

**RIVERDALE BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Riverdale, New Jersey**

**COMPREHENSIVE ANNUAL**

**FINANCIAL REPORT**

**of the**

**Riverdale Board of Education**

**Riverdale, New Jersey**

**For The Fiscal Year Ended June 30, 2017**

**Prepared by**

**Business Office**

**RIVERDALE BOARD OF EDUCATION  
TABLE OF CONTENTS**

**Page**

**INTRODUCTORY SECTION**

Letter of Transmittal	i-v
Organizational Chart	vi
Roster of Officials	vii
Consultants and Advisors	viii

**FINANCIAL SECTION**

Independent Auditor's Report	1-3
------------------------------	-----

**REQUIRED SUPPLEMENTARY INFORMATION- PART I**

Management's Discussion and Analysis	4-15
--------------------------------------	------

**Basic Financial Statements**

**A. District-wide Financial Statements**

A-1 Statement of Net Position	16
A-2 Statement of Activities	17

**B. Fund Financial Statements**

*Governmental Funds*

B-1 Balance Sheet	18
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	19
B-3 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the District-Wide Statements	20

*Proprietary Funds*

B-4 Statement of Net Position	21
B-5 Statement of Revenues, Expenses, and Changes in Net Position	22
B-6 Statement of Cash Flows	23

*Fiduciary Funds*

B-7 Statement of Fiduciary Net Position	24
B-8 Statement of Changes in Fiduciary Net Position	25

<b>Notes to the Financial Statements</b>	26-59
--	-------

**RIVERDALE BOARD OF EDUCATION  
TABLE OF CONTENTS**

Page

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**C. Budgetary Comparison Schedules**

C-1	Budgetary Comparison Schedule – General Fund	60-66
C-2	Budgetary Comparison Schedule – Special Revenue Fund	657

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II**

C-3	Notes to the Required Supplementary Information	68
-----	---	----

**REQUIRED SUPPLEMENTARY INFORMATION – PART III**

**L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)**

L-1	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	69
L-2	Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	70
L-3	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	71
	Notes to Required Supplementary Information	72

**OTHER SUPPLEMENTARY INFORMATION**

**D. School Level Schedules – Not Applicable**

**E. Special Revenue Fund**

E-1	Combining Schedule of Program Revenues and Expenditures Special Revenue Fund – Budgetary Basis	73
E-2	Schedule of Preschool Education Aid Expenditures – Budgetary Basis – Not Applicable	74

**F. Capital Projects Fund**

F-1	Summary Schedule of Project Expenditures	75
F-2	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance	76
F-2a	Schedule of Project Revenues, Expenditures, Project Balance and Project Balance and Project Status – Budgetary Basis – Window Replacement at the Riverdale Public School	77
F-2b	Schedule of Project Revenues, Expenditures, Project Balance and Project Balance and Project Status – Budgetary Basis – 2016-017 Capital Lease- LED Retrofit	78

**RIVERDALE BOARD OF EDUCATION  
TABLE OF CONTENTS**

	<u>Page</u>
<b>G. Proprietary Funds</b>	
<i>Enterprise Fund</i>	
G-1 Combining Statement of Net Position – Not Applicable	79
G-2 Combining Statement of Revenues, Expenses and Changes in Net Position – Not Applicable	79
G-3 Combining Statement of Cash Flows – Not Applicable	79
<b>H. Fiduciary Funds</b>	
H-1 Combining Statement of Agency Assets and Liabilities	80
H-2 Combining Statement of Changes in Net Position – Not Applicable	81
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	81
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	82
<b>I. Long-Term Debt</b>	
I-1 Schedule of Serial Bonds – Not Applicable	83
I-2 Schedule of Obligations under Capital Leases	84
I-3 Debt Service Fund Budgetary Comparison Schedule	85
<b>J. STATISTICAL SECTION (Unaudited)</b>	
J-1 Net Position by Component	86
J-2 Changes in Net Position	87
J-3 Fund Balances – Governmental Funds	88
J-4 Changes in Fund Balances - Governmental Funds	89
J-5 General Fund Other Local Revenues by Source	90
J-6 Assessed Value and Actual Value of Taxable Property	91
J-7 Property Tax Rates	92
J-8 Principal Property Taxpayers	93
J-9 Property Tax Levies and Collections	94
J-10 Ratios of Outstanding Debt by Type	95
J-11 Ratios of Net General Bonded Debt Outstanding	96
J-12 Computation of Direct and Overlapping Outstanding Bonded Debt	97
J-13 Legal Debt Margin Information	98
J-14 Demographic Statistics	100
J-16 Full-Time Equivalent District Employees by Function/Program	101
J-17 Operating Statistics	102
J-18 School Building Information	103
J-19 Schedule of Required Maintenance for School Facilities	104
J-20 Schedule of Insurance	105

**RIVERDALE BOARD OF EDUCATION  
TABLE OF CONTENTS**

Page

<b>K. SINGLE AUDIT SECTION</b>		
K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards – Independent Auditor’s Report	106-107
K-2	Report on Compliance for each Major State Program; Report on Internal Control over Compliance; and Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08 – Independent Auditor’s Report	108-110
K-3	Schedule of Expenditures of Federal Awards	111
K-4	Schedule of Expenditures of State Financial Assistance	112
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	113-114
K-6	Schedule of Findings and Questioned Costs	115
K-7	Summary Schedule of Findings and Questioned Costs	116-117
K-8	Summary Schedule of Prior Year Findings	118

**INTRODUCTORY SECTION**

# RIVERDALE PUBLIC SCHOOL DISTRICT

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

---

**James Tasker**  
Interim Principal  
973-839-1300 Ext. 100  
Fax: 973-839-1024

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

**Jayson Gutierrez**  
Business Administrator/  
Board Secretary  
973-839-1300 Ext. 103

September 29, 2017

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

Dear Board Members:

The comprehensive annual financial report of the Riverdale School District (the "District") for the fiscal year ended June 30, 2017 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Riverdale School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

The District provides a full range of educational services appropriate to grade levels Pre K through 8. These services include general, as well as special education for students designated as needing the same, via their IEP. The District completed the 2016/2017 fiscal year with an enrollment of 338 students, which is 4 students fewer than the previous year's enrollment.



The following details the changes in the student enrollment of the District over the last ten years:

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016-2017	338	-1.1%
2015-2016	342	3.0%
2014-2015	332	0.6%
2013-2014	330	-0.9%
2012-2013	333	2.7%
2011-2012	324	6.8%
2010-2011	318	1.9%
2009-2010	312	6.9%
2008-2009	292	4.3%
2007-2008	280	1.4%

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

2) ECONOMIC CONDITION AND OUTLOOK: A Demographic Study authorized by the Board of Education was completed in September 1997, updated in July 2002, November 2007, February 2008, April 2009, and again in December 2009. After consultation with the school district’s architect, the Board was satisfied that the school capacity remains adequate for the near future.

3) MAJOR INITIATIVES: The Riverdale School District’s goals reflect our belief that the education of our students remains our top priority. As a Pre-K-8 school District of 338 students, we have been able to personalize instruction by maintaining small class sizes, wherever possible, in an environment of high expectations for student achievement and excellence. Student performances on state and local assessments are clear examples of the district’s effectiveness in attaining high levels of student achievement.

During the 2016/2017 school year, teachers and administrators were committed to examining instructional methodologies in the following curricular areas: differentiated instruction, writing process, language arts literacy, mathematics, student wellness, inclusion and special education. Through the continued efforts of the District, professional development activities were aligned to instructional improvement. The curriculum reflects a focus in integration of critical thinking skills, use of technological applications, organizational strategies and writing instruction throughout all disciplines. These efforts optimize the learning experiences for our students.

Our five-year curriculum review/revision cycle is one of our ongoing efforts to establish clear expectations, while increasing accountability and providing opportunities to work with parents in monitoring each child’s educational goals. Each area of curriculum is reviewed to ensure the reflection of the most recent core curriculum content standard. Student activities embody the leadership theme and include: the Student Council, National Junior Honor Society, an interscholastic athletic program, choral and band after

school programs, visual arts presentations and a science fair. Each grade level attends a curriculum based field trip to provide additional meaning to their learning.

### 3) MAJOR INITIATIVES (Continued)

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

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

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

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

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

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the

benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2017.

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

7) DEBT ADMINISTRATION: At June 30 2017, the District had finalized payment of all outstanding obligation bonds. On December 10, 2002, the voters of the Borough of Riverdale authorized a bond issue in the amount of \$5,552,000 to construct an addition and renovation to the Riverdale School. In addition, the Borough of Riverdale has agreed to contribute \$1,000,000 to fund the cost thereof. To date the district has received \$900,000, the balance of \$100,000.00 being canceled.

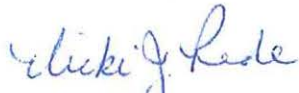
8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements". The District has adopted a cash management plan, which requires it to deposit funds in public depositories protected from loss under the provisions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

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

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

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

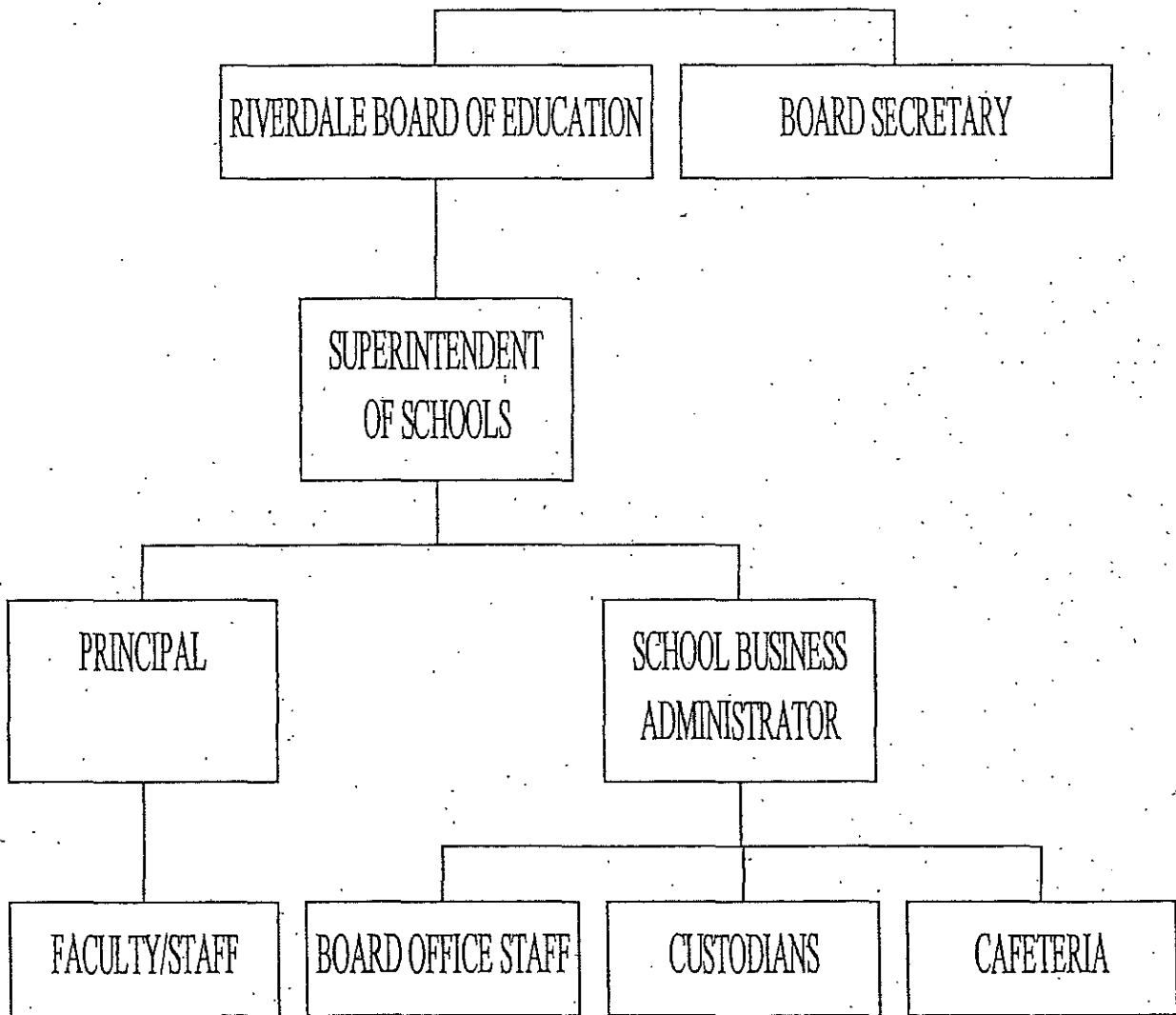
Respectfully submitted,



Vicki J. Pedde,  
***Superintendent***

VJP:an

**RIVERDALE BOARD OF EDUCATION**  
**Organizational Chart**



RIVERDALE SCHOOL DISTRICT  
RIVERDALE, NJ

ROSTER OF OFFICIALS

June 30, 2017

Board Members:

Term Expires:

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

Other Officials:

Vicki J. Pede, Superintendent  
Debra Andreniuk, Business Administrator/Board Secretary  
Linda Forbes, Treasurer  
Stephen R. Fogarty, Esq., Board Attorney

**RIVERDALE SCHOOL DISTRICT  
RIVERDALE, NEW JERSEY**

**Consultants and Advisors**

**Architect**

Solutions Architecture  
81 Clay Street  
2<sup>nd</sup> Floor Suite 2  
Newark, NJ 07104

**Audit Firm**

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

**Attorney**

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

**Official Depository**

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

**FINANCIAL SECTION**





# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverdale Board of Education, as of and for the fiscal year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverdale Board of Education as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

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

### *Other Information*

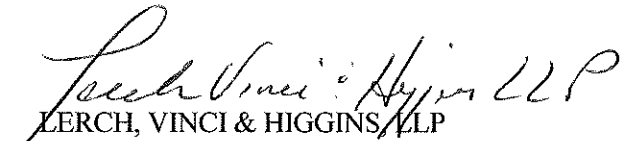
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Riverdale Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Riverdale Board of Education.

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

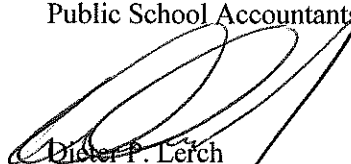
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated September 29, 2017 on our consideration of the Riverdale Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Riverdale Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Riverdale Board of Education's internal control over financial reporting and compliance.



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



Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
September 29, 2017

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

**Management's Discussion and Analysis  
Year Ended June 30, 2017**

This section of the Riverdale Board of Education's comprehensive annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2017. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34- Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2016-2017) and the prior year (2015-2016) is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2016-2017 fiscal year are as follows:

- The assets and deferred outflows of resources of the Riverdale Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$4,878,719 (net position).
- The District's total net position decreased \$32,386.
- Overall district revenues were \$9,996,011. General revenues accounted for \$7,819,895 or 78% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2,176,116 or 22% of total revenues.
- The school district had \$9,933,546 in expenses for governmental activities; only \$2,068,096 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$7,819,846 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$1,736,649. Of this amount \$148,532 is available for spending at the District's discretion (unassigned fund balance – General Fund),

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

**Management's Discussion and Analysis (continued)  
Year Ended June 30, 2017**

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

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

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

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

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

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

**Management's Discussion and Analysis (continued)**  
**Year Ended June 30, 2017**

**District-Wide Statements**

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

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

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

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

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

**Fund Financial Statements**

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

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

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

**Management's Discussion and Analysis (continued)  
Year Ended June 30, 2017**

The district has three kinds of funds:

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

**FINANCIAL ANALYSIS OF THE RIVERDALE BOARD OF EDUCATION AS A WHOLE**

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

Table A-1 provides a summary of the school district's net position for 2017 and 2016.

