-251-592	6,000	-	6,000	4,736	1,264
Supplies and Materials	11-000-251-600	5,841	(610)	5,231	2,716	2,515
Interest on Lease Purchase Agreements	11-000-251-832	1,717	-	1,717	858	859
Miscellaneous Expenditures	11-000-240-890	2,345	-	2,345	2,024	321
<b>Total Support Services Central Services</b>		<b>266,428</b>	<b>-</b>	<b>266,428</b>	<b>258,259</b>	<b>8,169</b>
<b>Administrative Information Technology:</b>						
Salaries	11-000-252-100	79,758	-	79,758	79,758	-
Purchased Professional Services	11-000-252-330	12,400	-	12,400	10,400	2,000
Purchased Technical Services	11-000-252-340	5,000	(3,007)	1,993	1,736	257
Supplies and Materials	11-000-252-600	25,900	(122)	25,778	14,172	11,606
<b>Total Administrative Information Technology</b>		<b>123,058</b>	<b>(3,129)</b>	<b>119,929</b>	<b>106,066</b>	<b>13,863</b>

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Required Maintenance for School Facilities:						
Cleaning, Repair & Maintenance						
Services	11-000-261-420	136,900	3,945	140,845	138,424	2,421
General Supplies	11-000-261-610	42,200	(3,945)	38,255	35,957	2,298
<b>Total Required Maintenance for School Facilities</b>		<b>179,100</b>	<b>-</b>	<b>179,100</b>	<b>174,381</b>	<b>4,719</b>
Custodial Services:						
Salaries	11-000-262-100	881,275	1	881,276	839,442	41,834
Salaries of Noninstructional Aides	11-000-262-107	63,873	(1)	63,872	57,298	6,574
Cleaning, Repair & Maintenance						
Services	11-000-262-420	102,025	-	102,025	87,616	14,409
Other Purchased Property Services	11-000-262-490	37,000	-	37,000	35,247	1,753
Insurance	11-000-262-520	76,630	-	76,630	76,630	-
General Supplies	11-000-262-610	74,385	-	74,385	66,430	7,955
Energy (Natural Gas)	11-000-262-621	130,000	-	130,000	76,811	53,189
Energy (Electricity)	11-000-262-622	370,000	-	370,000	310,200	59,800
Other Objects	11-000-262-800	370	-	370	368	2
<b>Total Custodial Services</b>		<b>1,735,558</b>	<b>-</b>	<b>1,735,558</b>	<b>1,550,042</b>	<b>185,516</b>
Care & Upkeep of Grounds:						
Cleaning, Repair & Maintenance						
Services	11-000-263-420	8,500	-	8,500	7,620	880
General Supplies	11-000-263-610	13,000	-	13,000	11,270	1,730
<b>Total Care &amp; Upkeep of Grounds</b>		<b>21,500</b>	<b>-</b>	<b>21,500</b>	<b>18,890</b>	<b>2,610</b>
Security:						
Purchased Professional & Technical Services	11-000-266-300	36,000	3,025	39,025	39,004	21
<b>Total Security</b>		<b>36,000</b>	<b>3,025</b>	<b>39,025</b>	<b>39,004</b>	<b>21</b>
Student Transportation Services:						
Other Purchased Professional & Technical Services	11-000-270-390	417,150	42,940	460,090	454,360	5,730
Miscellaneous Purchased Services - Transportation	11-000-270-593	12,506	-	12,506	12,506	-
Transportation Supplies	11-000-270-615	5,000	-	5,000	1,420	3,580
Other Objects	11-000-270-800	1,700	-	1,700	280	1,420
<b>Total Student Transportation Services</b>		<b>436,356</b>	<b>42,940</b>	<b>479,296</b>	<b>468,566</b>	<b>10,730</b>
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	11-000-291-220	224,000	(289)	223,711	221,434	2,277
Other Retirement Contributions PERS	11-000-291-241	235,900	6,303	242,203	242,203	-
Other Retirement Contributions Regular	11-000-291-249	6,000	289	6,289	6,288	1
Unemployment Compensation	11-000-291-250	10	-	10	-	10
Workmen's Compensation	11-000-291-260	102,641	-	102,641	102,641	-
Health Benefits	11-000-291-270	3,393,416	3,027	3,396,443	3,396,443	-
Tuition Reimbursements	11-000-291-280	19,600	(820)	18,780	5,865	12,915
Other Employee Benefits	11-000-291-290	20,500	7,531	28,031	27,944	87
<b>Total Unallocated Benefits - Employee Benefits</b>		<b>4,002,067</b>	<b>16,041</b>	<b>4,018,108</b>	<b>4,002,818</b>	<b>15,290</b>

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	767,674	(767,674)
On-Behalf TPAF Medical Contributions		-	-	-	914,089	(914,089)
Reimbursed TPAF Social Security Contributions		-	-	-	712,001	(712,001)
Total Undistributed Expenditures		11,930,797	28,970	11,959,767	13,731,759	(1,771,992)
Total Expenditures - Current Expense		20,907,837	-	20,907,837	22,360,774	(1,452,937)
Capital Outlay:						
Undistributed Expenditures:						
School Administration	12-000-240-730	8,000	-	8,000	7,881	119
Administration Information Technology	12-000-252-730	23,700	-	23,700	22,731	969
Custodial Services	12-000-262-730	29,400	-	29,400	17,708	11,692
Security	12-000-266-730	5,000	-	5,000	5,000	-
Interest Deposit to Capital Reserve	10-604	10	-	10	-	10
Total Equipment		66,110	-	66,110	53,320	12,790
Facilities Acquisition & Construction Services:						
Lease Purchase Agreements - Principal	12-000-400-721	46,417	-	46,417	23,208	23,209
Assessment for Debt Service on SDA Funding	12-000-400-896	129,477	-	129,477	129,477	-
Total Facilities Acquisition & Construction Services		175,894	-	175,894	152,685	23,209
Total Capital Outlay		242,004	-	242,004	206,005	35,999
Total Expenditures		21,149,841	-	21,149,841	22,566,779	(1,416,938)
Excess/(Deficiency) of Revenues Over Expenditures Before Other Financing Sources/(Uses)		(763,006)	-	(763,006)	(87,048)	675,958
Excess/(Deficiency) of Revenues Over/(Under) Expenditures After Other Financing Sources/Uses		(763,006)	-	(763,006)	(87,048)	675,958
Fund Balances, July 1		2,084,690	-	2,084,690	2,084,690	-
Fund Balances, June 30		\$ 1,321,684	\$ -	\$ 1,321,684	\$ 1,997,642	\$ 675,958

**RECAPITULATION OF FUND BALANCE:**

<b>Restricted Fund Balance:</b>		
Capital Reserve		\$ 13,169
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures		920,669
Excess Surplus		280,998
<b>Assigned Fund Balance:</b>		
ARRA - Special Education - Medicaid Initiative		21,142
Designated for Subsequent Year's Expenditures		358,204
<b>Unassigned Fund Balance</b>		<u>403,460</u>
Subtotal		1,997,642
Reconciliation to Governmental Funds Statements (GAAP):		
Reconciliation of State Aid Payments For GAAP to Budgetary Basis & Other Adjustments		<u>(969,849)</u>
Fund Balance Per Governmental Funds (GAAP)		<u>\$ 1,027,793</u>

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	JUNE 30, 2016				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES					
State Sources	\$ 975,182	\$ 210,918	\$ 1,186,100	\$ 571,461	\$ (614,639)
Federal Sources	994,240	-	994,240	994,240	-
Total Revenues	1,969,422	210,918	2,180,340	1,565,701	(614,639)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	709,072	(114,242)	594,830	561,225	33,605
Other Salaries for Instruction	96,668	86,822	183,490	182,297	1,193
General Supplies	55,218	212,903	268,121	34,601	233,520
Purchased Professional & Educational Services	3,416	39,889	43,305	39,781	3,524
Tuition to Other LEA's Within State - Regular	359,517	(3,814)	355,703	355,703	-
Total Instruction	1,223,891	221,558	1,445,449	1,173,607	271,842
Support Services:					
Salaries of Other Professional Staff	29,955	(2,143)	27,812	27,812	-
Personal Services - Employee Benefits	211,439	4,803	216,242	216,242	-
Purchased Professional & Educational Services	11,000	-	11,000	11,000	-
Rentals	483,837	(11,000)	472,837	129,372	343,465
Supplies & Materials	9,300	(2,300)	7,000	2,000	5,000
Total Support Services	745,531	(10,640)	734,891	392,094	342,797
Total Expenditures	1,969,422	210,918	2,180,340	1,565,701	614,639
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -



**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 22,479,731	\$ 1,565,701
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	924,050	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(969,849)	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	22,433,932	1,565,701
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	22,566,779	1,565,701
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 22,566,779	\$ 1,565,701

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**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**PUBLIC EMPLOYEES' RETIREMENT SYSTEM**  
**LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.0281719%	0.028851%	0.027825%
District's proportionate share of the net pension liability (asset)	\$ 6,324,033	\$ 5,401,731	\$ 5,317,867
District's covered-employee payroll	1,961,747	1,923,104	1,904,049
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	322.37%	280.89%	279.29%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	52.08%	48.72%

\*\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**PUBLIC EMPLOYEES' RETIREMENT SYSTEM**  
**LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	N/A	\$ 242,203	\$ 237,845	\$ 209,654
Contributions in relation to the contractually required contribution	N/A	242,203	237,845	209,654
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 2,051,747	\$ 1,923,104	1,904,049	**N/A
Contributions as a percentage of covered-employee payroll	N/A	12.59%	12.49%	**N/A

\*\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.