**Net position.** The district's combined net position was \$4,878,719 on June 30, 2017. (See Table A-1).



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

**Management's Discussion and Analysis (continued)  
Year Ended June 30, 2017**

**Table A-1  
Net Position  
as of June 30, 2017 and 2016**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Assets</b>						
Current and other assets	\$ 1,764,974	\$ 1,524,646	\$ 33,345	\$ 22,420	\$ 1,798,319	\$ 1,547,066
Capital assets, net	<u>4,384,168</u>	<u>4,440,386</u>	<u>12,773</u>	<u>9,119</u>	<u>4,396,941</u>	<u>4,449,505</u>
Total Assets	<u>6,149,142</u>	<u>5,965,032</u>	<u>46,118</u>	<u>31,539</u>	<u>6,195,260</u>	<u>5,996,571</u>
<b>Deferred Outflows of Resources</b>	<u>581,523</u>	<u>182,158</u>	<u>-</u>	<u>-</u>	<u>581,523</u>	<u>182,158</u>
Total Assets and Deferred Outflows of Resources	<u>6,730,665</u>	<u>6,147,190</u>	<u>46,118</u>	<u>31,539</u>	<u>6,776,783</u>	<u>6,178,729</u>
<b>Liabilities</b>						
Non-Current liabilities	1,815,934	1,138,753			1,815,934	1,138,753
Other liabilities	<u>28,325</u>	<u>45,165</u>	<u>1,314</u>	<u>-</u>	<u>29,639</u>	<u>45,165</u>
Total Liabilities	<u>1,844,259</u>	<u>1,183,918</u>	<u>1,314</u>	<u>-</u>	<u>1,845,573</u>	<u>1,183,918</u>
<b>Deferred Inflows of Resources</b>	<u>51,212</u>	<u>82,474</u>	<u>1,279</u>	<u>1,232</u>	<u>52,491</u>	<u>83,706</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,895,471</u>	<u>1,266,392</u>	<u>2,593</u>	<u>1,232</u>	<u>1,898,064</u>	<u>1,267,624</u>
<b>Net Position</b>						
Net Investment in capital assets	4,264,764	4,423,483	12,773	9,119	4,277,537	4,432,602
Restricted	1,115,415	875,956			1,115,415	875,956
Unrestricted	<u>(544,985)</u>	<u>(418,641)</u>	<u>30,752</u>	<u>21,188</u>	<u>(514,233)</u>	<u>(397,453)</u>
Total Net Position	<u>\$ 4,835,194</u>	<u>\$ 4,880,798</u>	<u>\$ 43,525</u>	<u>\$ 30,307</u>	<u>\$ 4,878,719</u>	<u>\$ 4,911,105</u>

Table A-2 on the following page shows changes in net position for fiscal year 2017 and 2016.

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

**Management's Discussion and Analysis (continued)**  
**Year Ended June 30, 2017**

Table A-2  
Changes in Net Position  
For the Fiscal Years Ended June 30, 2017 and 2016

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 58,848	\$ 37,480	\$ 70,268	\$ 58,686	\$ 129,116	\$ 96,166
Operating/Capital Grants and Contributions	2,009,248	1,654,938	37,752	37,048	2,047,000	1,691,986
General Revenues						
Property Taxes	7,761,669	7,280,360			7,761,669	7,280,360
State Aid	8,671	4,430			8,671	4,430
Miscellaneous	49,506	21,618	49	38	49,555	21,656
<b>Total Revenues</b>	<u>9,887,942</u>	<u>8,998,826</u>	<u>108,069</u>	<u>95,772</u>	<u>9,996,011</u>	<u>9,094,598</u>
<b>Expenses</b>						
Instruction						
Regular	4,334,901	4,269,838			4,334,901	4,269,838
Special Education	2,286,141	2,094,539			2,286,141	2,094,539
Other Instruction	140,511	118,468			140,511	118,468
School Sponsored Activities and Athletics	64,221	58,279			64,221	58,279
Support Services						
Student and Instruction Related Serv.	939,725	933,331			939,725	933,331
General Administrative Services	461,031	392,220			461,031	392,220
School Administrative Services	193,458	170,633			193,458	170,633
Plant Operations and Maintenance	756,127	678,014			756,127	678,014
Pupil Transportation	531,828	530,445			531,828	530,445
Central Services	222,078	214,617			222,078	214,617
Food Services			94,851	93,542	94,851	93,542
Interest on Long-Term Debt	3,525	1,101	-	-	3,525	1,101
<b>Total Expenses</b>	<u>9,933,546</u>	<u>9,461,485</u>	<u>94,851</u>	<u>93,542</u>	<u>10,028,397</u>	<u>9,555,027</u>
Change in Net Position	(45,604)	(462,659)	13,218	2,230	(32,386)	(460,429)
Net Position, Beginning of Year	<u>4,880,798</u>	<u>5,343,457</u>	<u>30,307</u>	<u>28,077</u>	<u>4,911,105</u>	<u>5,371,534</u>
Net Position, End of Year	<u>\$ 4,835,194</u>	<u>\$ 4,880,798</u>	<u>\$ 43,525</u>	<u>\$ 30,307</u>	<u>\$ 4,878,719</u>	<u>\$ 4,911,105</u>

# Riverdale Board of Education Riverdale, New Jersey

## Management's Discussion and Analysis (continued) Year Ended June 30, 2017

**Governmental Activities.** The District's total revenues were \$9,887,942. The local share of the revenues, that included property taxes, investment earnings, and miscellaneous revenue, amounted to \$7,811,175 or 79% of total revenues. Funding from state and federal sources and charges for services amounted to \$2,076,767 or 21%. (See Figure A-2)

The District's expenses are predominantly related to instruction and support services. Instruction totaled \$6,825,774 (69%) and student support services and interest on long-term debt totaled \$3,107,772 (31%) of total expenditures. (See Figure A-3)

Figure A-2 Revenues by Sources – Governmental Activities  
For Fiscal Year 2017

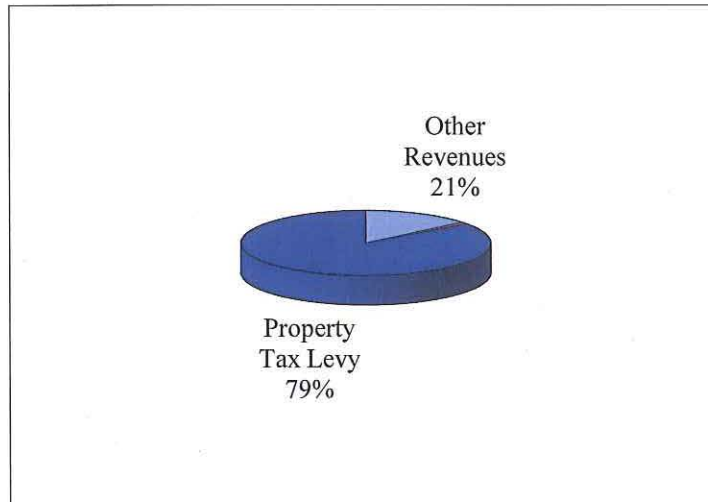
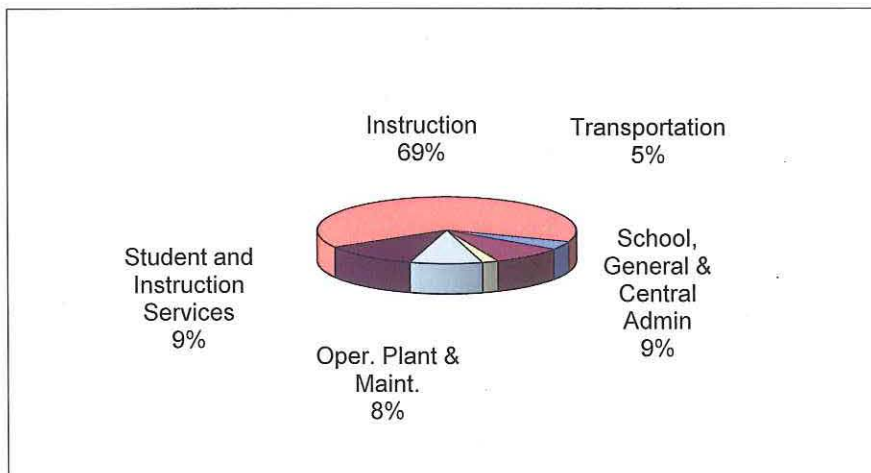


Figure A-3 Expenses by Function – Governmental Activities  
For Fiscal Year 2017



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

**Management's Discussion and Analysis (continued)  
Year Ended June 30, 2017**

**Table A-3  
Cost and Net Cost of Services for Governmental Activities  
For the Fiscal Years Ended June 30, 2017 and 2016**

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Governmental Activities				
Instruction				
Regular	\$ 4,334,901	\$ 4,269,838	\$ 3,329,671	\$ 3,411,139
Special Education	2,286,141	2,094,539	1,531,973	1,496,513
Other Instruction	140,511	118,468	88,888	79,125
School Sponsored Activities and Athletics	64,221	58,279	64,221	58,279
Support Services				
Student and Instruction Related Svcs.	939,725	933,331	773,849	819,187
General Administrative Services	461,031	392,220	461,031	392,220
School Administrative Services	193,458	170,633	140,715	121,781
Plant Operations and Maintenance	756,127	678,014	745,138	668,220
Pupil Transportation	531,828	530,445	504,361	506,885
Central Services	222,078	214,617	222,078	214,617
Interest on Long-Term Debt	3,525	1,101	3,525	1,101
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Governmental Activities	<u>\$ 9,933,546</u>	<u>\$ 9,461,485</u>	<u>\$ 7,865,450</u>	<u>\$ 7,769,067</u>

**Business-Type Activities**

The cost of Business-Type Activities for the fiscal year ended June 30, 2017 was \$94,851. These costs were funded by operating grants and charges for services (Detailed on Table A-2).

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

**Management's Discussion and Analysis (continued)  
Year Ended June 30, 2017**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

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

**Governmental Funds**

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$1,736,649. At June 30, 2016, the fund balance was \$1,479,481.

Revenues for the District's governmental funds were \$8,985,056, while total expenditures were \$8,890,390.

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

The following schedule presents a summary of General Fund revenues for the fiscal years ended June 30, 2017 and 2016.

	<b>Fiscal Year Ended <u>6/30/2017</u></b>	<b>Fiscal Year Ended <u>6/30/2016</u></b>	<b>Amount of Increase (Decrease)</b>	<b>Percent Change</b>
Local Sources:				
Property Taxes	\$ 7,761,669	\$ 7,280,360	\$ 481,309	6.6%
Miscellaneous	108,354	59,098	49,256	83.3%
Intergovernmental State Sources	<u>989,812</u>	<u>835,559</u>	<u>154,253</u>	18.5%
 Total Revenues	 <u>\$ 8,859,835</u>	 <u>\$ 8,175,017</u>	 <u>\$ 684,818</u>	 8.4%

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

**Management's Discussion and Analysis (continued)  
Year Ended June 30, 2017**

**General Fund (Continued)**

The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2017 and 2016.

	<b>Fiscal Year Ended 6/30/2017</b>	<b>Fiscal Year Ended 6/30/2016</b>	<b>Amount of Increase (Decrease)</b>	<b>Percent Change</b>
Instruction	\$ 5,925,553	\$ 5,811,681	\$ 113,872	2%
Support Services	2,634,963	2,592,576	42,387	2%
Debt Service	34,566	10,590	23,976	226%
Capital Outlay	75,999	-	75,999	100%
<b>Total Expenditures</b>	<b>\$ 8,671,081</b>	<b>\$ 8,414,847</b>	<b>\$ 256,234</b>	<b>3%</b>

Total General Fund expenditures increased by \$256,234 or 3% from the previous year.

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

Revenues of the Special Revenue Fund were \$125,221 for the year ended June 30, 2017. Federal sources accounted for \$118,724 or 95% of Special Revenue Fund's revenue for the year.

Total Special Revenue Fund revenues increased \$20,685 or 20% from the previous year.

Expenditures of the Special Revenue Fund were \$125,221. Instructional expenditures were \$89,603 or 72%.

**Proprietary Funds**

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

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

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

**Management's Discussion and Analysis (continued)  
Year Ended June 30, 2017**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

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

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

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

**Capital Assets.** At the end of the fiscal year 2017, the school district had invested in land, buildings, machinery and equipment as stated in Table A-4 as follows:

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

	Governmental Activities		Business-Type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 11,800	\$ 11,800			\$ 11,800	\$ 11,800
Buildings and Building Improvements	7,151,988	7,057,900			7,151,988	7,057,900
Machinery and Equipment	<u>387,317</u>	<u>358,098</u>	<u>\$ 30,712</u>	<u>\$ 25,303</u>	<u>418,029</u>	<u>383,401</u>
Total	7,551,105	7,427,798	30,712	25,303	7,581,817	7,453,101
Less: Accumulated Depreciation	<u>(3,166,937)</u>	<u>(2,987,412)</u>	<u>(17,939)</u>	<u>(16,184)</u>	<u>(3,184,876)</u>	<u>(3,003,596)</u>
Total	<u>\$ 4,384,168</u>	<u>\$ 4,440,386</u>	<u>\$ 12,773</u>	<u>\$ 9,119</u>	<u>\$ 4,396,941</u>	<u>\$ 4,449,505</u>

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

**Debt Administration.** As of June 30, 2017 the school district had long-term debt and outstanding long-term liabilities in the amount of \$1,815,934.

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

**Management's Discussion and Analysis (continued)  
Year Ended June 30, 2017**

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

	<u>2017</u>	<u>2016</u>
Capital Lease Payable	\$ 133,090	\$ 16,903
Net Pension Liability	1,647,171	1,088,127
Compensated Absences Payable	<u>35,673</u>	<u>33,723</u>
 Total	 <u>\$ 1,815,934</u>	 <u>\$ 1,138,753</u>

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

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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



**BASIC FINANCIAL STATEMENTS**

**RIVERDALE BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2017**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,744,141	\$ 26,433	\$ 1,770,574
Receivables, net			
Receivables from Other Governments	13,658	2,170	15,828
Other	7,175	226	7,401
Inventory		2,705	2,705
Prepays		1,811	1,811
Capital Assets, not being depreciated	11,800		11,800
Capital Assets, net of depreciation	<u>4,372,368</u>	<u>12,773</u>	<u>4,385,141</u>
Total Assets	<u>6,149,142</u>	<u>46,118</u>	<u>6,195,260</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows on Net Pension Liability	<u>581,523</u>	-	<u>581,523</u>
Total Deferred Outflows of Resources	<u>581,523</u>	-	<u>581,523</u>
Total Assets and Deferred Outflows of Resources	<u>6,730,665</u>	<u>46,118</u>	<u>6,776,783</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	18,816		18,816
Unearned Revenue	9,509	1,314	10,823
Noncurrent Liabilities			
Due within one year	31,551		31,551
Due beyond one year	<u>1,784,383</u>	-	<u>1,784,383</u>
Total Liabilities	<u>1,844,259</u>	<u>1,314</u>	<u>1,845,573</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows on Net Pension Liability	51,212		51,212
Deferred Commodities Revenue	<u>-</u>	<u>1,279</u>	<u>1,279</u>
Total Deferred Inflows of Resources	<u>51,212</u>	<u>1,279</u>	<u>52,491</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,895,471</u>	<u>2,593</u>	<u>1,898,064</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	4,264,764	12,773	4,277,537
Restricted for:			
Capital Projects	596,654		596,654
Other Purposes	518,761		518,761
Unrestricted	<u>(544,985)</u>	<u>30,752</u>	<u>(514,233)</u>
Total Net Position	<u>\$ 4,835,194</u>	<u>\$ 43,525</u>	<u>\$ 4,878,719</u>

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

**RIVERDALE BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 4,334,901	\$ 58,848	\$ 946,382		\$ (3,329,671)		\$ (3,329,671)
Special Education	2,286,141		754,168		(1,531,973)		(1,531,973)
Other Instruction	140,511		51,623		(88,888)		(88,888)
School Sponsored Activities and Athletics	64,221				(64,221)		(64,221)
Support Services							
Student and Instruction Related Services	939,725		165,876		(773,849)		(773,849)
General Administration Services	461,031				(461,031)		(461,031)
School Administration Services	193,458		52,743		(140,715)		(140,715)
Central Services	222,078				(222,078)		(222,078)
Plant Operations and Maintenance	756,127		10,989		(745,138)		(745,138)
Pupil Transportation	531,828		27,467		(504,361)		(504,361)
Interest on Debt	3,525	-	-	-	(3,525)	-	(3,525)
<b>Total Governmental Activities</b>	<b>9,933,546</b>	<b>58,848</b>	<b>2,009,248</b>	<b>-</b>	<b>(7,865,450)</b>	<b>-</b>	<b>(7,865,450)</b>
<b>Business-Type Activities</b>							
Food Service	94,851	70,268	37,752	-	-	\$ 13,169	13,169
<b>Total Business-Type Activities</b>	<b>94,851</b>	<b>70,268</b>	<b>37,752</b>	<b>-</b>	<b>-</b>	<b>13,169</b>	<b>13,169</b>
<b>Total Primary Government</b>	<b>\$ 10,028,397</b>	<b>\$ 129,116</b>	<b>\$ 2,047,000</b>	<b>\$ -</b>	<b>(7,865,450)</b>	<b>13,169</b>	<b>(7,852,281)</b>
<b>General Revenues</b>							
Property Taxes, Levied for General Purposes					7,761,669		7,761,669
State Aid - Unrestricted					8,671		8,671
Miscellaneous Income					49,506	49	49,555
<b>Total General Revenues</b>					<b>7,819,846</b>	<b>49</b>	<b>7,819,895</b>
Change in Net Position					(45,604)	13,218	(32,386)
Net Position, Beginning of Year					4,880,798	30,307	4,911,105
Net Position, End of Year					\$ 4,835,194	\$ 43,525	\$ 4,878,719

**FUND FINANCIAL STATEMENTS**

**RIVERDALE BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,740,477	\$ 3,664		\$ 1,744,141
Receivables				
Intergovernmental	12,313	1,345		13,658
Other	7,148			7,148
Interfunds Receivable	<u>27</u>	<u>-</u>	\$ <u>-</u>	<u>27</u>
 Total Assets	 <u>\$ 1,759,965</u>	 <u>\$ 5,009</u>	 <u>\$ -</u>	 <u>\$ 1,764,974</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts Payable	\$ 18,816			\$ 18,816
Unearned Revenue	<u>4,500</u>	<u>\$ 5,009</u>	<u>\$ -</u>	<u>9,509</u>
 Total Liabilities	 <u>23,316</u>	 <u>5,009</u>	 <u>-</u>	 <u>28,325</u>
Fund Balances				
Restricted Fund Balance				
Excess Surplus - Designated for Subsequent Year's				
Expenditures	177,473			177,473
Excess Surplus	199,004			199,004
Capital Reserve	577,009			577,009
Capital Reserve - Designated for Subsequent Year's				
Expenditures	19,645			19,645
Maintenance Reserve	412,761			412,761
Maintenance Reserve - Designated for Subsequent				
Year's Expenditures	6,000			6,000
Tuition Adjustments	100,000			100,000
Committed				
Year End Encumbrances	15,290			15,290
Assigned				
Year End Encumbrances	61,736			61,736
Designated for Subsequent Year's Expenditures	19,199			19,199
Unassigned Fund Balance	<u>148,532</u>	<u>-</u>	<u>-</u>	<u>148,532</u>
 Total Fund Balances	 <u>1,736,649</u>	 <u>-</u>	 <u>-</u>	 <u>1,736,649</u>
 Total Liabilities and Fund Balances	 <u>\$ 1,759,965</u>	 <u>\$ 5,009</u>	 <u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$7,551,105, and the accumulated depreciation is \$3,166,937. 4,384,168

Certain amounts resulting from the calculation of liabilities are reported as deferred outflows and deferred inflows of resources on the statement of net position and amortized over future years. (See Note 2A) 530,311

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 2A) (1,815,934)

Net position of governmental activities \$ 4,835,194

**RIVERDALE BOARD OF EDUCATION**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>REVENUES</b>				
Local Sources				
Property Tax Levy	\$ 7,761,669			\$ 7,761,669
Tuition	58,848			58,848
Interest	3,403			3,403
Miscellaneous	46,103	-	-	46,103
Total - Local Sources	7,870,023	-	-	7,870,023
State Sources	989,812			989,812
Federal Sources	-	\$ 118,724	-	118,724
Other Sources	-	6,497	-	6,497
Total Revenues	8,859,835	125,221	-	8,985,056
<b>EXPENDITURES</b>				
Current				
Instruction				
Regular Instruction	3,742,167	4,951		3,747,118
Special Education Instruction	2,012,552	78,152		2,090,704
Other Instruction	106,613	6,500		113,113
School-Sponsored Activities and Athletics	64,221			64,221
Support Services				
Student and Instruction Related Services	823,705	35,618		859,323
General Administrative Services	394,872			394,872
School Administrative Services	157,995			157,995
Central Services	222,078			222,078
Plant Operations and Maintenance	504,485			504,485
Pupil Transportation	531,828			531,828
Debt Service				
Principal	31,041			31,041
Interest and Other Charges	3,525			3,525
Capital Outlay	75,999	-	\$ 94,088	170,087
Total Expenditures	8,671,081	125,221	94,088	8,890,390
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	188,754	-	(94,088)	94,666
<b>OTHER FINANCING SOURCES(USES)</b>				
Capital Lease Proceeds	68,414		94,088	162,502
Transfers In	14,546			14,546
Transfers Out	-	-	(14,546)	(14,546)
Total Other Financing Sources and Uses	82,960	-	79,542	162,502
Net Change in Fund Balance	271,714	-	(14,546)	257,168
Fund Balance, Beginning of Year	1,464,935	-	14,546	1,479,481
Fund Balance, End of Year	\$ 1,736,649	\$ -	\$ -	\$ 1,736,649

**RIVERDALE BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 257,168

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

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

Capital Outlay	\$ 170,087	
Depreciation Expense	<u>(207,593)</u>	
		(37,506)

The issuance of long term debt provides current financial resources to governmental funds, however these transactions have no effect in the statement of activities

Capital Lease Proceeds		(162,502)
------------------------	--	-----------

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, donations) is to decrease net position. These transactions are not reported in the governmental fund financial statements.

Loss on Disposal of Capital Assets		(3,438)
------------------------------------	--	---------

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

Increase in Compensated Absences	(1,950)	
Increase in Pension Expense	<u>(128,417)</u>	
		(130,367)

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

Capital Leases		<u>31,041</u>
----------------	--	---------------

Change in net position of governmental activities (Exhibit A-2)		<u>\$ (45,604)</u>
---	--	--------------------

**RIVERDALE BOARD OF EDUCATION  
 PROPRIETARY FUND  
 FOOD SERVICE ENTERPRISE FUND  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2017**

	<u>Enterprise Fund Totals</u>
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 26,433
Intergovernmental Receivable	
State	80
Federal	2,090
Other Accounts Receivable	226
Inventories	2,705
Prepaid Items	<u>1,811</u>
Total Current Assets	<u>33,345</u>
Capital Assets	
Equipment	30,712
Less: Accumulated Depreciation	<u>(17,939)</u>
Total Capital Assets	<u>12,773</u>
Total Assets	<u>46,118</u>
<b>LIABILITIES</b>	
Current Liabilities	
Unearned Revenue	<u>1,314</u>
Total Current Liabilities	<u>1,314</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Commodities Revenue	<u>1,279</u>
Total Liabilities and Deferred Inflows of Resources	<u>2,593</u>
<b>NET POSITION</b>	
Invested in Capital Assets	12,773
Unrestricted	<u>30,752</u>
Total Net Position	<u>\$ 43,525</u>

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



**RIVERDALE BOARD OF EDUCATION  
 PROPRIETARY FUND  
 FOOD SERVICE ENTERPRISE FUND  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b>Enterprise Fund Totals</b>
<b>OPERATING REVENUES</b>	
Charges for Services	
Daily Sales - Reimbursable Programs	\$ 44,907
Daily Sales - Non-Reimbursable Programs	25,361
	70,268
<b>OPERATING EXPENSES</b>	
Salaries and Wages	26,783
Insurance	2,656
Purchased Services	7,075
Supplies and Materials	4,483
Repair and Maintenance	1,723
Cost of Sales - Reimbursable Programs	42,151
Cost of Sales - Non-Reimbursable Programs	4,603
Depreciation Expense	1,755
Miscellaneous	3,622
	94,851
Operating (Loss)	(24,583)
<b>NONOPERATING REVENUES</b>	
Interest Earnings	49
State Sources	
State School Lunch Program	1,026
Federal Sources	
National Lunch Program	27,499
Food Distribution Program	9,227
	37,801
Net Income/Change in Net Position	13,218
Net Position, Beginning of Year	30,307
Net Position, End of Year	\$ 43,525

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

**RIVERDALE BOARD OF EDUCATION  
 PROPRIETARY FUND  
 FOOD SERVICE ENTERPRISE FUND  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b>Enterprise Fund Totals</b>
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers and Other Operating Activities	\$ 71,356
Cash Payments for Employees - Salaries and Benefits	(26,783)
Cash Payments to Suppliers for Goods and Services	<u>(59,326)</u>
Net Cash Used by Operating Activities	<u>(14,753)</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Cash Received from State and Federal Subsidy Reimbursements	<u>32,127</u>
Net Cash Provided by Noncapital Financing Activities	<u>32,127</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Purchases of capital assets	<u>(5,409)</u>
Net cash provided by (used for) capital and related financing activities	<u>(5,409)</u>
<b>Cash Flows from Investing Activities</b>	
Interest Earnings	<u>49</u>
Net Cash Provided by Investing Activities	<u>49</u>
Net Increase in Cash and Cash Equivalents	12,014
Cash and Cash Equivalents, Beginning of Year	<u>14,419</u>
Cash and Cash Equivalents, End of Year	<u>\$ 26,433</u>
<b>Reconciliation of Operating (Loss) to Net Cash Used by Operating Activities</b>	
Operating (Loss)	<u>\$ (24,583)</u>
Adjustments to Reconcile Operating (Loss) to Net Cash Used by Operating Activities	
Depreciation Expense	1,755
Non-Cash Federal Assistance-Food Distribution Program	9,227
Change in Assets, Liabilities and Deferred Inflows of Resources	
(Increase)/Decrease in Prepaid Expense	(1,811)
Increase/(Decrease) in Interfund Payable	(447)
(Increase)/Decrease in Inventory	(29)
Increase/(Decrease) in Unearned Revenue	1,314
(Increase)/Decrease in Accounts Receivable	(226)
Increase/(Decrease) in Deferred Commodities Revenue	<u>47</u>
Total Adjustments	<u>9,830</u>
Net Cash Used by Operating Activities	<u>\$ (14,753)</u>
<b>Non-Cash Investing, Capital and Financing Activities</b>	
Value Received - Food Distribution Program	\$ 9,274

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

**RIVERDALE BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2017**

	<b>Unemployment Compensation <u>Trust Fund</u></b>	<b><u>Agency Fund</u></b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 37,855	\$ 31,401
Due from Other Funds	<u>-</u>	<u>1,604</u>
Total Assets	<u>37,855</u>	<u>\$ 33,005</u>
<b>LIABILITIES</b>		
Due to Student Groups		\$ 15,073
Due to Other Funds	1,604	27
Payroll Deductions Payable		17,156
Accounts Payable	<u>-</u>	<u>749</u>
Total Liabilities	<u>1,604</u>	<u>\$ 33,005</u>
<b>NET POSITION</b>		
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 36,251</u>	

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

**RIVERDALE BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b>Unemployment Compensation <u>Trust Fund</u></b>
<b>ADDITIONS</b>	
Contributions	
Employees	\$ 5,918
District	-
	<hr/>
Total Contributions	5,918
Investment Earnings	
Interest	31
	<hr/>
Total Additions	<u>5,949</u>
<b>DEDUCTIONS</b>	
Unemployment Claims and Contributions	-
	<hr/>
Total Deductions	<u>-</u>
Change in Net Position	5,949
Net Position, Beginning of Year	<u>30,302</u>
Net Position, End of Year	<u>\$ 36,251</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**RIVERDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

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

**B. New Accounting Standards**

During fiscal year 2017, the District adopted the following GASB statements:

- GASB No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB No. 77, *Tax Abatement Disclosures*. The requirements of this Statement will improve financial reporting by providing disclosure of information about the nature and magnitude of tax abatements that will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.
- GASB No. 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*.

**RIVERDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. New Accounting Standards (Continued)**

- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No.67, No.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 Pension*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

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

- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB No. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.
- GASB No. 85, *Omnibus 2017*, will be effective with the fiscal year ending June 30, 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits (OPEB)).
- GASB No. 86, *Certain Debt Extinguishment Issues*, will be effective with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.
- GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

**C. Basis of Presentation - Financial Statements**

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

**RIVERDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**District-Wide Financial Statements**

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

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

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

**Fund Financial Statements**

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

The District reports the following major governmental funds:

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

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

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



**RIVERDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

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

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

Additionally, the government reports the following fund types:

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

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

**Reclassifications**

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

**D. Measurement Focus and Basis of Accounting**

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

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

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

**RIVERDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

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

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

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

***1. Cash, Cash Equivalents and Investments***

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

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

***2. Receivables***

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

***3. Inventories***

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

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

***4. Prepaid Items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both district-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**RIVERDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**5. *Capital Assets***

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

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

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

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

**6. *Deferred Outflows/Inflows of Resources***

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

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

**RIVERDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**7. *Compensated Absences***

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

**8. *Pensions***

In the district-wide financial statements, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

**9. *Long-Term Obligations***

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

**10. *Net Position/Fund Balance***

**District-Wide Statements**

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

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

RIVERDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements

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

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

*Excess Surplus – Designated for Subsequent Year's Expenditures* - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2016 audited excess surplus that was appropriated in the 2017/2018 original budget certified for taxes.

*Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2017 audited excess surplus that is required to be appropriated in the 2018/2019 original budget certified for taxes.

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

*Capital Reserve - Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2017/2018 District budget certified for taxes.

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

*Maintenance Reserve - Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2017/2018 District budget certified for taxes

*Tuition Adjustments* – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2016/2017 contract year and is required to be liquidated in the second year following the contract year with any remaining balance related to that contract year to be reserved and budgeted for property tax relief.

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

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

**RIVERDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

**Governmental Fund Statements (Continued)**

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

*Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2017/2018 District budget certified for taxes.

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

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

**F. Revenues and Expenditures/Expenses**

**1. *Program Revenues***

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

**2. *Property Taxes***

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

**3. *Tuition Revenues and Expenditures***

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

*Tuition Expenditures* - Tuition charges for the fiscal years 2015-2016 and 2016-2017 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**RIVERDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Revenues and Expenditures/Expenses (Continued)**

**4. *Proprietary Funds, Operating and Nonoperating Revenues and Expenses***

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

**NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS**

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position– governmental activities as reported in the district-wide statement of net position. One element of that reconciliation explains that “deferred outflows and inflows are amortized over future years and therefore are not reported in the funds.” The details of this \$530,511 difference are as follows:

Deferred Outflows on Net	
Pension Liability	\$ 581,523
Deferred Inflows on Net	
Pension Liability	<u>(51,212)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 530,311</u>

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position– governmental activities as reported in the district-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including capital leases, net pension liability and compensated absences are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$1,815,934 difference are as follows:

Capital Leases Payable	\$ 133,090
Net Pension Liability	1,647,171
Compensated Absences	<u>35,673</u>
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 1,815,934</u>

**RIVERDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district’s annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On January 18, 2017, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District’s board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2016/2017. Also, during 2016/2017 the Board increased the original budget by \$50,040. The increase was funded by grant awards and the reappropriation of prior year general fund encumbrances.

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

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



**RIVERDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**B. Capital Reserve**

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2017 is as follows:

Balance, July 1, 2016		\$ 481,585
Increased by		
Transfer from Capital Projects	\$ 14,546	
Deposits Approved by Board Resolution	100,000	
Interest Earnings	<u>723</u>	
		<u>115,269</u>
		596,854
Withdrawals		
Approved in District Budget		<u>200</u>
Balance, June 30, 2017		<u>\$ 596,654</u>

**C. Maintenance Reserve**

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

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

**RIVERDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**C. Maintenance Reserve**

The activity of the maintenance reserve for the fiscal year ended June 30, 2017 is as follows:

Balance, July 1, 2016	\$ 379,825
Increased by	
Return of Unexpended Maintenance Reserve	
Funds in District Budget	\$ 20,000
Deposit Approved by Board Resolution	38,819
Interest earnings	117
	<u>58,936</u>
	438,761
Withdrawals	
Approved in District Budget	<u>20,000</u>
Balance, June 30, 2017	<u>\$ 418,761</u>

The June 30, 2017 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$418,671.