**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**TEACHERS' PENSION AND ANNUITY FUND**  
**LAST TEN FISCAL YEARS**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.0958337%	0.0996310%	0.0970433%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 60,570,984	\$ 53,249,503	\$ 49,044,915
District's covered-employee payroll	9,782,672	9,760,858	9,602,393
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%

\*\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2016**

**Teachers Pension and Annuity Fund (TPAF)**

**Basis of Presentation.** The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated July 28, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

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

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

**Public Employees' Retirement System (PERS)**

**Basis of Presentation.** The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated April 14, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

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

**Changes of assumptions.** Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees. The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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**OTHER SUPPLEMENTARY INFORMATION**

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D. School Based Budget Schedules

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E. Special Revenue Fund

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**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	NO CHILD LEFT BEHIND			
	TITLE I PART-A	TITLE II PART-A	TITLE III	TITLE III IMMIGRANT
Revenues:				
Federal Sources	\$ 556,485	\$ 36,448	\$ 15,822	\$ 7,479
Total Revenues	<u>\$ 556,485</u>	<u>\$ 36,448</u>	<u>\$ 15,822</u>	<u>\$ 7,479</u>
Expenditures:				
Instruction:				
Salaries of Teachers	\$ 319,073	\$ 28,927	\$ 10,200	\$ -
Other Salaries for Instruction	86,802	-	-	-
Purchased Professional Educational Services	3,415	-	1,034	7,479
General Supplies	21,517	-	-	-
Total Instruction	<u>430,807</u>	<u>28,927</u>	<u>11,234</u>	<u>7,479</u>
Support Services:				
Salaries of Other Professional Staff	27,812	-	-	-
Personal Services - Employee Benefits	97,866	7,521	4,588	-
Total Support Services	<u>125,678</u>	<u>7,521</u>	<u>4,588</u>	<u>-</u>
Total Expenditures	<u>\$ 556,485</u>	<u>\$ 36,448</u>	<u>\$ 15,822</u>	<u>\$ 7,479</u>

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	I.D.E.A. PART B			TOTALS
	BASIC REGULAR PROGRAM	PRESCHOOL	PRESCHOOL EDUCATION AID	
Revenues:				
State Sources	\$ -	\$ -	\$ 571,461	\$ 571,461
Federal Sources	368,703	9,303	-	994,240
Total Revenues	\$ 368,703	\$ 9,303	\$ 571,461	\$ 1,565,701
Expenditures:				
Instruction:				
Salaries of Teachers	\$ -	\$ -	\$ 203,025	\$ 561,225
Other Salaries for Instruction	-	-	95,495	182,297
General Supplies	-	5,194	7,890	34,601
Purchased Professional & Educational Services	-	4,109	23,744	39,781
Tuition to Other LEA's Within State-Regular	355,703	-	-	355,703
Total Instruction	355,703	9,303	330,154	1,173,607
Support Services:				
Salaries of Other Professional Staff	-	-	-	27,812
Personal Services - Employee Benefits	-	-	106,267	216,242
Purchased Professional Educational Services	11,000	-	-	11,000
Rentals	-	-	129,372	129,372
Supplies & Materials	2,000	-	-	2,000
Total Support Services	13,000	-	241,307	392,094
Total Expenditures	\$ 368,703	\$ 9,303	\$ 571,461	\$ 1,565,701

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID OF EXPENDITURES  
BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 236,630	\$ 203,025	\$ 33,605
Other Salaries for Instruction	96,668	95,495	1,173
Purchase of Professional and Technical Services	24,780	23,744	1,036
General Supplies	230,918	7,890	223,028
	<hr/>	<hr/>	<hr/>
Total Instruction	588,996	330,154	258,842
	<hr/>	<hr/>	<hr/>
Support Services:			
Personal Services - Employee Benefits	106,267	106,267	-
Rentals	483,837	129,372	354,465
Other Purchased Services	7,000	5,668	1,332
	<hr/>	<hr/>	<hr/>
Total Support Services	597,104	241,307	355,797
	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 1,186,100	\$ 571,461	\$ 614,639
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**CALCULATION OF BUDGET & CARRYOVER**

Total Revised 2015-2016 Preschool Education Aid Allocation	\$ 531,684
Add: Actual Preschool Education Aid Carryover (June 30, 2015)	<hr/> 654,416
Total Preschool Education Aid Funds Available for 2015-2016 Budget	1,186,100
Less: 2015-2016 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<hr/> (1,186,100)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2015	-
Add: June 30, 2016 Unexpended Preschool Education Aid Funds	<hr/> 614,639
2015-2016 Carryover - Preschool Education Aid Funds	<hr/> <hr/> \$ 614,639
2015-2016 Preschool Education Aid Funds Carryover Budgeted in 2016-2017	<hr/> <hr/> \$ 654,416

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F. Capital Projects Fund

Not Applicable

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G. Proprietary Funds

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Enterprise Funds

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**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**ENTERPRISE FUND**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2016**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS
	FOOD SERVICE
Current Assets:	
Cash & Cash Equivalents	\$ 136,228
Accounts Receivable:	
State	324
Federal	17,506
Inventories	5,480
Total Current Assets	159,538
Noncurrent Assets:	
Furniture, Machinery & Equipment	196,443
Less: Accumulated Depreciation	(163,097)
Total Noncurrent Assets	33,346
Total Assets	192,884
 LIABILITIES	
Unearned Revenue	2,459
Total Liabilities	2,459
 NET POSITION	
Net Investment in Capital Assets	33,346
Unrestricted	157,079
Total Net Position	\$ 190,425

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS
	FOOD SERVICE
Operating Revenues:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 95,154
Daily Sales - Nonreimbursable Programs	63,961
Special Functions	284
Miscellaneous	679
 Total Operating Revenue	 160,078
 Operating Expenses:	
Cost of Sales	246,204
Salaries	170,961
Employee Benefits	44,204
Other Purchased Professional Services	31,780
Cleaning, Repair & Maintenance Services	6,361
Insurance	8,151
General Supplies	22,838
Miscellaneous	6,585
Depreciation	6,116
 Total Operating Expenses	 543,200
 Operating Income/(Loss )	 (383,122)
 Nonoperating Revenues/(Expenses):	
State Sources:	
State School Lunch Program	6,618
Federal Sources:	
National School Lunch Program	297,276
Regular School Breakfast Program	43,293
Special Milk Program	689
Healthy Hunger-Free Kids Act	7,807
Food Distribution Program	46,782
Interest & Investment Revenue	259
 Total Nonoperating Revenues/(Expenses)	 402,724
 Net Income/(Loss)	19,602
Total Net Position - Beginning	170,823
 Total Net Position - Ending	 \$ 190,425



**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
ENTERPRISE FUND  
SCHEDULE OF CASH FLOWS  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS <u>FOOD SERVICE</u>
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 160,078
Payments to Employees	(170,961)
Payments for Employee Benefits	(44,204)
Payments to Suppliers	<u>(334,349)</u>
Net Cash Provided by/(Used) by Operating Activities	<u>(389,436)</u>
Cash Flows From Noncapital Financing Activities:	
State Sources	6,824
Federal Sources	<u>396,251</u>
Net Cash Provided by/(Used) by Noncapital Financing Activities	<u>403,075</u>
Cash Flows From Investing Activities:	
Interest & Dividends	<u>259</u>
Net Cash Provided by/(Used) by Investing Activities	<u>259</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	13,898
Balances - Beginning of Year	<u>122,330</u>
Balances - End of Year	<u><u>\$ 136,228</u></u>

**Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:**

Operating Income/(Loss)	\$ (383,122)
Adjustments to Reconcile Operating Income/Loss to Net Cash Provided/(Used) by Operating Activities:	
Depreciation & Net Amortization	6,116
(Decrease)/Increase in Accounts Payables, Net	(14,029)
Increase/(Decrease) in Unearned Revenue	2,459
(Increase)/Decrease in Inventories	<u>(860)</u>
Total Adjustments	<u>(6,314)</u>
Net Cash Provided/(Used) by Operating Activities	<u><u>\$ (389,436)</u></u>