**D. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2017 is \$376,477. Of this amount, \$177,473 was designated and appropriated in the 2017/2018 original budget certified for taxes and the remaining amount of \$199,004 will be appropriated in the 2018/2019 original budget certified for taxes.

**NOTE 4 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

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

**RIVERDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**Cash Deposits (Continued)**

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2017, the book value of the Board's deposits were \$1,839,830 and bank and brokerage firm balances of the Board's deposits amounted to \$2,295,276. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ <u>2,295,276</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2017 none of the Board's bank balances were exposed to custodial credit risk.

**Investments**

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

As of June 30, 2017, the Board had no outstanding investments.

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

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

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

**RIVERDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**B. Receivables**

Receivables as of June 30, 2017 for the district's individual major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise Fund</u>	<u>Total</u>
Receivables:				
Intergovernmental				
Federal		\$ 1,345	\$ 2,090	\$ 3,435
State	\$ 12,308		80	12,388
Local	5			5
Other	<u>7,148</u>	<u>-</u>	<u>226</u>	<u>7,374</u>
Gross Receivables	19,461	1,345	2,396	23,202
Less: Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 19,461</u>	<u>\$ 1,345</u>	<u>\$ 2,396</u>	<u>\$ 23,202</u>

**C. Unearned Revenue**

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

	<u>Unearned</u>
General Fund	
Tuition	\$ 4,500
Special Revenue Fund	
Unencumbered grant draw downs	<u>5,009</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 9,509</u>

**RIVERDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2017 was as follows:

	<u>Balance, July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2017</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 11,800			\$ 11,800
Construction in Progress	-	-	-	-
Total capital assets, not being depreciated	<u>11,800</u>	<u>-</u>	<u>-</u>	<u>11,800</u>
Capital assets, being depreciated:				
Buildings and Building Improvements	7,057,900	\$ 94,088		7,151,988
Machinery and equipment	358,098	75,999	\$ (46,780)	387,317
Total capital assets being depreciated	<u>7,415,998</u>	<u>170,087</u>	<u>(46,780)</u>	<u>7,539,305</u>
Less accumulated depreciation for:				
Buildings and Building Improvements	(2,670,575)	\$ (184,314)		(2,854,889)
Machinery and equipment	(316,837)	(23,279)	28,068	(312,048)
Total accumulated depreciation	<u>(2,987,412)</u>	<u>(207,593)</u>	<u>28,068</u>	<u>(3,166,937)</u>
Total capital assets, being depreciated, net	<u>4,428,586</u>	<u>(37,506)</u>	<u>(18,712)</u>	<u>4,372,368</u>
Governmental activities capital assets, net	<u>\$ 4,440,386</u>	<u>\$ (37,506)</u>	<u>\$ (18,712)</u>	<u>\$ 4,384,168</u>

**RIVERDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

	Balance, <u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2017</u>
<b>Business-type activities:</b>				
Capital assets, being depreciated:				
Machinery and equipment	\$ 25,303	\$ 5,409	-	\$ 30,712
Total capital assets being depreciated	<u>25,303</u>	<u>5,409</u>	-	<u>30,712</u>
Less accumulated depreciation for:				
Machinery and equipment	(16,184)	(1,755)	-	(17,939)
Total accumulated depreciation	<u>(16,184)</u>	<u>(1,755)</u>	-	<u>(17,939)</u>
Total capital assets, being depreciated, net	<u>9,119</u>	<u>3,654</u>	-	<u>12,773</u>
Business-type activities capital assets, net	<u>\$ 9,119</u>	<u>\$ 3,654</u>	<u>\$ -</u>	<u>\$ 12,773</u>

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

**Governmental Activities:**

Instruction	
Regular	\$ 18,848
Total Instruction	<u>18,848</u>
Support Services	
Support Services-Students	1,311
Operations and Maintenance of Plant	<u>187,434</u>
Total Support Services	<u>188,745</u>
Total depreciation expense - governmental activities	<u>\$ 207,593</u>

**Business-Type Activities:**

Food Service Fund	<u>\$ 1,755</u>
-------------------	-----------------

**RIVERDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

**Construction and Other Significant Commitments**

The District has other significant commitments at June 30, 2017 as follows:

<u>Purposes</u>	<u>Remaining Commitment</u>
Purchase and Installation of Security Window Film	<u>\$ 15,290</u>

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2017, is as follows:

**Due to/from Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Payroll Agency Fund	\$ 27
Payroll Agency Fund	Unemployment Compensation Trust Fund	<u>1,604</u>
		<u>\$ 1,631</u>

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

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

**F. Leases**

**Capital Leases**

The District is leasing copiers, chromebooks and equipment totaling \$162,502 under capital leases. The leases are for terms of 3 to 5 years.

The capital assets and supplies acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Building and Building Improvements	\$ 94,088
Equipment and Supplies	<u>68,414</u>
Total	<u>\$ 162,502</u>

**RIVERDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Leases (Continued)**

**Capital Leases (Continued)**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 were as follows:

<u>Fiscal</u> <u>Year Ending June 30</u>	<u>Governmental</u> <u>Activities</u>
2018	34,992
2019	34,992
2020	27,461
2021	27,460
2022	18,480
Total minimum lease payments	143,385
Less: amount representing interest	(10,295)
Present value of minimum lease payments	<u>\$ 133,090</u>

**G. Long-Term Debt**

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2017 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 25,588,387
Less: Net Debt	<u>-</u>
Remaining Borrowing Power	<u>\$ 25,588,387</u>



**RIVERDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2017, was as follows:

	Balance, <u>July 1, 2016</u>	<u>Increases</u>	<u>Reductions</u>	Balance, <u>June 30, 2017</u>	Due Within <u>One Year</u>
<b>Governmental activities:</b>					
Capital Leases	\$ 16,903	\$ 162,502	\$ 46,315	\$ 133,090	\$ 31,551
Net Pension Liability	1,088,127	608,452	49,408	1,647,171	
Compensated absences payable	<u>33,723</u>	<u>1,950</u>	<u>-</u>	<u>35,673</u>	<u>-</u>
Governmental activity Long-term liabilities	<u>\$ 1,138,753</u>	<u>\$ 772,904</u>	<u>\$ 95,723</u>	<u>\$ 1,815,934</u>	<u>\$ 31,551</u>

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

**NOTE 5 OTHER INFORMATION**

**A. Risk Management**

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

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

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

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

**RIVERDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 5 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

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

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

Fiscal Year Ended <u>June 30,</u>	District <u>Contributions</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2017	-	\$ 5,918	-	\$ 36,251
2016	\$ 105	9,491	\$ 9,271	30,302
2015	21,280	5,300	20,883	29,952

**B. Contingent Liabilities**

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

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2017, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**C. Employee Retirement Systems and Pension Plans**

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

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

**RIVERDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 5 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

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

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

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

**Other Pension Funds**

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

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

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

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

**Basis of Accounting**

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

**RIVERDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 5 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

**Investment Valuation**

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

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

**Funding Status and Funding Progress**

As of July 1, 2015, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 28 percent with an unfunded actuarial accrued liability of \$108.6 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 22.33 percent and \$79.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 40.14 percent and \$29.6 billion, respectively.

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

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

**Actuarial Methods and Assumptions**

In the July 1, 2015 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.65 percent and (b) projected salary increases applied through the year 2026 of 1.65-5.15 percent based on age for the PERS and varying percentages based on experience for TPAF.

**RIVERDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 5 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.06% for PERS, 7.06% for TPAF and 5.50% for DCRP of the employee's annual compensation.

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2017 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the fiscal years ended June 30, 2017, 2016 and 2015 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-Behalf <u>TPAF</u>	<u>DCRP</u>
2017	\$ 49,408	\$ 231,300	\$ 11,133
2016	41,674	153,633	10,594
2015	43,333	122,286	-

In addition for fiscal year 2016/2017 the District contributed \$311 for PERS and the State contributed \$353 for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$159,734 during the fiscal year ended June 30, 2017 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

**RIVERDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 5 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS)**

At June 30, 2017, the District reported in the statement of net position (accrual basis) a liability of \$1,647,171 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2016, the District's proportionate share was .00556 percent, which was an increase of .00071 percent from its proportionate share measured as of June 30, 2015 of .00485 percent.

For the fiscal year ended June 30, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$177,825 for PERS. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 30,632	
Changes of Assumptions	341,206	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	62,808	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>146,877</u>	<u>\$ 51,212</u>
Total	<u>\$ 581,523</u>	<u>\$ 51,212</u>

At June 30, 2017, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	<u>Total</u>
2018	\$ 117,995
2019	117,995
2020	132,657
2021	114,767
2022	46,897
Thereafter	<u>-</u>
	<u>\$ 530,311</u>

**RIVERDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 5 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

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

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

*Actuarial Assumptions*

The District's total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

**RIVERDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 5 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

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

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

***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

***Discount Rate***

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

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.98%



**RIVERDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 5 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

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

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

***Discount Rate (Continued)***

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

Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2034
Municipal Bond Rate *	From July 1, 2034 and Thereafter

\* The municipal bond return rate used is 2.85% as of the measurement date of June 30, 2016. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 3.98%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98 percent) or 1-percentage-point higher (4.98 percent) than the current rate:

	1% Decrease <u>(2.98%)</u>	Current Discount Rate <u>(3.98%)</u>	1% Increase <u>(4.98%)</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 2,018,416</u>	<u>\$ 1,647,171</u>	<u>\$ 1,340,676</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2016. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

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

**RIVERDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 5 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

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

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

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

For the fiscal year ended June 30, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,134,186 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2017 the State's proportionate share of the net pension liability attributable to the District is \$15,095,090. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2016. At June 30, 2016, the state's share of the net pension liability attributable to the District was .01919 percent, which was a decrease of .00343 percent from its proportionate share measured as of June 30, 2015 of .02262 percent.

**Actuarial Assumptions**

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.65%

Assumptions for mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational bases based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**RIVERDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 5 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

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

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

**Long-Term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

**RIVERDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 5 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

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

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

***Discount Rate***

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

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.22%

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

Period of Projected Benefit

Payments for which the Following  
 Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2029
Municipal Bond Rate *	From July 1, 2029 and Thereafter

\* The municipal bond return rate used is 2.85% as of the measurement date of June 30, 2016. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 3.22%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.22 percent) or 1-percentage-point higher (4.22 percent) than the current rate:

	<b>1% Decrease <u>(2.22%)</u></b>	<b>Current Discount Rate <u>(3.22%)</u></b>	<b>1% Increase <u>(4.22%)</u></b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	\$ <u>18,026,911</u>	\$ <u>15,095,090</u>	\$ <u>12,700,880</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2016. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2016 was not provided by the pension system.

**RIVERDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 5 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

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

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

***Pension Plan Fiduciary Net Position***

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

**D. Post-Retirement Medical Benefits**

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

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 584 state and local participating employers and contributing entities for Fiscal Year 2016.

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

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

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

**RIVERDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Post-Retirement Medical Benefits (Continued)**

**Basis of Accounting**

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

**Significant Legislation**

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

**Investment Valuation**

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

**Funded Status and Funding Progress**

As of July 1, 2015, the most recent actuarial valuation date, the State had a \$84.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$25.9 billion for state active and retired members and \$41.6 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

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

**Actuarial Methods and Assumptions**

In the July 1, 2015, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**RIVERDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Post-Retirement Medical Benefits (Continued)**

**Post-Retirement Medical Benefits Contributions**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2016, there were 110,512, retirees receiving post-retirement medical benefits and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (ABP) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2017, 2016 and 2015 were \$192,726, \$182,934 and \$194,129, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**



**BUDGETARY COMPARISON SCHEDULES**

**RIVERDALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 7,761,669		\$ 7,761,669	\$ 7,761,669	
Tuition	30,000		30,000	58,848	\$ 28,848
Interest	3,600		3,600	3,403	(197)
Unrestricted Miscellaneous Revenue	23,000	-	23,000	46,103	23,103
Total Local Sources	<u>7,818,269</u>	<u>-</u>	<u>7,818,269</u>	<u>7,870,023</u>	<u>51,754</u>
State Sources					
Special Education Aid	206,232		206,232	206,232	
Transportation Aid	23,437		23,437	23,437	
Security Aid	11,114		11,114	11,114	
PARCC Readiness Aid	4,430		4,430	4,430	
Per Pupil Growth Aid	4,430		4,430	4,430	
Professional Learning Comm Aid	4,680		4,680	4,680	
Extraordinary Aid	82,000		82,000	185,317	103,317
Non Public Transportation				4,350	4,350
On-behalf TPAF Pension Benefit Contribution (Non-Budget)				223,212	223,212
On-behalf TPAF Pension NCGI Premium (Non-Budget)				8,088	8,088
On-behalf TPAF Post Retirement Medical Contribution (Non-Budget)				192,726	192,726
On-behalf TPAF Long-Term Disability Insurance (Non-Budget)				353	353
TPAF Social Security Contribution (Non-Budget)	-	-	-	159,734	159,734
Total State Sources	<u>336,323</u>	<u>-</u>	<u>336,323</u>	<u>1,028,103</u>	<u>691,780</u>
Total Revenues	<u>8,154,592</u>	<u>-</u>	<u>8,154,592</u>	<u>8,898,126</u>	<u>743,534</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES</b>					
Instruction					
Regular Programs					
Salaries of Teachers					
Preschool	73,694	\$ 791	74,485	74,357	128
Kindergarten	132,995	472	133,467	131,436	2,031
Grades 1-5	671,356	12,453	683,809	682,204	1,605
Grades 6-8	495,054	(22,067)	472,987	469,449	3,538
Regular Program - Home Instruction					
Other Salaries for Instruction	4,000	-	4,000	1,624	2,376
Purchased Professional-Educational Services	5,000	-	5,000	-	5,000
Regular Program - Undistributed Instruction					
Other Salaries for Instruction	14,220	4,061	18,281	17,535	746
Other Purchased Services	42,175	9,289	51,464	51,463	1
General Supplies	97,389	41,382	138,771	111,585	27,186
Textbooks	13,942	(444)	13,498	13,490	8
General Supplies Acquired Under Lease-Purchase (Non-Budget)				21,218	(21,218)
Miscellaneous Expenditures	600	(56)	544	538	6
Total Regular Programs	<u>1,550,425</u>	<u>45,881</u>	<u>1,596,306</u>	<u>1,574,899</u>	<u>21,407</u>

**RIVERDALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 131,451	\$ 765	\$ 132,216	\$ 132,216	
Other Salaries for Instruction	30,656	(48)	30,608	29,695	\$ 913
General Supplies	945	(1)	944	828	116
<b>Total Learning and/or Language Disabilities</b>	<u>163,052</u>	<u>716</u>	<u>163,768</u>	<u>162,739</u>	<u>1,029</u>
Resource Room/Resource Center					
Salaries of Teachers	266,903	(15,530)	251,373	251,345	28
Other Salaries for Instruction	43,483	17,037	60,520	57,367	3,153
General Supplies	1,120	-	1,120	850	270
Textbooks	230	-	230	200	30
<b>Total Resource Room/Resource Center</b>	<u>311,736</u>	<u>1,507</u>	<u>313,243</u>	<u>309,762</u>	<u>3,481</u>
Autism					
Salaries of Teachers	77,196	6,870	84,066	83,299	767
Other Salaries for Instruction	46,941	(18,177)	28,764	25,883	2,881
Purchased Professional-Educational Services	31,160	-	31,160	31,160	-
Other Purchased Services	5,500	-	5,500	156	5,344
General Supplies	15,000	-	15,000	11,225	3,775
Other Objects	5,000	-	5,000	163	4,837
<b>Total Autism</b>	<u>180,797</u>	<u>(11,307)</u>	<u>169,490</u>	<u>151,886</u>	<u>17,604</u>
<b>Total Special Education - Instruction</b>	<u>655,585</u>	<u>(9,084)</u>	<u>646,501</u>	<u>624,387</u>	<u>22,114</u>
Basic Skills/Remedial Instruction					
Salaries of Teachers	64,072	1,377	65,449	65,448	1
General Supplies	1,285	-	1,285	1,025	260
<b>Total Basic Skills/Remedial Instruction</b>	<u>65,357</u>	<u>1,377</u>	<u>66,734</u>	<u>66,473</u>	<u>261</u>
School Sponsored Cocurricular Activities					
Salaries	21,300	3,643	24,943	20,820	4,123
Supplies and Materials	1,200	-	1,200	-	1,200
Other Objects	355	(16)	339	315	24
<b>Total School Sponsored Cocurricular Activities</b>	<u>22,855</u>	<u>3,627</u>	<u>26,482</u>	<u>21,135</u>	<u>5,347</u>
School Sponsored Athletics					
Salaries	13,500	-	13,500	12,119	1,381
Supplies and Materials	2,820	-	2,820	2,719	101
Other Objects	3,975	-	3,975	3,151	824
<b>Total School Sponsored Athletics</b>	<u>20,295</u>	<u>-</u>	<u>20,295</u>	<u>17,989</u>	<u>2,306</u>

**RIVERDALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Other Instructional Programs					
Salaries	-	\$ 11,086	\$ 11,086	\$ 11,086	-
Total Other Instructional Programs	-	11,086	11,086	11,086	-
Total Instruction	\$ 2,314,517	52,887	2,367,404	2,315,969	\$ 51,435
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Regular	1,551,310	(147,501)	1,403,809	1,369,836	33,973
Tuition to Other LEAs Within the State-Special	304,220	22,932	327,152	327,152	-
Tuition to County Voc. School Dist-Regular	72,800	(1,046)	71,754	57,640	14,114
Tuition to Private Schools - Disabled - W/I State	804,595	(4,829)	799,766	760,279	39,487
Total Undistributed Expenditures - Instruction	2,732,925	(130,444)	2,602,481	2,514,907	87,574
Attendance and Social Work Services					
Salaries	8,752	-	8,752	8,628	124
Total Attendance and Social Work Services	8,752	-	8,752	8,628	124
Health Services					
Salaries	54,147	(16,113)	38,034	37,556	478
Purchased Professional and Technical Services	2,000	11,194	13,194	9,917	3,277
Other Purchased Services	765	-	765	-	765
Supplies and Materials	2,055	-	2,055	2,055	-
Other Objects	380	-	380	110	270
Total Health Services	59,347	(4,919)	54,428	49,638	4,790
Speech, OT, PT & Related Services					
Salaries	48,075	588	48,663	48,662	1
Purchased Professional - Educational Services	105,500	2,000	107,500	98,955	8,545
Supplies and Materials	500	-	500	193	307
Total Speech, OT, PT & Related Services	154,075	2,588	156,663	147,810	8,853
Other Support Serv. Students - Extra. Svcs.					
Salaries	43,910	(1,655)	42,255	39,719	2,536
Purchased Professional-Educational Services	86,240	9,000	95,240	54,488	40,752
Total Other Support Serv. Students - Extra. Svcs.	130,150	7,345	137,495	94,207	43,288
Guidance					
Salaries of Secretarial and Clerical Assistants	7,752	-	7,752	7,752	-
Other Purchased Professional & Technical Services	5,262	-	5,262	5,261	1
Supplies and Materials	2,000	-	2,000	567	1,433
Total Guidance	15,014	-	15,014	13,580	1,434

**RIVERDALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures(Continued)					
Child Study Teams					
Salaries of Other Professional Staff	\$ 195,529	\$ (32,095)	\$ 163,434	\$ 163,433	\$ 1
Salaries of Secretarial and Clerical Assistants	19,397	-	19,397	17,901	1,496
Other Purchased Professional and Tech. Services	2,550	8,828	11,378	6,568	4,810
Supplies and Materials	2,350	170	2,520	2,511	9
Other Objects	160	115	275	275	-
Total Child Study Teams	<u>219,986</u>	<u>(22,982)</u>	<u>197,004</u>	<u>190,688</u>	<u>6,316</u>
Improvement of Inst. Serv.					
Salaries of Supervisors of Instruction	25,500	1	25,501	25,500	1
Other Purchased Professional and Technical Services	4,686	810	5,496	5,495	1
Total Improvement of Inst. Serv.	<u>30,186</u>	<u>811</u>	<u>30,997</u>	<u>30,995</u>	<u>2</u>
Educational Media Services/School Library					
Salaries	49,173	(968)	48,205	48,205	-
Purchased Professional and Technical Services	22,005	(651)	21,354	21,204	150
Supplies and Materials	8,203	51	8,254	8,250	4
Total Educational Media Serv./School Library	<u>79,381</u>	<u>(1,568)</u>	<u>77,813</u>	<u>77,659</u>	<u>154</u>
Instructional Staff Training Services					
Salaries	7,300	(3,641)	3,659	720	2,939
Purchased Professional/Educational Services	12,750	2,415	15,165	15,165	-
Other Purchased Services	3,000	815	3,815	3,393	422
Total Instructional Staff Training Services	<u>23,050</u>	<u>(411)</u>	<u>22,639</u>	<u>19,278</u>	<u>3,361</u>
Support Services General Administration					
Salaries	174,480	33,750	208,230	200,345	7,885
Legal Services	16,000	9,453	25,453	25,452	1
Audit Fees	19,200	(85)	19,115	19,115	-
Architectural/Engineering Services	3,000	3,830	6,830	6,829	1
Other Purchased Professional Services	2,700	1,135	3,835	3,835	-
Communications/Telephone	16,720	4,855	21,575	21,574	1
BOE Other Purchased Services	4,000	(734)	3,266	3,086	180
Miscellaneous Purchased Services	11,750	(4,649)	7,101	7,002	99
General Supplies	2,000	(1,600)	400	400	-
Miscellaneous Expenditures	9,000	(6,997)	2,003	2,003	-
BOE Membership Dues and Fees	4,000	(111)	3,889	3,889	-
Total Support Services General Administration	<u>262,850</u>	<u>38,847</u>	<u>301,697</u>	<u>293,530</u>	<u>8,167</u>
Support Services School Administration					
Salaries of Principal/Asst. Principals	76,500	-	76,500	76,500	-
Salaries of Secretarial and Clerical Assistants	28,346	(5,089)	23,257	23,256	1
Supplies and Materials	7,033	(350)	6,683	5,262	1,421
Other Objects	1,340	350	1,690	1,679	11
Total Support Services School Administration	<u>113,219</u>	<u>(5,089)</u>	<u>108,130</u>	<u>106,697</u>	<u>1,433</u>

**RIVERDALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Central Services					
Salaries	\$ 126,023	\$ 4,501	\$ 130,524	\$ 130,523	\$ 1
Purchased Professional Services	12,600	13,722	26,322	22,383	3,939
Other Purchased Services - Travel	1,450	-	1,450	1,147	303
Supplies and Materials	4,000	(1,343)	2,657	952	1,705
Other Objects	1,775	-	1,775	1,550	225
<b>Total Central Services</b>	<b>145,848</b>	<b>16,880</b>	<b>162,728</b>	<b>156,555</b>	<b>6,173</b>
Admin. Info. Technology					
Purchased Technical Services	10,395	(535)	9,860	9,859	1
Supplies and Materials	2,750	(961)	1,789	146	1,643
<b>Total Admin. Info. Technology</b>	<b>13,145</b>	<b>(1,496)</b>	<b>11,649</b>	<b>10,005</b>	<b>1,644</b>
Required Maintenance for School Facilities					
Salaries	67,611	(21,640)	45,971	45,961	10
Cleaning, Repair and Maintenance Services	49,200	51,791	100,991	58,329	42,662
General Supplies	12,000	(1,737)	10,263	9,567	696
<b>Total Required Maintenance for School Fac.</b>	<b>128,811</b>	<b>28,414</b>	<b>157,225</b>	<b>113,857</b>	<b>43,368</b>
Custodial Services					
Salaries	114,167	1,147	115,314	114,801	513
Salaries of Non-Instructional Aides	17,424	815	18,239	17,346	893
Purchased, Professional and Technical Services	1,750	-	1,750	1,710	40
Cleaning, Repair and Maintenance Service	14,000	5,500	19,500	12,619	6,881
Insurance	55,000	(2,400)	52,600	52,543	57
Miscellaneous Purchased Services	1,650	-	1,650	1,490	160
General Supplies	20,000	6,690	26,690	25,684	1,006
Energy (Natural)	26,000	500	26,500	26,160	340
Energy (Electricity)	68,000	(6,000)	62,000	61,207	793
Other Objects	1,000	310	1,310	1,309	1
Interest - Energy Savings Impr Prog Bonds	-	1,429	1,429	1,429	-
Principal - Energy Impr Prog Bonds	-	14,862	14,862	14,861	1
<b>Total Custodial Services</b>	<b>318,991</b>	<b>22,853</b>	<b>341,844</b>	<b>331,159</b>	<b>10,685</b>
Student Transportation Services					
Salaries for Pupil Transportation					
(Between Home and School) - Regular	20,250	1	20,251	20,189	62
Contracted Serv (Bet. Home and Sch)-Vendors	164,204	(442)	163,762	162,701	1,061
Contracted Serv (Other than Bet Home & Sch) - Vendors	9,220	119	9,339	7,415	1,924
Contracted Serv (Sp Ed Students)- Vendors	3,260	(2,016)	1,244	-	1,244
Contracted Serv.-Aid in Lieu of Payments-Non Public	18,564	4,862	23,426	23,426	-
Contracted Serv. (Reg. Students)-ESCs & CTSAs	37,280	(10,862)	26,418	23,084	3,334
Contracted Serv. (Spl.Ed.Students)-ESCs & CTSAs	286,235	24,566	310,801	284,656	26,145
General Supplies	3,000	-	3,000	1,085	1,915
Other Objects	2,000	(695)	1,305	684	621
<b>Total Student Transportation Services</b>	<b>544,013</b>	<b>15,533</b>	<b>559,546</b>	<b>523,240</b>	<b>36,306</b>

**RIVERDALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Unallocated Benefits-Employee Benefits					
Social Security Contributions	\$ 76,200	\$ 851	\$ 77,051	\$ 68,159	\$ 8,892
Other Retirement Contributions - PERS	43,000	6,720	49,720	49,719	1
Other Retirement Contributions - Regular	11,000	5,000	16,000	11,133	4,867
Unemployment Compensation	5,000	-	5,000	-	5,000
Workmen's Compensation	32,047	(154)	31,893	30,432	1,461
Health Benefits	913,651	(59,704)	853,947	785,061	68,886
Tuition Reimbursement	21,550	-	21,550	14,600	6,950
Other Employee Benefits	11,200	11,966	23,166	22,338	828
Unused Sickpay - Retired Staff	-	15,000	15,000	15,000	-
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>1,113,648</b>	<b>(20,321)</b>	<b>1,093,327</b>	<b>996,442</b>	<b>96,885</b>
On-behalf TPAF Pension Benefit Contribution (Non-Budget)				223,212	(223,212)
On-behalf TPAF Pension NCGI Premium (Non-Budget)				8,088	(8,088)
On-behalf TPAF Post Retirement Medical Contribution (Non-Budget)				192,726	(192,726)
On-behalf TPAF Long-Term Disability Insurance (Non-Budget)				353	(353)
On-behalf TPAF Social Security Contributions (Non-Budget)	-	-	-	159,734	(159,734)
<b>Total Undistributed Expenditures</b>	<b>6,093,391</b>	<b>(53,959)</b>	<b>6,039,432</b>	<b>6,262,988</b>	<b>(223,556)</b>
<b>Total Expenditures - Current Expenditures</b>	<b>8,407,908</b>	<b>(1,072)</b>	<b>8,406,836</b>	<b>8,578,957</b>	<b>(172,121)</b>
<b>CAPITAL OUTLAY</b>					
Equipment					
Undistributed Expenditures					
Instruction	-	2,745	2,745	2,745	-
<b>Total Equipment</b>	<b>-</b>	<b>2,745</b>	<b>2,745</b>	<b>2,745</b>	<b>-</b>
Facilities and Acquisition and Construction Services					
Construction Services		16,305	16,305	16,305	-
Assessment for Debt Service on SDA Funding	16,125	-	16,125	16,125	-
<b>Total Facilities Acquis. and Const. Services</b>	<b>16,125</b>	<b>16,305</b>	<b>32,430</b>	<b>32,430</b>	<b>-</b>
Equipment					
Kindergarten	3,000	2,039	5,039	5,039	
Grades 1-5	3,000	-	3,000	2,675	325
Grades 6-8	-	2,039	2,039	2,039	-
<b>Total Equipment</b>	<b>6,000</b>	<b>4,078</b>	<b>10,078</b>	<b>9,753</b>	<b>325</b>
Assets Acquired under Capital Leases (Non-Budget)					
Equipment	-	-	-	47,196	(47,196)
<b>Total Assets Acquired under Capital Leases</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,196</b>	<b>(47,196)</b>

**RIVERDALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES</b>					
<b>CAPITAL OUTLAY (CONTINUED)</b>					
Interest to Capital Reserve	\$ 200	-	\$ 200	-	\$ 200
Total Capital Outlay	22,325	\$ 23,128	45,453	\$ 92,124	(46,671)
Total Expenditures	8,430,233	22,056	8,452,289	8,671,081	(218,792)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(275,641)	(22,056)	(297,697)	227,045	524,742
Other Financing Sources					
Capital Lease Proceeds				68,414	68,414
Transfers In	-	-	-	14,546	14,546
Total Other Financing Sources	-	-	-	82,960	82,960
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	(275,641)	(22,056)	(297,697)	310,005	607,702
Fund Balance, Beginning of Year	1,635,779	-	1,635,779	1,635,779	-
Fund Balance, End of Year	\$ 1,360,138	\$ (22,056)	\$ 1,338,082	\$ 1,945,784	\$ 607,702
Restricted Fund Balance:					
Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 177,473	
Excess Surplus				199,004	
Capital Reserve				577,009	
Capital Reserve - Designated for Subsequent Year's Expenditures				19,645	
Maintenance Reserve				412,761	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				6,000	
Tuition Adjustments				100,000	
Committed Fund Balance					
Year-end Encumbrances				15,290	
Assigned Fund Balance:					
Year-end Encumbrances				61,736	
Designated for Subsequent Year's Expenditures				19,199	
Unassigned Fund Balance:				357,667	
				1,945,784	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: State Aid Payments Not Recognized on GAAP Basis					
Delayed State Aid Payments			\$ (23,818)		
Extraordinary Aid			(185,317)		
				(209,135)	
Fund Balance Per Governmental Funds (GAAP)				\$ 1,736,649	



**RIVERDALE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
Federal	\$ 111,200	\$ 16,479	\$ 127,679	\$ 118,724	\$ (8,955)
Other	-	11,505	11,505	8,237	(3,268)
Total Revenues	<u>111,200</u>	<u>27,984</u>	<u>139,184</u>	<u>126,961</u>	<u>(12,223)</u>
<b>EXPENDITURES</b>					
Instruction					
Purchased Professional/Educational Services	18,000	(12,100)	5,900	5,900	-
Tuition	76,000	2,152	78,152	78,152	-
General Supplies	2,700	1,985	4,685	2,924	1,761
Miscellaneous Expenditures	-	5,890	5,890	4,367	1,523
Total Instruction	<u>96,700</u>	<u>(2,073)</u>	<u>94,627</u>	<u>91,343</u>	<u>3,284</u>
Support Services					
Salaries		6,480	6,480	6,480	-
Personnel Services - Employee Benefits		496	496	496	-
Purchased Professional/Educational Services	10,000	21,200	31,200	22,587	8,613
Other Purchased Services	4,500	169	4,669	4,345	324
General Supplies	-	1,712	1,712	1,710	2
Total Support Services	<u>14,500</u>	<u>30,057</u>	<u>44,557</u>	<u>35,618</u>	<u>8,939</u>
Total Expenditures	<u>111,200</u>	<u>27,984</u>	<u>139,184</u>	<u>126,961</u>	<u>12,223</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**RIVERDALE BOARD OF EDUCATION**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

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

	<u>General Fund</u>		<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1) \$ 8,898,126	(C-2)	\$ 126,961
Difference - Budget to GAAP:			
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (prior year)	170,844		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (current year)	(209,135)		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Encumbrances, Prior Year	-		-
Encumbrances, Current Year	<u>-</u>		<u>(1,740)</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) \$ <u>8,859,835</u>	(B-2)	\$ <u>125,221</u>
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ 8,671,081	(C-2)	\$ 126,961
Differences - Budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.			
Encumbrances, June 30, 2016	-		-
Encumbrances, June 30, 2017	<u>-</u>		<u>(1,740)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>8,671,081</u>	(B-2)	\$ <u>125,221</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