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Internal Service Fund

Not Applicable

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## H. Fiduciary Fund

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**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2016**

ASSETS	PRIVATE PUPOSE				TOTALS
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	AGENCY		
			STUDENT ACTIVITY	PAYROLL FUND	
Cash & Cash Equivalents	\$ 145,557	\$ 236,142	\$ 115,688	\$ 53,489	\$ 550,876
Interfund Receivable	15,864	-	-	-	15,864
<b>Total Assets</b>	<b>161,421</b>	<b>236,142</b>	<b>115,688</b>	<b>53,489</b>	<b>566,740</b>
<b>LIABILITIES</b>					
Due to Student Groups	-	-	99,824	-	99,824
Due to Employees	-	-	-	7,099	7,099
Payroll Deductions & Withholdings	-	-	-	46,390	46,390
Interfund Payable	-	-	15,864	-	15,864
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>115,688</b>	<b>53,489</b>	<b>169,177</b>
<b>NET POSITION</b>					
Restricted for Unemployment Compensation	-	236,142	-	-	236,142
Restricted for Scholarships	161,421	-	-	-	161,421
<b>Total Net Position</b>	<b>\$ 161,421</b>	<b>\$ 236,142</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 397,563</b>

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

ADDITIONS	PRIVATE PUPOSE		TOTALS
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	
Contributions:			
Plan Members	\$ -	\$ 19,844	\$ 19,844
Other	27,937	-	27,937
Total Contributions	27,937	19,844	47,781
Investment Earnings:			
Interest	646	396	1,042
Net Investment Earnings	646	396	1,042
Total Additions	28,583	20,240	48,823
DEDUCTIONS			
Unemployment Claims	-	7,310	7,310
Scholarships Awarded	10,775	-	10,775
Total Deductions	10,775	7,310	18,085
Change in Net Position	17,808	12,930	30,738
Net Position - Beginning of the Year	143,613	223,212	366,825
Net Position - End of the Year	\$ 161,421	\$ 236,142	\$ 397,563



**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

ASSETS	BALANCE JULY 1, 2015	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2016
Cash & Cash Equivalents	\$ 112,534	\$ 346,392	\$ 343,238	\$ 115,688
Total Assets	<u>112,534</u>	<u>346,392</u>	<u>343,238</u>	<u>115,688</u>
LIABILITIES				
Due to Student Groups	107,448	326,089	333,713	99,824
Due to Scholarship Fund	5,086	20,303	9,525	15,864
Total Liabilities	<u>\$ 112,534</u>	<u>\$ 346,392</u>	<u>\$ 343,238</u>	<u>\$ 115,688</u>

**PAYROLL AGENCY FUND  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

ASSETS	BALANCE JULY 1, 2015	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2016
Cash & Cash Equivalents	\$ 77,714	\$ 18,162,616	\$ 18,186,841	\$ 53,489
Total Assets	<u>77,714</u>	<u>18,162,616</u>	<u>18,186,841</u>	<u>53,489</u>
LIABILITIES				
Due to Employees	4,503	7,633,029	7,630,433	7,099
Payroll Deductions & Withholdings	73,211	10,529,587	10,556,408	46,390
Total Liabilities	<u>\$ 77,714</u>	<u>\$ 18,162,616</u>	<u>\$ 18,186,841</u>	<u>\$ 53,489</u>

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## I. Long-Term Debt

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**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS PAYABLE  
JUNE 30, 2016**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL PAYMENTS		INTEREST RATE	AMOUNT OUTSTANDING		AMOUNT OUTSTANDING JUNE 30, 2016	
			DATE	AMOUNT		JUNE 30, 2015	RETIRED		
Bleacher Project at High School	07/14/2011	\$ 750,000	02/01/2017	\$ 65,000	3.300%	\$ 580,000	\$ -	\$ 515,000	
			02/01/2018	70,000	3.300%				
			02/01/2019	70,000	3.300%				
			02/01/2020	75,000	3.300%				
			02/01/2021	75,000	3.300%				
			02/01/2022	80,000	3.300%				
			02/01/2023	80,000	3.300%				
Refunding Bond Issue 2012	05/01/2012	5,465,000	05/01/2017	510,000	3.000%	4,520,000	-	4,025,000	
			05/01/2018	525,000	3.000%				
			05/01/2019	545,000	4.000%				
			05/01/2020	575,000	4.000%				
			05/01/2021	595,000	4.000%				
			05/01/2022	625,000	4.000%				
			650,000	4.000%					
Total						\$ 5,100,000	\$ -	\$ 560,000	\$ 4,540,000

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
JUNE 30, 2016**

DESCRIPTION	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2015	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2016
Riverside High School Capital Improvement Project	3.698%	\$110,000	\$ 23,208	\$ -	\$ 23,208	\$ -
Modular Buildings	1.157%	625,000	379,305	-	124,983	254,322
Total			<u>\$ 402,513</u>	<u>\$ -</u>	<u>\$ 148,191</u>	<u>\$ 254,322</u>

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	JUNE 30, 2016				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 739,826	-	\$ 739,826	\$ 739,826	-
Total Revenues	739,826	-	739,826	739,826	-
Expenditures:					
Regular Debt Service:					
Redemption of Principal	560,000	-	560,000	560,000	-
Interest on Bonds	182,165	-	182,165	182,165	-
Total Regular Debt Service	742,165	-	742,165	742,165	-
Excess/(Deficiency) of Revenues Over (Under) Expenditures	(2,339)	-	(2,339)	(2,339)	-
Excess/(Deficiency) of Revenues Over (Under) Expenditures & Other Financing Sources	(2,339)	-	(2,339)	(2,339)	-
Fund Balance, July 1,	2,339	-	2,339	2,339	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

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**STATISTICAL SECTION (Unaudited)**

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**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Governmental Activities:</b>										
Net Investment in										
Capital Assets	\$ 4,556,742	\$ 4,100,520	\$ 3,639,509	\$ 3,158,409	\$ 2,816,383	\$ 2,776,267	\$ 1,935,974	\$ 1,887,326	\$ 2,025,466	\$ 3,424,120
Restricted	1,561,992	1,142,346	736,273	901,353	1,304,952	1,553,705	1,166,309	2,321,526	1,178,282	1,026,078
Unrestricted	(6,724,021)	(6,001,695)	(621,153)	(562,672)	(575,876)	(940,361)	(1,045,406)	(1,210,495)	(290,514)	(366,652)
<b>Total Governmental Activities</b>										
Net Position	(605,287)	(758,829)	3,754,629	3,497,090	3,545,459	3,389,611	2,056,877	2,998,357	2,913,234	4,083,546
<b>Business-Type Activities:</b>										
Net Investment in										
Capital Assets	33,346	39,462	46,908	37,953	48,953	33,961	39,904	22,442	14,061	17,288
Unrestricted	157,079	131,361	161,944	167,921	137,194	134,491	106,308	109,424	101,473	105,557
<b>Total Business-Type Activities</b>										
Net Position	190,425	170,823	208,852	205,874	186,147	168,452	146,212	131,866	115,534	122,845
<b>Government-Wide:</b>										
Net Investment in										
Capital Assets	4,590,088	4,139,982	3,686,417	3,196,362	2,865,336	2,810,228	1,975,878	1,909,768	2,039,527	3,441,408
Restricted	1,561,992	1,142,346	736,273	901,353	1,304,952	1,553,705	1,166,309	2,321,526	1,178,282	1,026,078
Unrestricted	(6,566,942)	(5,870,334)	(459,209)	(394,751)	(438,682)	(805,870)	(939,098)	(1,101,071)	(189,041)	(261,095)
<b>Total District Net Position</b>	\$ (414,862)	\$ (588,006)	\$ 3,963,481	\$ 3,702,964	\$ 3,731,606	\$ 3,558,063	\$ 2,203,089	\$ 3,130,223	\$ 3,028,768	\$ 4,206,391

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)**  
**LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 5,996,924	\$ 5,867,204	\$ 5,865,591	\$ 6,003,997	\$ 5,950,519	\$ 6,924,562	\$ 7,167,885	\$ 6,590,020	\$ 6,532,978	\$ 6,029,076
Special Education	3,016,477	2,970,421	2,917,592	2,827,776	2,599,861	1,564,745	1,676,617	1,636,228	1,288,747	1,025,424
Other Special Education	731,983	740,084	759,339	696,434	695,768	662,739	702,155	235,547	249,088	213,208
Other Instruction	57,238	96,864	124,161	181,453	212,669	147,203	214,471	657,437	580,387	526,946
Support Services:										
Tuition	1,868,906	2,068,705	2,047,607	1,913,565	1,950,057	1,366,671	1,642,175	1,216,659	1,020,293	1,449,406
Student & Instruction Related Services	1,555,676	1,541,710	1,525,389	1,564,442	1,582,409	1,899,224	1,853,325	1,741,478	1,891,678	1,790,265
School Administrative Services	1,347,570	1,353,201	1,367,326	1,216,575	1,151,590	364,787	411,669	879,466	705,304	689,035
General & Business Administrative Services	704,236	696,462	694,394	753,134	770,291	885,517	850,567	394,632	394,849	362,771
Administrative Information Technology	-	-	-	-	-	36,167	10,745	18,805	17,680	18,422
Plant Operations & Maintenance	1,750,674	1,836,549	1,720,742	1,652,629	1,470,943	241,985	234,657	228,159	218,853	207,499
Pupil Transportation	468,566	476,761	434,138	464,998	415,270	333,049	331,728	325,348	309,040	287,997
Employee Benefits	9,508,686	8,092,582	5,758,178	5,825,529	4,946,063	1,643,389	1,775,031	1,733,912	1,632,892	1,543,318
Other Support Services	-	-	-	-	-	4,548,293	4,941,479	4,336,615	4,619,445	4,695,734
Interest on Long-Term Debt	172,779	192,059	340,080	314,769	357,500	274,843	288,052	336,822	320,334	336,379
Reduction of Capital Leases	-	-	(122,141)	-	(22,016)	-	-	-	-	-
Amortization of Debt Issuance Costs	-	-	(22,377)	(15,454)	(2,576)	-	-	-	-	-
Unallocated Compensated Absences	-	-	12,793	2,250	(2,243)	-	-	-	-	-
Unallocated Depreciation	336,932	181,869	64,730	321,453	304,487	738,921	809,470	852,379	1,821,080	8,957,935
Fixed Asset Disposals	-	-	288,820	8,900	225,790	-	-	-	-	-
Loss on Adjustment to Fixed Asset Appraisal	-	-	(24,904)	117,329	258,483	-	-	-	-	-
Total Governmental Activities Expenses	27,516,647	26,114,471	23,751,458	23,849,779	22,864,865	21,632,095	22,910,026	21,183,507	21,602,648	28,133,415
Business-Type Activities:										
Food Service	543,200	557,431	507,584	492,966	492,882	456,567	454,876	435,918	428,229	399,445

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)**  
**LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Business-Type Activities										
Expense	543,200	557,431	557,431	507,584	492,966	492,882	456,567	454,876	435,918	428,229
Total District Expenses	28,059,847	26,671,902	24,308,889	24,357,363	23,357,831	22,124,977	23,366,593	21,638,383	22,038,566	28,561,644
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	6,890,195	5,987,808	1,552,107	1,413,420	1,231,133	1,570,644	1,111,328	988,684	1,841,088	1,852,683
Total Governmental Activities Program	6,890,195	5,987,808	1,552,107	1,413,420	1,231,133	1,570,644	1,111,328	988,684	1,841,088	1,852,683
Business-Type Activities:										
Charges for Services:										
Food Service	159,399	157,092	157,312	176,417	189,184	204,711	202,455	224,301	204,420	219,948
Operating Grants & Contributions	402,724	361,723	351,480	327,295	319,159	273,323	265,703	226,424	213,746	193,918
Total Business Type Activities Program Revenues	562,123	518,815	508,792	503,712	508,343	478,034	468,158	450,725	418,166	413,866
Total District Program Revenues	7,452,318	6,506,623	2,060,899	1,917,132	1,739,476	2,048,678	1,579,486	1,439,409	2,259,254	2,266,549
Net (Expense)/Revenue:										
Governmental Activities	(20,626,452)	(20,126,663)	(22,199,351)	(22,436,359)	(21,633,732)	(20,061,451)	(21,798,698)	(20,194,823)	(19,761,560)	(26,280,732)
Business-Type Activities	18,923	(38,616)	(48,639)	(3,872)	15,377	(14,848)	11,591	(4,151)	(17,752)	(14,363)
Total Government-Wide Net Expense	(20,607,529)	(20,165,279)	(22,247,990)	(22,440,231)	(21,618,355)	(20,076,299)	(21,787,107)	(20,198,974)	(19,779,312)	(26,295,095)

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
FISCAL YEAR ENDING JUNE 30,										
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property Taxes, Levied for General Purposes, Net	7,595,583	7,321,322	6,954,492	6,757,223	6,624,728	6,494,831	6,542,351	6,734,700	6,720,955	6,462,457
Taxes Levied for Debt Service	739,826	753,298	782,957	802,679	710,279	713,831	647,465	565,145	518,526	492,042
Federal & State Aid Not Restricted	10,873,114	11,034,555	12,783,182	12,809,002	12,438,046	12,054,194	11,646,039	11,186,373	9,643,411	9,168,109
Transportation Fees from Other LEA's	-	-	-	28,180	43,095	43,318	49,696	61,622	49,418	50,259
Tuition Received	1,326,805	1,544,817	1,777,586	1,794,965	1,751,835	1,808,742	1,699,230	1,402,397	1,371,225	1,463,500
Investment Earnings	244,666	277,080	226,738	195,941	221,597	19,474	38,456	41,577	71,516	79,442
Miscellaneous Income	-	-	-	-	-	259,795	233,981	224,648	216,197	177,947
Transfers	-	-	-	-	-	-	-	-	-	-
Contracts Payable Cancelled	-	-	-	-	-	-	-	63,484	-	-
<b>Total Governmental Activities</b>	<b>20,779,994</b>	<b>20,931,072</b>	<b>22,524,955</b>	<b>22,387,990</b>	<b>21,789,580</b>	<b>21,394,185</b>	<b>20,857,218</b>	<b>20,279,946</b>	<b>18,591,248</b>	<b>17,893,756</b>
Business-Type Activities:										
Miscellaneous Income	679	587	1,770	8,981	2,234	-	-	-	-	-
Investment Earnings	-	-	-	-	-	773	1,064	1,525	2,752	3,293
<b>Total Business-Type Activities</b>	<b>679</b>	<b>587</b>	<b>1,770</b>	<b>8,981</b>	<b>2,234</b>	<b>773</b>	<b>1,064</b>	<b>1,525</b>	<b>2,752</b>	<b>3,293</b>
<b>Total Government-Wide</b>	<b>20,780,673</b>	<b>20,931,659</b>	<b>22,526,725</b>	<b>22,396,971</b>	<b>21,791,814</b>	<b>21,394,958</b>	<b>20,858,282</b>	<b>20,281,471</b>	<b>18,594,000</b>	<b>17,897,049</b>
Change in Net Position:										
Governmental Activities	153,542	804,409	325,604	(48,369)	155,848	1,332,734	(941,480)	85,123	(1,170,312)	(8,386,976)
Business-Type Activities	19,602	2,978	(46,869)	5,109	17,611	(14,075)	12,655	(2,626)	(15,000)	(11,070)
<b>Total District</b>	<b>\$ 173,144</b>	<b>\$ 807,387</b>	<b>\$ 278,735</b>	<b>\$ (43,260)</b>	<b>\$ 173,459</b>	<b>\$ 1,318,659</b>	<b>\$ (928,825)</b>	<b>\$ 82,497</b>	<b>\$ (1,185,312)</b>	<b>\$ (8,398,046)</b>

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
FUND BALANCES AND GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund:										
Restricted	\$ 1,214,836	\$ 1,175,153	\$ 653,967	\$ 748,070	\$ 1,087,016	\$ 1,074,844	\$ 972,701	\$ 1,958,413	\$ 1,085,311	\$ 967,727
Committed	-	-	-	-	-	10,595	-	-	-	-
Assigned	379,346	-	63,909	139,202	135,702	460,125	-	-	-	-
Unassigned	(566,389)	(14,513.00)	-	-	-	(491,896)	(574,257)	(571,196)	163,173	(5,596)
<b>Total General Fund</b>	<b>1,027,793</b>	<b>1,160,640</b>	<b>717,876</b>	<b>887,272</b>	<b>1,222,718</b>	<b>1,053,668</b>	<b>398,444</b>	<b>1,387,217</b>	<b>1,248,484</b>	<b>962,131</b>
All Other Governmental Funds:										
Unassigned, Reported in:										
Special Revenue Fund	-	-	-	-	-	(37,770)	(29,054)	(28,817)	(60,459)	(48,484)
Committed, Reported in:										
Capital Projects Fund	-	-	-	-	117,575	-	-	-	-	-
Assigned, Reported in:										
Capital Projects Fund	-	-	-	339	6,956	6,955	-	138,642	75,158	39,870
Debt Service Fund	-	2,339	43,891	42,631	1,426	1,186	141,543	10,987	17,813	18,481
<b>Total All Other Governmental Funds</b>	<b>\$ -</b>	<b>\$ 2,339</b>	<b>\$ 43,891</b>	<b>\$ 42,970</b>	<b>\$ 125,957</b>	<b>\$ (29,629)</b>	<b>\$ 112,489</b>	<b>\$ 120,812</b>	<b>\$ 32,512</b>	<b>\$ 9,867</b>