**PUBLIC EMPLOYEES RETIREMENT SYSTEM  
Last Four Fiscal Years \***

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.00556 %	0.00485 %	0.00526 %	0.00496 %
District's Proportionate Share of the Net Pension Liability (Asset)	1,647,171	1,088,127	984,142	947,534
District's Covered-Employee Payroll	276,965	317,879	311,078	310,024
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	595%	342%	316%	306%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

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

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

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 49,408	\$ 41,674	\$ 43,333	\$ 41,595
Contributions in Relation to the Contractually Required Contributions	<u>49,408</u>	<u>41,674</u>	<u>43,333</u>	<u>41,595</u>
Contribution Deficiency (Excess)	-	-	-	-
District's Covered- Employee Payroll	276,965	317,879	311,078	310,024
Contributions as a Percentage of Covered-Employee Payroll	17.84%	13.11%	13.93%	13.42%

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

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

**TEACHERS PENSION AND ANNUITY FUND  
Last Four Fiscal Years \***

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0 %	0 %	0 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>15,095,090</u>	<u>14,296,105</u>	<u>11,971,862</u>	<u>11,605,771</u>
Total	\$15,095,090	\$14,296,105	\$11,971,862	\$11,605,771
District's Covered-Employee Payroll	1,917,997	1,933,044	1,946,722	2,087,474
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%	33.64%	33.76%

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

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

**RIVERDALE BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Change of Benefit Terms:**           None.

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



**SCHOOL LEVEL SCHEDULES**

**(General Fund)**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**

**RIVERDALE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b>IDEA Part B <u>Basic</u></b>	<b>IDEA Part B <u>Preschool</u></b>	<b>NCLB <u>Title I</u></b>	<b>NCLB <u>Title II-A</u></b>	<b><u>Local</u></b>	<b><u>Total 2017</u></b>
<b>REVENUES</b>						
Intergovernmental						
Federal	\$ 73,507	\$ 4,645	\$ 36,672	\$ 3,900		\$ 118,724
Other	-	-	-	-	\$ 8,237	8,237
Total Revenues	<u>\$ 73,507</u>	<u>\$ 4,645</u>	<u>\$ 36,672</u>	<u>\$ 3,900</u>	<u>\$ 8,237</u>	<u>\$ 126,961</u>
<b>EXPENDITURES</b>						
Instruction						
Purchased Professional/Educational Services			\$ 5,900			\$ 5,900
Tuition	\$ 73,507	\$ 4,645				78,152
General Supplies			600		\$ 2,324	2,924
Miscellaneous Expenditures	-	-	-	-	4,367	4,367
Total Instruction	<u>73,507</u>	<u>4,645</u>	<u>6,500</u>	<u>-</u>	<u>6,691</u>	<u>91,343</u>
Support Services						
Salaries			6,480			6,480
Personnel Services - Employee Benefits			496			496
Purchased Professional/Educational Services			22,587			22,587
Other Purchased Services			445	\$ 3,900		4,345
General Supplies	-	-	164	-	1,546	1,710
Total Support Services	<u>-</u>	<u>-</u>	<u>30,172</u>	<u>3,900</u>	<u>1,546</u>	<u>35,618</u>
Total Expenditures	<u>\$ 73,507</u>	<u>\$ 4,645</u>	<u>\$ 36,672</u>	<u>\$ 3,900</u>	<u>\$ 8,237</u>	<u>\$ 126,961</u>

**RIVERDALE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES  
PRESCHOOL ALL PROGRAMS - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOT APPLICABLE**

**CAPITAL PROJECTS FUND**

**RIVERDALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Issue/Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance, June 30, 2017</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Window Replacement at Riverdale Public School	\$ 45,456	\$ 45,456	-	\$ -
	45,456	45,456	-	-
 <u>Capital Leases</u>				
LED Retrofit Project	94,088	-	\$ 94,088	-
	<u>\$ 139,544</u>	<u>\$ 45,456</u>	<u>\$ 94,088</u>	-
 <u>Reconciliation to GAAP</u>				
				-
				<u>\$ -</u>

**RIVERDALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<b>Revenues and Other Financing Sources</b>	
Capital Lease Proceeds	\$ 94,088
Total Revenues and Other Financing Sources	94,088
<b>Expenditures and Other Financing Uses</b>	
Equipment	\$ 94,088
Cancelled SDA Grant Receivable	9,698
Transfer to Capital Reserve - Balance on Completed Project	14,546
Total Expenditures and Other Financing Uses	118,332
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	(24,244)
Fund Balance - Beginning of Year	\$ 24,244
Fund Balance- Ending of Year	\$ -
<u>Reconciliation to GAAP</u>	
Fund Balance - Ending - Budgetary Basis	\$ -
Fund Balance, June 30, 2017 GAAP Basis	\$ -

**RIVERDALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
WINDOW REPLACEMENT AT THE RIVERDALE PUBLIC SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 27,880	\$ (9,698)	\$ 18,182	\$ 18,182
Other Local Sources - Capital Reserve	41,820	(14,546)	27,274	27,274
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	69,700	(24,244)	45,456	45,456
<b>Expenditures and Other Financing Uses</b>				
Construction Services	38,456		38,456	38,456
Purchased Professional and Technical Services	7,000		7,000	7,000
Unallocated	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	45,456	-	45,456	45,456
Excess of Revenue Over Expenditures	<u>\$ 24,244</u>	<u>\$ (24,244)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information:

Project Number	4440-050-09-1003
Grant Date	FY 2011
Bond Authorization Date	
Bonds Authorized	
Bonds Issued	
Original Authorized Cost	\$ 69,700
Additional Authorized Cost	(24,244)
Revised Authorized Cost	45,456
Percentage Increase Over Original Authorized Cost	-34.78%
Percentage Completion	100%
Original Target Completion Date	Sep-10
Revised Target Completion Date	Sep-12



**RIVERDALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
2016-2017 CAPITAL LEASE - LED RETROFIT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Capital Lease Proceeds	\$ -	\$ 94,088	\$ 94,088	\$ 94,088
 Total Revenues	 -	 94,088	 94,088	 94,088
<b>Expenditures and Other Financing Uses</b>				
Equipment	-	94,088	94,088	94,088
 Total Expenditures	 -	 94,088	 94,088	 94,088
 Excess of Revenue Over Expenditures	 \$ -	 \$ -	 \$ -	 \$ -

Additional Project Information:

Project Number	N/A
Lease Date	7/15/2016
Lease Proceeds	94,088
Original Authorized Cost	94,088
Additional Authorized Cost	-
Revised Authorized Cost	94,088
 Percentage Increase Over Original Authorized Cost	 0.00%
Percentage Completion	100%
Original Target Completion Date	6/30/2017
Revised Target Completion Date	6/30/2017

**ENTERPRISE FUND**

**EXHIBIT G-1**

**RIVERDALE BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2017**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**EXHIBIT G-2**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**EXHIBIT G-3**

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**FIDUCIARY FUNDS**

**RIVERDALE BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES  
AS OF JUNE 30, 2017**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash	\$ 15,822	\$ 15,579	\$ 31,401
Due from Other Funds	<u>-</u>	<u>1,604</u>	<u>1,604</u>
Total Assets	<u>\$ 15,822</u>	<u>\$ 17,183</u>	<u>\$ 33,005</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 17,156	\$ 17,156
Due to Other Funds		27	27
Accounts Payable	\$ 749		749
Due to Student Groups	<u>15,073</u>	<u>-</u>	<u>15,073</u>
Total Liabilities	<u>\$ 15,822</u>	<u>\$ 17,183</u>	<u>\$ 33,005</u>

**RIVERDALE BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

THIS STATEMENT IS NOT APPLICABLE

**STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Balance, July 1, 2016</u>	<u>Receipts</u>	<u>Decreases</u>	<u>Balance, June 30, 2017</u>
Elementary School				
Programs and Activities	\$ 17,071	\$ 57,272	\$ 59,270	\$ 15,073
Athletics	-	2,640	2,640	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total All Schools	<u>\$ 17,071</u>	<u>\$ 59,912</u>	<u>\$ 61,910</u>	<u>\$ 15,073</u>

**RIVERDALE BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b>Balance, July 1, <u>2016</u></b>	<b><u>Additions</u></b>	<b><u>Decreases</u></b>	<b>Balance, June 30, <u>2017</u></b>
<b>ASSETS</b>				
Cash	\$ 12,536	\$ 3,426,932	\$ 3,423,889	\$ 15,579
Due From Other Funds	<u>1,265</u>	<u>4,369</u>	<u>4,030</u>	<u>1,604</u>
	<u>\$ 13,801</u>	<u>\$ 3,431,301</u>	<u>\$ 3,427,919</u>	<u>\$ 17,183</u>
 <b>LIABILITIES</b>				
Payroll Deductions and Withholdings	\$ 13,774	\$ 1,477,229	\$ 1,473,847	\$ 17,156
Accrued Salaries and Wages	-	1,953,999	1,953,999	-
Due To Other Funds - General Fund	<u>27</u>	<u>73</u>	<u>73</u>	<u>27</u>
Total	<u>\$ 13,801</u>	<u>\$ 3,431,301</u>	<u>\$ 3,427,919</u>	<u>\$ 17,183</u>

**LONG-TERM DEBT**



**RIVERDALE BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOT APPLICABLE**

**RIVERDALE PARK BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2016</u>	<u>Increased</u>	<u>Matured</u>	<u>Balance, June 30, 2017</u>
Copiers-3	\$ 46,780	4.98%	\$ 16,903		\$ 16,903	
Copiers-3	47,196	0.45%		\$ 47,196	7,019	\$ 40,177
Chromebooks-70	17,958	7.60%		17,958	6,445	11,513
Chromebooks-10	3,260	0.00%		3,260	1,087	2,173
LED Retrofit Equipment	94,088	2.24%	-	94,088	14,861	79,227
			<u>\$ 16,903</u>	<u>\$ 162,502</u>	<u>\$ 46,315</u>	<u>\$ 133,090</u>
					Paid by Budget Appropriation	\$ 31,041
					Paid by Lessor	15,274
						<u>\$ 46,315</u>

**RIVERDALE BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOT APPLICABLE**

## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

#### **Demographic and Economic Information**

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

J-14 and J-15

#### **Operating Information**

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

J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities	(Restated)									
Invested in capital assets, net of related debt	\$ 3,790,638	\$ 3,948,130	\$ 4,104,235	\$ 4,454,224	\$ 4,593,297	\$ 4,937,669	\$ 4,800,412	\$ 4,612,005	\$ 4,423,483	\$ 4,264,764
Restricted	150,662	212,492	132,548	173,243	471,703	761,897	962,090	962,172	875,956	1,115,415
Unrestricted	389,216	344,773	578,464	804,054	879,909	775,471	(190,381)	(230,720)	(418,641)	(544,985)
<b>Total governmental activities net position</b>	<b>\$ 4,330,516</b>	<b>\$ 4,505,395</b>	<b>\$ 4,815,247</b>	<b>\$ 5,431,521</b>	<b>\$ 5,944,909</b>	<b>\$ 6,475,037</b>	<b>\$ 5,572,121</b>	<b>\$ 5,343,457</b>	<b>\$ 4,880,798</b>	<b>\$ 4,835,194</b>
Business-type activities										
Invested in capital assets, net of related debt					\$ 2,316	\$ 1,737	\$ 9,370	\$ 7,879	\$ 9,119	\$ 12,773
Restricted										
Unrestricted	\$ 12,690	\$ 13,399	\$ 12,268	\$ 12,042	16,004	22,031	12,642	20,198	21,188	30,752
<b>Total business-type activities net position</b>	<b>\$ 12,690</b>	<b>\$ 13,399</b>	<b>\$ 12,268</b>	<b>\$ 12,042</b>	<b>\$ 18,320</b>	<b>\$ 23,768</b>	<b>\$ 22,012</b>	<b>\$ 28,077</b>	<b>\$ 30,307</b>	<b>\$ 43,525</b>
District-wide										
Invested in capital assets, net of related debt	\$ 3,790,638	\$ 3,948,130	\$ 4,104,235	\$ 4,454,224	\$ 4,595,613	\$ 4,939,406	\$ 4,809,782	\$ 4,619,884	\$ 4,432,602	\$ 4,277,537
Restricted	150,662	212,492	132,548	173,243	471,703	761,897	962,090	962,172	875,956	1,115,415
Unrestricted	401,906	358,172	590,732	816,096	895,913	797,502	(177,739)	(210,522)	(397,453)	(514,233)
<b>Total district net position</b>	<b>\$ 4,343,206</b>	<b>\$ 4,518,794</b>	<b>\$ 4,827,515</b>	<b>\$ 5,443,563</b>	<b>\$ 5,963,229</b>	<b>\$ 6,498,805</b>	<b>\$ 5,594,133</b>	<b>\$ 5,371,534</b>	<b>\$ 4,911,105</b>	<b>\$ 4,878,719</b>