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS**

*(Modified Accrual Basis of Accounting)*

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues:</b>										
Tax Levy	\$ 8,335,409	\$ 8,074,620	\$ 7,737,449	\$ 7,559,902	\$ 7,335,007	\$ 7,208,662	\$ 7,189,816	\$ 7,299,845	\$ 7,239,481	\$ 6,954,499
Tuition Charges	1,326,805	1,544,817	1,777,586	1,794,965	1,751,835	1,808,742	1,699,230	1,402,397	1,371,225	1,463,500
Transportation Fees from Other LEA's	-	-	-	28,180	43,095	43,318	49,696	61,622	49,418	50,259
Miscellaneous	244,666	277,080	226,738	195,941	221,597	279,269	272,437	266,225	287,713	266,276
State Sources	13,802,720	13,674,531	13,371,948	13,392,080	12,482,497	12,460,999	10,117,235	11,438,750	10,807,947	10,139,844
Federal Sources	1,029,859	1,000,621	963,341	830,342	1,186,682	1,146,407	2,640,132	736,307	676,552	880,948
<b>Total Revenue</b>	<b>24,739,459</b>	<b>24,571,669</b>	<b>24,077,062</b>	<b>23,801,410</b>	<b>23,020,713</b>	<b>22,947,397</b>	<b>21,968,546</b>	<b>21,205,146</b>	<b>20,432,336</b>	<b>19,755,326</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	5,996,924	5,867,204	5,865,590	6,024,334	5,950,519	6,924,562	7,167,885	6,590,020	6,532,978	6,029,076
Special Education Instruction	3,016,477	2,970,421	2,917,592	2,827,776	2,599,861	1,564,745	1,676,617	1,636,228	1,288,747	1,025,424
Other Special Instruction	731,983	740,084	759,339	696,434	695,768	662,739	702,155	235,547	249,088	213,208
Other Instruction	57,238	96,864	124,161	181,453	212,669	147,203	214,471	657,437	580,387	526,946
<b>Support Services:</b>										
Tuition	1,868,906	2,068,705	2,047,607	1,913,565	1,950,057	1,366,671	1,642,175	1,216,659	1,020,293	1,449,406
Student & Instruction Related Services	1,555,676	1,541,710	1,525,389	1,564,442	1,582,409	1,899,224	1,853,325	1,741,478	1,891,678	1,790,265
<b>General &amp; Business Administration Services</b>										
School Administrative Services	704,236	696,462	694,394	753,134	770,291	642,939	657,071	1,126,430	941,837	914,956
Plant Operations & Maintenance	1,347,570	1,353,201	1,367,326	1,216,575	1,151,590	885,517	850,567	394,632	394,849	362,771
Pupil Transportation	1,782,317	1,657,994	1,720,742	1,652,629	1,643,393	1,643,389	1,775,031	1,733,912	1,632,892	1,543,318
Employee Benefits	468,566	476,761	434,138	464,998	415,270	333,049	331,728	325,348	309,040	287,997
Capital Outlay	6,396,582	5,675,158	5,758,178	5,825,529	4,946,063	4,548,293	4,941,479	4,336,615	4,619,445	4,695,734
Debt Service:	206,005	182,358	829,083	280,635	777,309	921,118	320,087	295,469	514,770	165,226
Principal	560,000	645,000	613,000	570,000	495,000	730,000	545,000	415,000	340,000	330,000
Interest & Other Charges	182,165	198,535	213,998	248,339	255,878	274,843	288,052	336,822	320,334	336,379
<b>Total Expenditures</b>	<b>24,874,645</b>	<b>24,170,457</b>	<b>24,870,537</b>	<b>24,219,843</b>	<b>23,446,077</b>	<b>22,544,292</b>	<b>22,965,643</b>	<b>21,041,597</b>	<b>20,636,338</b>	<b>19,670,706</b>
<b>Excess (Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>(135,186)</b>	<b>401,212</b>	<b>(793,475)</b>	<b>(418,433)</b>	<b>(425,364)</b>	<b>403,105</b>	<b>(997,097)</b>	<b>163,549</b>	<b>(204,002)</b>	<b>84,620</b>



**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Other Financing Sources/(Uses):										
Proceeds from Borrowing	-	-	-	-	750,000	-	-	-	513,000	-
Capital Lease (Nonbudgeted)	-	-	625,000	-	-	110,000	-	-	-	-
Contracts Payable Cancelled	-	-	-	-	-	-	-	63,484	-	-
Transfers in	-	-	339	6,964	15,393	150,368	139,479	2,061	8,924	8,887
Transfers Out	-	-	(339)	(6,964)	(15,393)	(150,368)	(139,479)	(2,061)	(8,924)	(8,887)
<b>Total Other Financing Sources/(Uses)</b>	<b>-</b>	<b>-</b>	<b>625,000</b>	<b>-</b>	<b>750,000</b>	<b>110,000</b>	<b>-</b>	<b>63,484</b>	<b>513,000</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (135,186)</b>	<b>\$ 401,212</b>	<b>\$ (168,475)</b>	<b>\$ (418,433)</b>	<b>\$ 324,636</b>	<b>\$ 513,105</b>	<b>\$ (997,097)</b>	<b>\$ 227,033</b>	<b>\$ 308,998</b>	<b>\$ 84,620</b>

Debt Service as a Percentage of Noncapital Expenditures      3.1%      3.6%      3.6%      3.5%      3.4%      4.9%      3.8%      3.8%      3.4%      3.5%

Source: District Records

Note: Noncapital expenditures are total expenditures less capital outlay.

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)**

FISCAL YEAR ENDING JUNE 30,	DELANCO CST	PRIORITY YEAR A/P CANCELLED	PRIORITY YEAR RETURNS	PRIORITY YEAR REFUNDS	PRIORITY YEAR CANCELLED	ENCUMBRANCES	INTEREST	FINES	MISCELLANEOUS	TOTAL
2016	226,103	-	-	-	-	-	23	-	18,540	244,666
2015	231,352	-	-	37,725	-	-	2,395	524	5,071	226,725
2014	201,210	9,314	-	8,927	-	-	2,357	2,128	2,789	226,725
2013	184,115	-	-	-	-	-	2,185	279	2,280	188,859
2012	189,242	3,260	-	7,018	-	-	3,308	1,842	15,812	220,482
2011	185,131	44,389	-	14,027	-	-	19,129	483	15,765	278,924
2010	221,519	-	-	9,688	-	-	37,619	2,774	-	271,600
2009	212,824	-	-	6,215	-	-	39,516	1,624	3,985	264,164
2008	179,489	-	-	11,757	-	-	71,516	2,666	13,361	278,789
2007	113,988	-	-	4,379	-	-	79,442	1,664	57,916	257,389

Source: District records

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	TOTAL ASSESSED VALUE	LESS:		PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
								TAX EXEMPT PROPERTY	TAX PROPERTY				
2016	N/A	N/A	N/A	N/A	N/A	N/A	438,314,450	N/A	N/A	N/A	438,314,450	1.937	438,314,350
2015	N/A	N/A	N/A	N/A	N/A	N/A	439,090,250	N/A	N/A	N/A	439,090,250	1.815	423,780,750
2014	N/A	N/A	N/A	N/A	N/A	N/A	444,648,262	N/A	N/A	N/A	444,648,262	1.733	433,814,119
2013	N/A	N/A	N/A	N/A	N/A	N/A	446,303,109	N/A	N/A	N/A	446,303,109	1.687	460,260,350
2012	N/A	N/A	N/A	N/A	N/A	N/A	448,022,696	N/A	N/A	N/A	448,022,696	1.638	506,734,402
2011	N/A	N/A	N/A	N/A	N/A	N/A	447,840,953	N/A	N/A	N/A	447,840,953	1.602	519,819,340
2010	N/A	N/A	N/A	N/A	N/A	N/A	449,856,565	N/A	N/A	N/A	449,856,565	1.588	544,202,736
2009	N/A	N/A	N/A	N/A	N/A	N/A	452,645,250	N/A	N/A	N/A	452,645,250	1.610	563,110,539
2008	N/A	N/A	N/A	N/A	N/A	N/A	452,645,250	N/A	N/A	N/A	452,645,250	1.600	530,120,118
2007	N/A	N/A	N/A	N/A	N/A	N/A	453,416,651	N/A	N/A	N/A	453,416,651	1.537	N/A

Source: Abstract of Ratables Burlington County, Burlington County Abstract of Ratables

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

- a. Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
  - b. Tax rates are per \$100
- N/A - Not Available

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT		OVERLAPPING RATES		TOTAL DIRECT AND OVERLAPPING TAX RATE
	DIRECT RATE		TOWNSHIP		
	BASIC RATE <sup>a</sup>	TOTAL DIRECT	OF RIVERSIDE	BURLINGTON COUNTY	
2016	1.937	1.937	1.053	0.395	3.385
2015	1.898	1.898	1.022	0.329	3.249
2014	1.815	1.815	0.981	0.327	3.123
2013	1.687	1.687	0.919	0.350	2.956
2012	1.638	1.638	0.860	0.358	2.856
2011	1.602	1.602	0.812	0.458	2.872
2010	1.588	1.588	0.893	0.472	2.953
2009	1.610	1.610	0.845	0.455	2.910
2008	1.600	1.600	0.808	0.410	2.818
2007	1.537	1.537	0.695	0.417	2.649

Source: Burlington County Board of Taxation

a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

b Rates for debt service are based on each year's requirements.

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
 PRINCIPAL PROPERTY TAX PAYERS,  
 CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2016		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
River Terrace Associates	\$ 3,500,000		0.799%
Teicher Org. at Riverside, LLC	3,155,900		0.720%
Remy Investments	300,000		0.068%
Riverside Garden AP	200,000		0.046%
Watchcase Office, Complex	1,545,000		0.352%
Riverside Norse LLC	1,500,000		0.342%
Monroe Premier Properties	1,420,000		0.324%
Keymar Inc	1,200,000		0.274%
PSEG	1,131,200		0.258%
Verizon	950,000		0.217%
<b>Total</b>	<b>\$ 14,902,100</b>		<b>3.400%</b>

2007		
TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE

NOT AVAILABLE

Source: Municipal Tax Assessor

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
TOTAL PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY <sup>a</sup>		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2016	\$ 15,217,559	\$ 15,217,559	100.00%	-
2015	15,009,151	14,484,000	96.50%	-
2014	14,550,840	13,843,998	95.14%	-
2013	14,250,161	13,793,192	96.79%	-
2012	13,924,082	13,496,563	96.93%	-
2011	13,611,587	13,132,866	96.48%	-
2010	13,253,136	13,250,069	99.98%	-
2009	13,363,723	12,930,871	96.76%	-
2008	13,206,099	12,720,521	96.32%	-
2007	12,781,591	12,236,501	95.74%	-

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

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

Source: Municipal Financial Statements

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
*(Dollars in Thousands, Except per Capita)*

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			CAPITAL LEASES	TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION					
2016	\$ 4,540,000	\$ -	\$ 254,322	\$ 4,794,322	N/A	N/A	
2015	5,100,000	-	402,513	5,502,513	N/A	N/A	
2014	5,745,000	-	548,448	6,293,448	N/A	784.82	
2013	6,358,000	-	67,171	6,425,171	1.55%	799.15	
2012	6,928,000	-	87,984	7,015,984	1.70%	868.74	
2011	6,843,000	-	110,000	6,953,000	1.74%	861.05	
2010	7,318,000	265,000	-	7,583,000	1.97%	939.19	
2009	7,738,000	380,000	-	8,118,000	2.23%	1,057.44	
2008	7,918,000	615,000	-	8,533,000	2.32%	1,106.74	
2007	7,535,000	825,000	-	8,360,000	2.32%	1,076.21	

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

a. See Exhibit J-14 for personal income and population data.

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2016	\$ 4,540,000	\$ -	\$ 4,540,000	1.04%	N/A
2015	4,455,000	-	4,455,000	1.01%	564.28
2014	5,100,000	-	5,100,000	1.15%	635.99
2013	6,358,000	-	6,358,000	1.43%	790.80
2012	6,928,000	-	6,928,000	1.55%	857.85
2011	6,843,000	-	6,843,000	1.53%	847.43
2010	7,318,000	-	7,318,000	1.63%	906.37
2009	7,738,000	-	7,738,000	1.72%	1,007.95
2008	7,918,000	-	7,918,000	1.75%	1,026.98
2007	7,535,000	-	7,535,000	1.66%	970.01

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2016**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Riverside Township	\$ 5,735,884	100.00%	\$ 5,735,884
Burlington County General Obligation Debt	303,356,410	0.954%	2,894,938
Riverside Sewarage Authority	344,894	100.00%	344,894
Subtotal, Overlapping Debt			8,975,716
Riverside Township District Direct Debt			4,540,000
Total Direct & Overlapping Debt			\$ 13,515,716

Sources: Assessed value data used to estimate applicable percentages provided by the Burlington County Board of Taxation



**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(Dollars in Thousands)**

	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	\$ 12,701,174	\$ 13,118,496	\$ 13,735,603	\$ 14,076,947	\$ 15,487,413	\$ 21,410,464	\$ 21,504,367	\$ 20,726,272	\$ 18,923,339	\$ 14,385,315
Total Net Debt Applicable to Limit	4,540,000	4,455,000	5,745,000	6,358,000	6,928,000	6,843,000	7,318,000	7,738,000	7,918,000	7,660,000
Legal Debt Margin	<u>\$ 8,161,174</u>	<u>\$ 7,990,603</u>	<u>\$ 7,990,603</u>	<u>\$ 7,718,947</u>	<u>\$ 8,559,413</u>	<u>\$ 14,567,464</u>	<u>\$ 14,186,367</u>	<u>\$ 12,988,272</u>	<u>\$ 11,005,339</u>	<u>\$ 6,725,315</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	35.74%	33.96%	41.83%	45.17%	44.73%	31.96%	34.03%	37.33%	41.84%	53.25%

**Legal Debt Margin Calculation for Fiscal Year 2016**

	Equalized Valuation Basis
	2015 \$ 419,981,014
	2014 \$ 422,289,995
	2013 <u>427,846,402</u>
	<u>\$ 1,270,117,411</u>
Average Equalized Valuation of Taxable Property	<u>\$ 423,372,470</u>
Debt Limit (3 % of Average Equalization Value)	\$ 12,701,174
Net Bonded School Debt	<u>4,540,000</u>
Legal Debt Margin	<u>\$ 8,161,174</u>

Source:  
Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation. Limit set by N.J.S.A. 18A:24-19 for K through 12 district; other % limits would be applicable for other districts.

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PERSONAL INCOME (b)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2015	7,895	N/A	N/A	5.50%
2014	8,019	N/A	46,886	7.20%
2013	8,040	415,169,520	51,638	7.60%
2012	8,076	413,079,324	51,149	10.10%
2011	8,075	399,478,325	49,471	9.70%
2010	8,074	384,209,364	47,586	10.00%
2009	7,677	363,766,968	47,384	5.40%
2008	7,710	368,214,180	47,758	4.00%
2007	7,768	359,619,560	46,295	5.80%
2006	7,895	351,477,505	44,519	3.80%

**Source:**

(a) Population information provided by US Bureau of the Census; Population Division

(b) Personal income calculated using population and per capita personal income

(c) Per Capita personal income provided by the NJ Dept of Labor and Workforce Development

(d) Unemployment data provided by the NJ Dept of Labor and Workforce Development

N/A - Information not available.