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

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
<b>Governmental activities</b>										
<b>Instruction</b>										
Regular	\$ 3,089,022	\$ 3,242,150	\$ 3,177,713	\$ 3,109,283	\$ 3,285,868	\$ 3,520,307	\$ 3,553,560	\$ 4,288,907	\$ 4,269,838	\$ 4,334,901
Special education	895,111	891,369	1,039,953	1,083,073	1,324,189	1,324,401	1,619,403	1,747,281	2,094,539	2,286,141
Other instruction	103,937	95,526	78,805	77,082	64,166	95,630	107,595	133,987	118,468	140,511
School Sponsored Activities and Athletics	49,951	47,788	51,500	46,182	44,620	53,725	54,988	55,775	58,279	64,221
<b>Support Services:</b>										
Student & instruction related services	808,565	776,216	742,370	727,129	725,022	742,748	820,422	841,953	933,331	939,725
School Administrative services	140,338	147,913	143,618	155,359	158,062	160,922	168,892	197,204	170,633	193,458
General administration	317,051	289,811	357,519	377,459	377,719	401,219	354,101	346,971	392,220	461,031
Central Services	116,044	105,875	117,882	184,050	173,254	180,530	193,217	181,511	214,617	222,078
Plant operations and maintenance	605,354	732,641	633,581	617,942	594,606	586,531	640,255	626,950	678,014	756,127
Pupil transportation	297,076	327,890	344,832	330,178	345,811	321,239	432,568	525,741	530,445	531,828
Interest on long-term debt	75,869	42,176	39,587	23,744	14,363	7,989	1,999	1,561	1,101	3,525
<b>Total governmental activities expenses</b>	<b>6,498,318</b>	<b>6,699,355</b>	<b>6,727,360</b>	<b>6,731,481</b>	<b>7,107,680</b>	<b>7,395,241</b>	<b>7,947,000</b>	<b>8,947,841</b>	<b>9,461,485</b>	<b>9,933,546</b>
<b>Business-type activities:</b>										
Food service	75,038	75,568	81,876	82,704	85,691	77,998	86,928	77,995	93,542	94,851
<b>Total business-type activities expense</b>	<b>75,038</b>	<b>75,568</b>	<b>81,876</b>	<b>82,704</b>	<b>85,691</b>	<b>77,998</b>	<b>86,928</b>	<b>77,995</b>	<b>93,542</b>	<b>94,851</b>
<b>Total district expenses</b>	<b>\$ 6,573,356</b>	<b>\$ 6,774,923</b>	<b>\$ 6,809,236</b>	<b>\$ 6,814,185</b>	<b>\$ 7,193,371</b>	<b>\$ 7,473,239</b>	<b>\$ 8,033,928</b>	<b>\$ 9,025,836</b>	<b>\$ 9,555,027</b>	<b>\$ 10,028,397</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for Services	\$ 33,077	\$ 14,900	\$ 25,000	\$ 28,680	\$ 25,200	\$ 86,068	\$ 51,493	\$ 99,986	\$ 37,480	\$ 58,848
Operating grants and contributions	860,885	602,589	785,816	569,945	755,121	935,149	909,178	1,445,832	1,654,938	2,009,248
Capital grants and contributions	-	53,363	10,393	84,859	-	-	-	-	-	-
<b>Total governmental activities program revenues</b>	<b>893,962</b>	<b>670,852</b>	<b>821,209</b>	<b>683,484</b>	<b>780,321</b>	<b>1,021,217</b>	<b>960,671</b>	<b>1,545,818</b>	<b>1,692,418</b>	<b>2,068,096</b>
<b>Business-type activities:</b>										
Charges for services										
Food service	\$ 64,410	\$ 62,395	\$ 62,634	\$ 60,843	\$ 62,505	\$ 52,121	\$ 54,260	\$ 53,568	\$ 58,686	\$ 70,268
Operating grants and contributions	12,754	13,882	18,111	21,635	29,464	31,307	30,885	30,463	37,048	37,752
<b>Total business type activities program revenues</b>	<b>77,164</b>	<b>76,277</b>	<b>80,745</b>	<b>82,478</b>	<b>91,969</b>	<b>83,428</b>	<b>85,145</b>	<b>84,031</b>	<b>95,734</b>	<b>108,020</b>
<b>Total district program revenues</b>	<b>\$ 971,126</b>	<b>\$ 747,129</b>	<b>\$ 901,954</b>	<b>\$ 765,962</b>	<b>\$ 872,290</b>	<b>\$ 1,104,645</b>	<b>\$ 1,045,816</b>	<b>\$ 1,629,849</b>	<b>\$ 1,788,152</b>	<b>\$ 2,176,116</b>
<b>Net (Expense)/Revenue</b>										
<b>Governmental activities</b>	<b>\$ (5,604,356)</b>	<b>\$ (6,028,503)</b>	<b>\$ (5,906,151)</b>	<b>\$ (6,047,997)</b>	<b>\$ (6,327,359)</b>	<b>\$ (6,374,024)</b>	<b>\$ (6,986,329)</b>	<b>\$ (7,402,023)</b>	<b>\$ (7,769,067)</b>	<b>\$ (7,865,450)</b>
<b>Business-type activities</b>	<b>2,126</b>	<b>709</b>	<b>(1,131)</b>	<b>(226)</b>	<b>6,278</b>	<b>5,430</b>	<b>(1,783)</b>	<b>6,036</b>	<b>2,192</b>	<b>13,169</b>
<b>Total district-wide net expense</b>	<b>\$ (5,602,230)</b>	<b>\$ (6,027,794)</b>	<b>\$ (5,907,282)</b>	<b>\$ (6,048,223)</b>	<b>\$ (6,321,081)</b>	<b>\$ (6,368,594)</b>	<b>\$ (6,988,112)</b>	<b>\$ (7,395,987)</b>	<b>\$ (7,766,875)</b>	<b>\$ (7,852,281)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Property taxes levied for general purposes, net	\$ 5,847,010	\$ 6,037,484	\$ 6,251,522	\$ 6,611,738	\$ 6,816,628	\$ 6,888,062	\$ 7,004,522	\$ 7,144,612	\$ 7,280,360	\$ 7,761,669
Unrestricted state & federal aid	64,621	142,385	47,117	7,092	11,802	-	-	4,016	4,430	8,671
Investment earnings	23,262	13,875	384	-	-	-	-	-	-	-
Miscellaneous income	29,540	9,638	16,980	45,441	12,317	16,090	26,425	24,731	21,618	49,506
Cancellation of Accounts Receivable	-	-	(100,000)	-	-	-	-	-	-	-
<b>Total governmental activities</b>	<b>5,964,433</b>	<b>6,203,382</b>	<b>6,216,003</b>	<b>6,664,271</b>	<b>6,840,747</b>	<b>6,904,152</b>	<b>7,030,947</b>	<b>7,173,359</b>	<b>7,306,408</b>	<b>7,819,846</b>
<b>Business-type activities:</b>										
Miscellaneous Income	-	-	-	-	-	18	27	29	38	49
<b>Total business-type activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18</b>	<b>27</b>	<b>29</b>	<b>38</b>	<b>49</b>
<b>Total district-wide</b>	<b>\$ 5,964,433</b>	<b>\$ 6,203,382</b>	<b>\$ 6,216,003</b>	<b>\$ 6,664,271</b>	<b>\$ 6,840,747</b>	<b>\$ 6,904,170</b>	<b>\$ 7,030,974</b>	<b>\$ 7,173,388</b>	<b>\$ 7,306,446</b>	<b>\$ 7,819,895</b>
<b>Change in Net Position</b>										
<b>Governmental activities</b>	<b>\$ 360,077</b>	<b>\$ 174,879</b>	<b>\$ 309,852</b>	<b>\$ 616,274</b>	<b>\$ 513,388</b>	<b>\$ 530,128</b>	<b>\$ 44,618</b>	<b>\$ (228,664)</b>	<b>\$ (462,659)</b>	<b>\$ (45,604)</b>
<b>Business-type activities</b>	<b>2,126</b>	<b>709</b>	<b>(1,131)</b>	<b>(226)</b>	<b>6,278</b>	<b>5,448</b>	<b>(1,756)</b>	<b>6,065</b>	<b>2,230</b>	<b>13,218</b>
<b>Total district</b>	<b>\$ 362,203</b>	<b>\$ 175,588</b>	<b>\$ 308,721</b>	<b>\$ 616,048</b>	<b>\$ 519,666</b>	<b>\$ 535,576</b>	<b>\$ 42,862</b>	<b>\$ (222,599)</b>	<b>\$ (460,429)</b>	<b>\$ (32,386)</b>

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

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 346,618	\$ 273,122	\$ 372,156							
Unreserved	307,699	341,585	247,859							
Restricted				\$ 711,422	\$ 1,071,340	\$ 1,242,195	\$ 1,445,070	\$ 1,448,630	\$ 1,294,524	\$ 1,491,892
Committed									16,305	15,290
Assigned				67,258	48,169	64,957	44,739	25,887	5,751	80,935
Unassigned				248,564	236,112	231,816	231,035	230,248	148,355	148,532
Total general fund	<u>\$ 654,317</u>	<u>\$ 614,707</u>	<u>\$ 620,015</u>	<u>\$ 1,027,244</u>	<u>\$ 1,355,621</u>	<u>\$ 1,538,968</u>	<u>\$ 1,720,844</u>	<u>\$ 1,704,765</u>	<u>\$ 1,464,935</u>	<u>\$ 1,736,649</u>
All Other Governmental Funds										
Reserved/Restricted			\$ 194,160	\$ (6,597)	\$ 14,547	\$ 14,547	\$ 14,546	\$ 14,546	\$ 14,546	\$ -
Unreserved	\$ (49,261)	\$ 4,102	(48,223)	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ (49,261)</u>	<u>\$ 4,102</u>	<u>\$ 145,937</u>	<u>\$ (6,597)</u>	<u>\$ 14,547</u>	<u>\$ 14,547</u>	<u>\$ 14,546</u>	<u>\$ 14,546</u>	<u>\$ 14,546</u>	<u>\$ -</u>

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

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

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Tax levy	\$ 5,847,010	\$ 6,037,484	\$ 6,251,522	\$ 6,611,738	\$ 6,816,628	\$ 6,888,062	\$ 7,004,522	\$ 7,144,612	\$ 7,280,360	\$ 7,761,669
Interest earnings	23,262	13,875	384		991	2,017	3,682	3,876	3,249	3,403
Tuition				28,680	25,200	86,068	51,493	99,986	37,480	58,848
Miscellaneous	62,617	29,538	41,980	45,441	11,349	14,073	22,743	20,855	18,369	46,103
State sources	834,166	700,177	671,580	559,144	643,792	821,653	786,964	814,670	835,559	989,812
Federal sources	91,340	93,161	171,746	102,752	123,108	113,496	122,214	113,265	100,694	118,724
Other sources									3,842	6,497
<b>Total revenue</b>	<b>6,858,395</b>	<b>6,874,235</b>	<b>7,137,212</b>	<b>7,347,755</b>	<b>7,621,068</b>	<b>7,925,369</b>	<b>7,991,618</b>	<b>8,197,264</b>	<b>8,279,553</b>	<b>8,985,056</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	3,088,474	3,233,389	3,166,942	3,098,042	3,282,837	3,503,483	3,536,948	3,893,919	3,766,221	3,747,118
Special education instruction	895,111	891,369	1,039,953	1,083,073	1,326,361	1,324,401	1,619,403	1,671,679	1,971,182	2,090,704
Other instruction	103,356	99,369	78,805	77,085	64,427	95,630	107,595	118,205	96,625	113,113
School sponsored activities and athletics	49,951	47,788	51,500	46,182	44,821	53,725	54,988	55,775	58,279	64,221
<b>Support Services:</b>										
Student & inst. related services	802,959	770,610	737,590	722,349	727,153	741,984	819,658	807,908	878,262	859,323
General administration	317,051	289,811	357,519	385,710	379,279	401,219	354,101	338,919	370,315	394,872
School administrative services	138,949	146,524	142,230	153,971	158,852	160,922	168,892	170,260	141,232	157,995
Central services	116,044	105,875	117,882	184,050	174,131	180,530	193,217	181,511	214,617	222,078
Plant operations and maintenance	434,451	560,320	465,606	449,967	416,571	401,569	452,109	429,792	481,615	504,485
Pupil transportation	293,648	324,462	341,405	326,751	345,944	321,239	432,568	525,741	530,445	531,828
Other Support Services										
Capital outlay	72,633	76,252	68,159	242,942	27,231	274,932	59,675	9,045	-	170,087
<b>Debt service:</b>										
Principal	260,000	270,000	280,000	295,000	305,000	318,770	8,590	9,028	9,489	31,041
Interest and other charges	84,345	44,713	42,478	27,938	18,940	10,398	1,999	1,561	1,101	3,525
<b>Total expenditures</b>	<b>6,656,972</b>	<b>6,860,482</b>	<b>6,890,069</b>	<b>7,093,060</b>	<b>7,271,547</b>	<b>7,788,802</b>	<b>7,809,743</b>	<b>8,213,343</b>	<b>8,519,383</b>	<b>8,890,390</b>
Excess (Deficiency) of revenues over (under) expenditures	201,423	13,753	247,143	254,695	349,521	136,567	181,875	(16,079)	(239,830)	94,666
<b>Other Financing sources (uses)</b>										
Transfers in		764	261,910		21,143		1		-	14,546
Transfers out	-	(764)	(261,910)		(21,143)		(1)		-	(14,546)
Capital Lease Proceeds						46,780				162,502
Cancellation of Accounts Receivable			(100,000)							
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(100,000)</b>	<b>-</b>	<b>-</b>	<b>46,780</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>162,502</b>
<b>Net change in fund balances</b>	<b>\$ 201,423</b>	<b>\$ 13,753</b>	<b>\$ 147,143</b>	<b>\$ 254,695</b>	<b>\$ 349,521</b>	<b>\$ 183,347</b>	<b>\$ 181,875</b>	<b>\$ (16,079)</b>	<b>\$ (239,830)</b>	<b>\$ 257,168</b>
Debt service as a percentage of noncapital expenditures	5.23%	4.64%	4.73%	4.71%	4.47%	4.38%	0.14%	0.13%	0.12%	0.40%

\* Noncapital expenditures are total expenditures less capital outlay.



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

<u>Fiscal Year Ended June 30</u>	<u>Tuition</u>	<u>Other</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 58,848	\$ 46,103	\$ 3,403	\$ 108,354
2016	37,480	18,369	3,249	59,098
2015	99,986	20,855	3,876	124,717
2014	51,493	22,743	3,682	77,918
2013	86,068	14,073	2,017	102,158
2012	25,200	11,326	991	37,517
2011	28,680	45,441	-	74,121
2010	25,000	16,980	384	42,364
2009	14,900	14,638	13,875	43,413
2008	33,077	29,540	23,262	85,879

\* Source: School District's Financial Statements

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2008	\$ 44,919,300	\$ 532,729,300		\$ 5,600	\$ 211,390,000	\$ 43,368,700	\$ 1,646,700	\$ 834,683,800	\$ 6,751,997	\$ 841,435,797	\$ 890,190,256	\$ 0.702
2009	30,846,100	552,982,300	\$ 624,200	5,600	213,911,400	45,667,000	1,646,700	847,683,300	7,152,016	854,835,316	N/A	0.715
2010	30,432,000	601,005,670	624,200	5,600	218,057,760	43,401,400	1,452,800	894,979,430	6,858,306	901,837,736	958,019,399	0.713
2011	25,297,000	574,725,450	624,200	1,700	218,808,300	43,401,400	1,460,800	864,318,850	7,430,677	871,749,527	894,021,098	0.734
2012	24,519,800	574,056,730	624,200	5,600	259,597,000	43,301,400	1,452,800	903,557,530	7,245,200	910,802,730	854,563,669	0.749
2013	18,334,400	481,793,800	465,400	5,600	209,935,500	42,536,200	40,794,000	793,864,900	7,430,677	801,295,577	882,433,241	0.864
2014	18,334,400	481,745,500	465,400	5,600	208,547,800	42,536,200	40,794,000	792,428,900	7,245,200	799,674,100	868,202,233	0.881
2015	18,334,400	481,688,400	465,400	5,600	205,831,900	41,226,600	40,794,000	788,346,300	7,245,200	795,591,500	856,801,548	0.904
2016	18,192,800	471,545,300	465,400	5,600	192,456,200	41,226,600	40,794,000	764,685,900	7,245,200	771,931,100	836,741,274	0.969
2017	18,553,400	478,727,300	465,400	5,600	190,231,300	41,234,100	40,792,600	770,009,700	7,245,200	777,254,900	876,544,767	1.006

Source: County Abstract of Ratables

<sup>a</sup> Tax rates are per \$100

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

<u>Calendar Year</u>	<u>Total</u>	<u>Local School District</u>	<u>Municipality</u>	<u>County</u>
2017	\$2.019	\$1.006	\$0.721	\$0.292
2016	1.960	0.969	0.722	0.269
2015	1.857	0.904	0.683	0.270
2014	1.843	0.881	0.685	0.277
2013	1.814	0.864	0.673	0.277
2012	1.517	0.749	0.539	0.229
2011	1.492	0.734	0.526	0.232
2010	1.467	0.713	0.510	0.244
2009	1.442	0.715	0.488	0.239
2008	1.438	0.702	0.489	0.247

(1) Revaluation

Source: Tax Collector

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

Taxpayer	2017		2008	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
D.R. Horton			\$ 29,015,900	3.45%
Newark Metro Mutlifamily Exchange	\$ 39,500,500	5.13%		
Riverdale Crossing	39,000,000	5.06%	48,155,500	5.72%
Riverdale Quarry, LLC	19,364,600	2.51%	19,975,500	2.37%
Target Corp.	18,942,800	2.46%	22,045,500	2.62%
Cresskill Hills	15,500,000	2.01%	17,780,900	2.11%
Home Depot	13,500,000	1.75%	14,433,800	1.72%
Riverdale Square	9,375,000	1.22%	10,000,000	1.19%
Verizon	7,245,200	0.94%	6,759,635	0.81%
Filtra Corp	7,086,000	0.92%		
Cho & Nam Associates LLC	6,308,000	0.82%		
Camfil Farr			7,666,300	0.91%
Sava			7,438,500	0.88%
	<u>\$ 175,822,100</u>	<u>22.83%</u>	<u>\$183,271,535</u>	<u>21.78%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	\$ 5,847,010	\$ 5,847,010	100.00%	-
2009	6,037,484	6,037,484	100.00%	-
2010	6,251,522	6,251,522	100.00%	-
2011	6,611,738	6,611,738	100.00%	-
2012	6,816,628	6,816,628	100.00%	-
2013	6,888,062	6,888,062	100.00%	-
2014	7,004,522	7,004,522	100.00%	-
2015	7,144,612	7,144,612	100.00%	-
2016	7,280,360	7,280,360	100.00%	-
2017	7,761,669	7,761,664	100.00%	-

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Population	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Project Anticipation Notes	Capital Leases	Total District		
2008	\$ 1,466,000	N/A	N/A	\$ 750,000	N/A	\$ 2,216,000	5,235	\$ 423
2009	1,196,000	N/A	N/A	300,000	N/A	1,496,000	5,632	266
2010	916,000	N/A	N/A	-	N/A	916,000	3,570	257
2011	621,000	N/A	N/A	-	N/A	621,000	3,903	159
2012	316,000	N/A	N/A	-	N/A	316,000	4,089	77
2013	-	N/A	\$ 44,010	-	N/A	44,010	4,192	10
2014	-	N/A	35,420	-	N/A	35,420	4,275	8
2015	-	N/A	26,392	-	N/A	26,392	4,273	6
2016	-	N/A	16,903	-	N/A	16,903	4,253	4
2017	-	N/A	133,090	-	N/A	133,090	4,253 *	31