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

NOT AVAILABLE

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST EIGHT FISCAL YEARS**

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009
Instruction:								
Regular	92	95	95	94	91	92	112	110
Special Education	54	50	51	36	42	41	28	29
Support Services:								
Student & Instruction Related Services	22	20	20	21	14	14	14	14
General Administrative	2	2	2	2	2	2	2	2
School Administrative Services	13	12	12	14	13	13	13	13
Central Services	3	3	3	3	3	3	3	3
Administrative Information Technology	1	1	1	1	1	1	1	1
Plant Operations & Maintenance	19	21	21	21	21	20	25	25
Pupil Transportation	-	4	-	7	7	7	8	8
Other Support Services	3	-	3	3	8	8	8	8
<b>Total</b>	<b>209</b>	<b>208</b>	<b>208</b>	<b>202</b>	<b>202</b>	<b>201</b>	<b>214</b>	<b>212</b>

**Source:** District Annual Budget Statement Supporting Documentation

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS**

FISCAL YEAR	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO			AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
					ELEMENTARY	MIDDLE SCHOOL	SENIOR HIGH SCHOOL				
2016	\$22,566,779	16,131	4.13%	120	12:8	9:4	10:8	1,403.9	1,317.2	0.76%	93.82%
2015	21,748,311	15,490	0.55%	122	12:8	9:4	11:3	1,393.3	1,302.6	-5.25%	93.49%
2014	22,491,432	15,405	1.29%	120	14:6	9:5	11:2	1,470.5	1,348.2	1.78%	91.68%
2013	21,870,755	15,209	0.75%	129	13:3	9:9	9:5	1,444.8	1,348.2	4.26%	93.31%
2012	20,817,327	15,096	10.09%	127	12:4	9:2	9:5	1,385.8	1,296.2	-0.27%	93.53%
2011	19,114,880	13,712	-8.33%	132	12:4	10:0	9:9	1,389.6	1,297.1	1.85%	93.34%
2010	20,553,788	14,959	7.04%	132	11:1	9:1	10:1	1,364.4	1,274.0	-0.75%	93.37%
2009	19,537,668	13,975	19.71%	135	11:1	9:1	10:1	1,374.7	1,290.7	-4.10%	93.89%
2008	16,752,779	11,674	N/A	135	12:1	10:1	13:1	1,433.4	1,339.5	0.50%	93.45%
2007	16,061,899	N/A	N/A	122	12:1	10:1	14:1	1,426.3	1,334.9	1.93%	93.59%

Sources: District records

Note: Enrollment based on annual October District count.

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

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS**

NOT AVAILABLE

**SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS**

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
School Facilities										
Riverside Township School	\$174,381	\$128,247	128,378	141,394	155,884	59,085	59,085	59,085	59,085	61,564
Total School Facilities	\$174,381	\$128,247	128,378	141,394	155,884	59,085	59,085	59,085	59,085	61,564

Source: District Records

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2016**

Burlington County Insurance Pool Joint Insurance Fund (BCIPJIF)	COVERAGE	RETENTION	DEDUCTIBLE
<b>I. Property, Inland Marine &amp; Automobile Physical Damages:</b>			
A. Limit of Liability Per Occurrence			
Perils Included "All Risk"	150,000,000	250,000	500
B. Property Valuation:			
1. Buildings & Contents	Replacement Cost		
2. Contractors Equipment	Actual Cash Value		
3. Automobiles	Actual Cash Value		
<b>II. Boiler &amp; Machinery</b>	125,000	None	1,000
<b>III. Crime</b>	500,000	250,000	500
<b>IV. General &amp; Automobile Liability</b>	10,000,000	250,000	None
<b>V. Workers' Compensation</b>	Statutory	250,000	None
<b>VI. Educator's Legal Liability</b>	10,000,000	100,000	None
<b>Excess &amp; Reinsurance Carriers Involved:</b>			
<b>Property &amp; Crime:</b>			
SPELLJIF, Selective Ins. Co. of America			
Axis Surplus Insurance Company			
Westchester Surplus Lines Ins. Co			
Alterra Excess & Surplus Ins. Co			
Alliance Global Corporate & Specialty Marine Ins. Co			
RSUI Indemnity Company			
<b>General Liability &amp; Automobile Liability:</b>			
SPELLJIF, Selective Ins. Co. of America			
<b>Workers' Compensation:</b>			
SPELLJIF, Selective Ins. Co. of America			
<b>Educators' Legal Liability:</b>			
SPELLJIF, Selective Ins. Co. of America			
<b>Group Purchase of Primary Insurance Coverage Carrier Array:</b>			
Travelers Insurance Company:			
Boiler & Machinery			
ACE American Insurance Company:			
Pollution Legal Liability			
<b>VII. Student Accident Insurance</b>	6,000,000	None	None
<b>VIII. Surety Bonds</b>			
Treasurer	300,000	N/A	N/A
Business Administrator/Board Secretary	25,000	N/A	N/A

Source: District records

**SINGLE AUDIT SECTION**

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EXHIBIT K-1

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

Honorable President and Members  
of the Board of Education  
Riverside Township Public School District  
County of Burlington  
Riverside, New Jersey 08075

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Riverside Township Public School District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Riverside Township Public School District’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 Riverside Township Public School District’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Riverside Township Public School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of Riverside Township Public School District’s internal control.

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

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 Riverside Township Public School District'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.

### **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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt  
Certified Public Accountant  
Public School Accountant, No. 1148

Medford, New Jersey  
September 30, 2016



EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and Members  
of the Board of Education  
Riverside Township Public School District  
County of Burlington  
Riverside, New Jersey 08075

**Report on Compliance for Each Major Federal and State Program**

We have audited Riverside Township Public School District’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District’s major federal and state programs for the year ended June 30, 2016. Riverside Township Public School District’s major federal and state programs are identified in the Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs.

**Management’s Responsibility**

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

**Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for each of Riverside Township Public School District’s major federal and 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); *the New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB’s Circular 15-08 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 federal or state program occurred. An audit includes examining, on a test basis, evidence about Riverside Township Public School District'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 federal and state program. However, our audit does not provide a legal determination of Riverside Township Public School District's compliance.

### **Opinion on Each Major Federal and State Program**

In our opinion, Riverside Township Public School District 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 federal and state programs for the year ended June 30, 2016.

### **Report on Internal Control Over Compliance**

Management of Riverside Township Public School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Riverside Township Public School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or 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 federal or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's 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 Riverside Township Public School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *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 federal or 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 Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt  
Certified Public Accountant  
Public School Accountant, No. 1148

Medford, New Jersey  
September 30, 2016

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RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR FISCAL YEAR ENDED JUNE 30, 2016

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL AWARD IDENTIFICATION NUMBER	CEDA NUMBER	GRANT OR PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2015	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	UNEARNED REVENUE	JUNE 30, 2016 (ACCOUNTS RECEIVABLE)
Child Nutrition Cluster: Noncash Assistance: Food Distribution Program Cash Assistance: Healthy Hunger-Free Kids Act Healthy Hunger-Free Kids Act National School Lunch Program National School Lunch Program Subtotal	16161NJ304N1099 16161NJ304N1099 15151NJ304N1099 16161NJ304N1099 15151NJ304N1099	10.555 10.555 10.555 10.555 10.555	N/A N/A N/A N/A N/A	\$ 49,241 7,807 7,252 297,276 268,330	7/1/15-6/30/16 7/1/15-6/30/16 7/1/14-6/30/15 7/1/15-6/30/16 7/1/14-6/30/15	\$ - - (399) - (15,075) (15,474)	\$ 49,241 7,428 399 282,347 15,075 305,249	\$ (46,782) (7,807) - (297,276) 305,083	\$ - - - - -	\$ 2,459 - - - -	\$ - (379) - (14,929) - (15,308)
School Breakfast Program School Breakfast Program Subtotal	16161NJ304N1099 15151NJ304N1099	10.553 10.553	N/A N/A	43,293 37,772	7/1/15-6/30/16 7/1/14-6/30/15	(2,367) (2,367)	41,131 43,498	(43,293) (43,293)	- -	- -	(2,162) (2,162)
Special Milk Program Special Milk Program Subtotal	16161NJ304N1099 15151NJ304N1099	10.556 10.556	N/A N/A	689 891	7/1/15-6/30/16 7/1/14-6/30/15	- (69) (69)	653 69 722	(689) (689)	- -	- -	(36) - (36)
Total Child Nutrition Cluster				398,710		(17,910)	398,710	(395,847)	-	# 2,459	(17,506)
Total Enterprise Fund				398,710		(17,910)	398,710	(395,847)	-	2,459	(17,506)

U.S. DEPARTMENT OF EDUCATION PASSED-  
THROUGH STATE DEPARTMENT OF EDUCATION:

Special Education - Medicaid Aid	160SNESMAP	93.778	N/A	35,619	7/1/15-6/30/16	-	16,738	(35,619)	-	-	(18,881)
Total General Fund Assistance				35,619		-	16,738	(35,619)	-	-	(18,881)
Special Revenue Fund:											
Title I	S010A150030	84.010	NCLB471015	544,054	7/1/15-6/30/16	-	392,494	(544,054)	-	-	(151,560)
Title I	S010A140030	84.010	NCLB471014	514,149	7/1/14-6/30/15	(164,615)	177,046	(12,431)	-	-	-
Subtotal						(164,615)	569,540	(556,485)	-	-	(151,560)
Title I/A	S367A150029	84.367	NCLB471015	36,448	7/1/15-6/30/16	-	26,084	(36,448)	-	-	(10,414)
Title I/A	S367A140029	84.367	NCLB471014	37,289	7/1/14-6/30/15	(10,654)	10,654	-	-	-	-
Subtotal						(10,654)	36,888	(36,448)	-	-	(10,414)
Title III - English Language Acquisition	S365A150069	84.365A	NCLB471015	15,062	7/1/15-6/30/16	-	8,374	(15,062)	-	-	(6,688)
Title III - English Language Acquisition	S365A140009	84.365A	NCLB471014	17,150	7/1/14-6/30/15	(7,077)	7,837	(760)	-	-	-
Title III - Immigrant	S365A150009	84.365	NCLB471015	7,479	7/1/15-6/30/16	(7,077)	7,479	(7,479)	-	-	-
Subtotal						(7,077)	23,690	(23,301)	-	-	(6,688)
Special Education Cluster:											
I.D.E.A. Part B, Basic Regular	H027A150100	84.027	FT-3430-15	368,703	7/1/15-6/30/16	-	337,989	(368,703)	-	-	(30,714)
I.D.E.A. Part B, Basic Regular	H027A140100	84.027	FT-3430-14	360,989	7/1/14-6/30/15	(4,971)	4,971	-	-	-	-
Subtotal						(4,971)	342,960	(368,703)	-	-	(30,714)
I.D.E.A. Preschool Program	H173A150114	84.173A	PS-3430-15	9,597	7/1/15-6/30/16	-	-	(9,303)	-	-	(9,303)
Total Special Education Cluster						(4,971)	342,960	(378,006)	-	-	(40,017)
Total Special Revenue Fund Assistance						(187,317)	972,878	(994,240)	-	-	(208,679)
Total U.S. Department of Education						(187,317)	989,616	(1,029,859)	-	-	(227,560)
Total Federal Financial Assistance						(205,227)	1,388,326	(1,425,706)	-	\$ 2,459	(245,066)

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR FISCAL YEAR ENDED JUNE 30, 2016**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE AT		CASH RECEIVED	BUDGETARY EXPENDITURES	SUB RECIPIENT EXPENDITURES	(ACCOUNTS RECEIVABLE) JUNE 30, 2016	UNEARNED REVENUE JUNE 30, 2016	MEMO	
				JUNE 30, 2015	JUNE 30, 2016						BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:												
State Aid Cluster:												
<b>General Fund:</b>												
Equalization Aid	16-495-034-5120-078	\$9,997,701	7/1/15-6/30/16	\$ -	\$ -	9,997,701	\$ (9,997,701)	\$ -	\$ -	\$ -	893,681	\$ 9,997,701
Special Education Categorical Aid	16-495-034-5120-089	690,094	7/1/15-6/30/16	-	-	690,094	(690,094)	-	-	-	61,687	690,094
Security Aid	16-495-034-5120-084	72,973	7/1/15-6/30/16	-	-	72,973	(72,973)	-	-	-	6,523	72,973
Under Adequacy Aid	16-495-034-5120-096	19,179	7/1/15-6/30/16	-	-	19,179	(19,179)	-	-	-	1,714	19,179
Per Pupil Growth Aid	16-495-034-5120-097	12,640	7/1/15-6/30/16	-	-	12,640	(12,640)	-	-	-	1,130	12,640
PARCC Readiness Aid	16-495-034-5120-098	12,640	7/1/15-6/30/16	-	-	12,640	(12,640)	-	-	-	1,130	12,640
Total State Aid Cluster				-	10,805,227	(10,805,227)					965,865	10,805,227
Transportation Aid	16-495-034-5120-014	44,573	7/1/15-6/30/16	-	-	44,573	(44,573)	-	-	-	3,984	44,573
Extraordinary Aid - Current Year	16-100-034-5120-473	33,494	7/1/15-6/30/16	-	-	-	(33,494)	-	-	-	-	33,494
Extraordinary Aid - Prior Year	15-100-034-5120-473	36,152	7/1/14-6/30/1	(36,152)	-	36,152	-	-	-	-	-	-
Reimbursed TPAF Social Security	16-495-034-5094-003	712,001	7/1/15-6/30/16	-	-	677,079	(712,001)	-	-	-	(34,922)	712,001
Reimbursed TPAF Social Security	15-495-034-5094-003	721,372	7/1/14-6/30/15	(35,169)	-	35,169	-	-	-	-	-	-
Noncash Assistance:												
On Behalf TPAF Pension Contribution	16-495-034-5095-001	767,674	7/1/15-6/30/16	-	-	767,674	(767,674)	-	-	-	-	767,674
On Behalf TPAF Medical Contribution	16-495-034-5095-001	914,089	7/1/15-6/30/16	-	-	914,089	(914,089)	-	-	-	-	914,089
Total General Fund Assistance				(71,321)	13,279,963	(13,277,058)			(68,416)		969,849	13,277,058
<b>Special Revenue Fund:</b>												
Preschool Education Aid	16-100-034-5120-086	531,685	7/1/15-6/30/16	569,346	-	563,585	(571,461)	-	-	561,470	-	571,461
Total Special Revenue Fund Assistance				569,346	-	563,585	(571,461)	-	-	561,470	-	571,461
<b>Enterprise Fund:</b>												
National School Lunch Program (State Share)	16-100-010-3360-067	6,618	7/1/15-6/30/16	-	-	6,294	(6,618)	-	(324)	-	-	6,618
National School Lunch Program (State Share)	15-100-010-3360-067	6,337	7/1/14-6/30/15	(530)	-	530	-	-	-	-	-	-
Total Enterprise Fund Assistance				(530)	-	6,824	(6,618)	-	(324)	-	-	6,618
Total State Financial Assistance				\$ 497,495	\$ 13,850,372	\$ (13,855,137)	\$ -	\$ -	\$ (68,740)	\$ 561,470	\$ 969,849	\$ 13,855,137
Total State Financial Assistance excluding On-Behalf TPAF Pension & Medical Contributions which agrees to Single Audit Summary												\$ (12,173,374)



**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS  
AND FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**1. General**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal awards and state financial assistance programs of the Riverside Township Public School District. The School District is defined in Note 1 to the District's basic financial statements. All Federal and State awards received directly from Federal and State agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**2. Basis of Accounting**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Of the federal and state expenditures presented in the schedules of expenditures of federal awards and state financial assistance, the Riverside Township Public School District did not provide any federal or state awards to sub recipients.

Noncash assistance is reported in the schedule of expenditures of federal awards as the entitlement value, as determined by the United States Department of Agriculture, of the food commodities received and disbursed during the year ended June 30, 2016. Unearned revenue represents the value of commodities left in the ending inventory of the District as of June 30, 2016.

Riverside Township Public School District has not elected to use the 10% de minimis cost rate allowed by the Uniform Guidance.

**3. Relationship to Basic Financial Statements**

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

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS  
AND FINANCIAL ASSISTANCE (continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**3. Relationship to Basic Financial Statements (continued):**

recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June 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, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(45,799) for the general fund and \$0 for the special revenue fund. See Note 1 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 District's basic financial statements on a GAAP basis as presented as follows:

	<b>State</b>	<b>Federal</b>	<b>Total</b>
General Fund	\$ 13,231,259	\$ 35,619	\$ 13,266,878
Special Revenue Fund	571,461	994,240	1,565,701
Food Service Fund	6,618	395,847	402,465
Total Financial Assistance	<u>\$ 13,809,338</u>	<u>\$ 1,425,706</u>	<u>\$ 15,235,044</u>

**4. Relationship to Federal and State Financial Reports**

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

**5. Other**

Revenues and expenditures reported under the Food Distribution Program represents current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2016 TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2016.

**Note 6. Federal and State Loans Outstanding**

The Riverside Township Public School District had no loan balances outstanding at June 30, 2016.

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2016**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to basic financial Statements noted?	No

**Federal Awards**

Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a) of the Uniform Guidance?	No

**Identification of major programs:**

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
84.027	H027A150100	I.D.E.A., Part B, Basic Regular
84.173A	H173A150114	I.D.E.A., Preschool Program

Dollar threshold used to distinguish between type A and type B programs:[518]	\$750,000
Auditee qualified as low-risk auditee?	Yes

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2016  
(continued)**

**Section I – Summary of Auditor’s Results (continued):**

**State Awards**

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered To be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance With 2 CFR 200 Section .516(a) of the Uniform Guidance or NJOMB Circular Letter 15-08 as applicable?	No

**Identification of major programs:**

<b>State Grant/Project Number(s)</b>	<b>Name of State Program</b>
495-034-5120-078	Equalization Aid
495-034-5120-084	Security Aid
495-034-5120-089	Special Educational Categorical Aid
495-034-5120-085	Adjustment Aid
495-034-5120-096	Under Adequacy Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2016  
(continued)**

**Section II – 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 *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

No Current Year Findings

**Section III – Federal Awards & State Financial Assistance Finding & Questioned Costs**

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

No Current Year Findings

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
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 Chapter 6.12 of *Government Auditing Standards*, USOMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. (511 (a)(b)) and NJOMB's Circular 04-04 and/or 15-08, as applicable.

No Prior Year Findings