Source: District records

\* Estimate

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2008	\$ 1,466,000		\$ 1,466,000	0.17%	\$ 280
2009	1,196,000		1,196,000	0.14%	212
2010	916,000		916,000	0.10%	257
2011	621,000		621,000	0.07%	159
2012	316,000		316,000	0.03%	77
2013	-		-	0.00%	-
2014	-		-	0.00%	-
2015	-		-	0.00%	-
2016	-		-	0.00%	-
2017	-		-	0.00%	-

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**RIVERDALE BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT  
AS OF DECEMBER 31, 2016  
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt			
Borough of Riverdale (1)	\$ 10,157,250	\$ 6,504,322	\$ 3,652,928
Total Direct Debt	<u>\$ 10,157,250</u>	<u>\$ 6,504,322</u>	3,652,928
Net Overlapping Debt of School District:			
County of Morris - Borough's Share			<u>2,070,869</u>
Total Direct and Overlapping Debt			<u>\$ 5,723,797</u>

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

(1) Borough of Riverdale 2016 Annual Debt Statement



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

Legal Debt Margin Calculation for Fiscal Year 2016

	Equalized valuation basis
	2016      \$ 859,443,721
	2015      850,060,707
	2014      849,334,298
	<u>\$ 2,558,838,726</u>
Average Equalized Valuation of Taxable Property	\$ 852,946,242
Debt Limit 3% of Average Equalization Value	25,588,387
Total Net Debt Applicable to Legal Debt Margin Limit	<u>\$ 25,588,387</u>

Fiscal Year June 30,

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 21,460,632	\$ 24,020,177	\$ 25,850,388	\$ 26,421,447	\$ 26,100,976	\$ 25,775,087	\$ 25,624,673	\$ 25,700,172	\$ 25,571,637	\$ 25,588,387
Total net debt applicable to limit	<u>1,468,432</u>	<u>1,198,432</u>	<u>916,000</u>	<u>621,000</u>	<u>316,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 19,992,200</u>	<u>\$ 22,821,745</u>	<u>\$ 24,934,388</u>	<u>\$ 25,800,447</u>	<u>\$ 25,784,976</u>	<u>\$ 25,775,087</u>	<u>\$ 25,624,673</u>	<u>\$ 25,700,172</u>	<u>\$ 25,571,637</u>	<u>\$ 25,588,387</u>
Total net debt applicable to the limit as a percentage of debt limit	6.84%	4.99%	3.54%	2.35%	1.21%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income</u>	<u>Population</u>
2017	N/A	\$ 86,582 *	4,253 *
2016	3.7%	86,582 *	4,253
2015	4.7%	86,582	4,273
2014	5.2%	82,810	4,275
2013	7.6%	79,094	4,192
2012	9.9%	78,693	4,089
2011	9.5%	76,194	3,903
2010	9.8%	72,780	3,570
2009	9.7%	70,516	5,632
2008	5.7%	74,636	5,235

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

\* Estimate

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

<u>Employer</u>	<u>2017</u>		<u>2008</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Instruction										
Regular	23.4	24.5	23.7	24.00	24.10	23.00	22.30	22.70	28.70	26.70
Special education	7.6	9.0	8.2	7.2	6.3	7.2	7.2	6	5.5	6
Support Services:										
Student & instruction related services	14.8	10.5	10.5	10.1	9.2	7.8	7.8	6.6	6	7
General administration	2.0	1.4	1.4	1.5	1.5	2	2	2	2	2
School administrative services	1.0	1.5	1.5	1	1	1	1	1	1	1
Other administrative services						0.09	0.09	0.5	1	1
Central services	3.3	1.3	1.3	1.3	1.3	1	1	0.5	0.5	0.5
Administrative Information Technology									0.5	1
Plant operations and maintenance	4.0	4.0	4.0	4.1	4.1	4.5	4.5	4.5	3.5	3.5
Pupil transportation	0.3	0.3	0.3	0.3	0.3	0.3	0.3	1		
Other support services										
Special Schools										
Food Service										
Child Care										
<b>Total</b>	<u>56.4</u>	<u>52.5</u>	<u>50.9</u>	<u>49.5</u>	<u>47.8</u>	<u>46.9</u>	<u>46.2</u>	<u>44.8</u>	<u>48.7</u>	<u>48.7</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Pupil/Teacher Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School	Senior High School				
2008	280.1	\$ 6,584,339	\$ 23,507	10.80%	31.7	1:9	N/A	N/A	280.1	269.5	3.55%	96.22%
2009	292.3	6,545,769	22,394	-4.74%	34.2	1:9	N/A	N/A	292.3	281.5	4.36%	96.31%
2010	312.0	6,499,432	20,832	-6.98%	28.7	1:11	N/A	N/A	308.8	297.4	5.64%	96.31%
2011	318.0	6,527,180	20,526	-1.47%	29.5	1:11	N/A	N/A	318.2	305.1	3.04%	95.88%
2012	341.5	6,920,376	20,265	-1.27%	27.7	1:12	N/A	N/A	341.5	329.9	7.32%	96.60%
2013	333.3	7,463,164	22,392	10.50%	30.0	1:11	N/A	N/A	333.3	318.9	-2.40%	95.68%
2014	330.5	7,739,479	23,417	4.58%	31.2	1:11	N/A	N/A	330.5	317.7	-0.84%	96.12%
2015	332.4	8,193,709	24,650	5.26%	31.8	1:11	N/A	N/A	332.4	318.3	0.57%	95.76%
2016	342.0	8,508,793	24,880	0.93%	33.5	1:10	N/A	N/A	336.4	323.0	1.20%	96.02%
2017	338.0	8,685,737	25,697	3.29%	31.0	1:11	N/A	N/A	341.0	327.1	1.37%	95.92%

Sources: District records

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

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Square Feet	73,120	73,120	73,120	73,120	73,120	73,120	73,210	73,210	73,210	73,210
Capacity (students)	520	520	520	520	520	520	520	520	520	520
Enrollment	338	342	332	330	333	342	318	280	280	280
Number of Schools at June 30										
Elementary =	1	1	1	1	1	1	1	1	1	1

Source: District Records

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

UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES

11-000-261-xxx

School Facilities	Project #	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Riverdale Public School	N/A	<u>\$ 113,857</u>	<u>\$ 93,162</u>	<u>\$ 81,014</u>	<u>\$ 95,976</u>	<u>\$ 76,841</u>	<u>\$ 100,272</u>	<u>\$ 86,202</u>	<u>\$ 80,323</u>	<u>\$ 80,807</u>	<u>\$ 60,195</u>

**RIVERDALE BOARD OF EDUCATION  
SCHEDULE OF INSURANCE  
JUNE 30, 2017  
(Unaudited)**

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

Source: Riverdale School District records.



**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

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

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

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverdale Board of Education as of and for the fiscal year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Riverdale Board of Education's basic financial statements and have issued our report thereon dated September 29, 2017.

**Internal Control Over Financial Reporting**

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

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


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

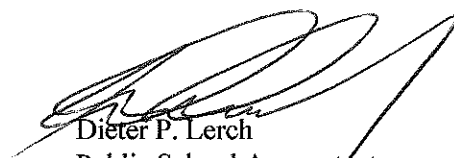
### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Riverdale Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

### **Purpose of this Report**

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

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

  
Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
September 29, 2017



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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

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

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

**INDEPENDENT AUDITOR’S REPORT**

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

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

We have audited the Riverdale Board of Education’s compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Riverdale Board of Education’s major state programs for the fiscal year ended June 30, 2017. The Riverdale Board of Education’s major state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

***Management’s Responsibility***

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

***Auditor’s Responsibility***

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

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

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

In our opinion, the Riverdale Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2017.

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

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

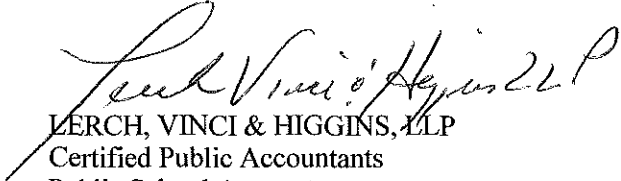
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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


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

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

**Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverdale Board of Education, as of and for the fiscal year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated September 29, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

  
Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
September 29, 2017

**RIVERDALE BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2016				Cash Received	Budgetary Expenditures	Unearned Rev. Adj.	Balance, June 30, 2017			GAAP Receivable
						Unearned Revenue	(Accounts Receivable)	Due to Grantor	Carryover/ (Walkover)				Unearned Revenue	(Accounts Receivable)	Due to Grantor	
<b>U.S. Department of Agriculture Passed-through State Department of Education</b>																
National School Lunch Program																
Cash Assistance	10.555	171NJ304N1099	N/A	7/1/16-6/30/17	\$ 27,499					\$ 25,409	\$ 27,499			\$ (2,090)	\$ (2,090)	
Cash Assistance	10.555	16161NJ304N1099	N/A	7/1/15-6/30/16	27,636		\$ (5,580)			5,580						
Non-Cash Assistance	10.555	171NJ304N1099	N/A	7/1/16-6/30/17	9,274					9,274	7,995		\$ 1,279			
Non-Cash Assistance	10.555	16161NJ304N1099	N/A	7/1/15-6/30/16	9,389	\$ 1,232	-	-	-	-	1,232	-	-	-	-	
Total U.S. Department of Agriculture/Child Nutrition Cluster						1,232	(5,580)	-	-	40,263	36,726	-	1,279	(2,090)	(2,090)	
<b>U.S. Department of Education Passed-through State Department of Education</b>																
I.D.E.A. Part B, Basic	84.027	H027A160100	NCLB444004	7/1/16-6/30/17	73,507					73,507	73,507		-	-	-	
I.D.E.A. Part B, Basic	84.027	H027A150100	NCLB444004	7/1/15-6/30/16	73,649		(246)			246						
I.D.E.A. Part B, Preschool	84.173	H173A160114	NCLB444004	7/1/16-6/30/17	3,154				\$ (1,490)	4,644	4,645	\$ 1	-	-	-	
I.D.E.A. Part B, Preschool	84.173	H173A150114	NCLB444004	7/1/15-6/30/16	3,088	1,491	(2,696)	-	1,490	1,206	-	(1)	-	-	-	
Total Special Education Cluster (IDEA)						1,491	(2,942)	-	-	79,603	78,152	-	-	-	-	
NCLB Title I	84.010A	S010A160030	NCLB444004	7/1/16-6/30/17	32,571				(12,876)	36,107	36,672		8,775	(9,340)	(565)	
NCLB Title I	84.010A	S010A150030	NCLB444004	7/1/15-6/30/16	32,619	12,876	(19,877)		12,876	7,001			-	-	-	
NCLB Title II A	84.367A	5367A160029	NCLB444004	7/1/16-6/30/17	4,080	-	-	-	-	3,120	3,900		180	(960)	(780)	
Total U.S. Department of Education						14,367	(22,819)	-	-	125,831	118,724	-	8,955	(10,300)	(1,345)	
Total Federal Financial Assistance						\$ 15,599	\$ (28,399)	\$ -	\$ -	\$ 166,094	\$ 155,450	\$ -	\$ 10,234	\$ (12,390)	\$ (3,435)	

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

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

**RIVERDALE BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2016					Balance, June 30, 2017			MEMO	
				Accounts Receivable	Unearned Revenue	Due to Grantor	Cash Received	Budgetary Expenditures	Unearned Revenue	(Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>													
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	\$ 206,232				\$ 186,918	\$ 206,232		\$ (19,314)			\$ 206,232
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	209,761	\$ (19,613)			19,613						
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	23,437				21,242	23,437		(2,195)			23,437
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	20,048	(1,875)			1,875						
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	11,114				10,073	11,114		(1,041)			11,114
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	9,794	(916)			916						
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	4,430				4,015	4,430		(415)			4,430
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	4,430	(414)			414						
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	4,430				4,015	4,430		(415)			4,430
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	4,430	(414)			414						
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	4,680	-	-	-	4,242	4,680	-	(438)	-	-	4,680
<b>Total State Aid - Public Cluster</b>				<b>(23,232)</b>	<b>-</b>	<b>-</b>	<b>253,737</b>	<b>254,323</b>	<b>-</b>	<b>(23,818)</b>	<b>-</b>	<b>-</b>	<b>254,323</b>
Additional Nonpublic Transportation Aid	17-100-034-5120-068	7/1/16-6/30/17	4,350					4,350		(4,350)		\$ (4,350)	4,350
Additional Nonpublic Transportation Aid	16-100-034-5120-068	7/1/15-6/30/16	3,512	(3,512)			3,512						
Extraordinary Aid	17-495-034-5120-044	7/1/16-6/30/17	185,317					185,317		(185,317)			185,317
Extraordinary Aid	16-495-034-5120-044	7/1/15-6/30/16	147,612	(147,612)			147,612						
On-Behalf TPAF Pension - Normal Cost	17-495-034-5094-002	7/1/16-6/30/17	223,212				223,212	223,212					223,212
On-Behalf TPAF Pension - NCGI Premium	17-495-034-5094-004	7/1/16-6/30/17	8,088				8,088	8,088					8,088
On-Behalf TPAF Post Retirement Medical Benefits	17-495-034-5094-001	7/1/16-6/30/17	192,726				192,726	192,726					192,726
On-Behalf TPAF Long Term Disability Insurance	17-495-034-5094-001	7/1/16-6/30/17	353				353	353					353
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	7/1/16-6/30/17	159,734	-	-	-	151,776	159,734	-	(7,958)	-	(7,958)	159,734
<b>Total General Fund State Aid</b>				<b>(174,356)</b>	<b>-</b>	<b>-</b>	<b>981,016</b>	<b>1,028,103</b>	<b>-</b>	<b>(221,443)</b>	<b>-</b>	<b>(12,308)</b>	<b>1,028,103</b>
<b>Capital Projects Fund</b>													
Educational Facilities Construction and Financing Act	4440-050-09-0ZVT	7/1/09-6/30/10	27,880	(27,880)	\$ 9,698	-	18,182	-	\$ -	-	-	-	-
<b>Total Capital Projects Fund/SDA Cluster</b>				<b>(27,880)</b>	<b>9,698</b>	<b>-</b>	<b>18,182</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Enterprise Funds</b>													
National School Lunch Program (State Share)	17-100-010-3350-023	7/1/16-6/30/17	1,026				946	1,026		(80)		(80)	1,026
National School Lunch Program (State Share)	16-100-010-3350-023	7/1/15-6/30/16	969	(192)	-	-	192	-	-	-	-	-	-
<b>Total Enterprise Fund/Child Nutrition Cluster</b>				<b>(192)</b>	<b>-</b>	<b>-</b>	<b>1,138</b>	<b>1,026</b>	<b>-</b>	<b>(80)</b>	<b>-</b>	<b>(80)</b>	<b>1,026</b>
<b>Total State Financial Assistance Subject to Single Audit Determination</b>				<b>(202,428)</b>	<b>9,698</b>	<b>-</b>	<b>1,000,336</b>	<b>1,029,129</b>	<b>-</b>	<b>(221,523)</b>	<b>-</b>	<b>(12,388)</b>	<b>1,029,129</b>
<b>Less:</b>													
State Financial Assistance Programs Not Subject to Major Program Determination													
On-Behalf TPAF Pension - Normal Cost	17-495-034-5094-002	7/1/16-6/30/17	223,212				(223,212)	(223,212)					(223,212)
On-Behalf TPAF Pension - NCGI Premium	17-495-034-5094-004	7/1/16-6/30/17	8,088				(8,088)	(8,088)					(8,088)
On-Behalf TPAF Post Retirement Medical Benefits	17-495-034-5094-001	7/1/16-6/30/17	192,726				(192,726)	(192,726)					(192,726)
On-Behalf TPAF Long Term Disability Insurance	17-495-034-5094-001	7/1/16-6/30/17	353	-	-	-	(353)	(353)	-	-	-	-	(353)
<b>State Financial Assistance Amount Utilized for Calculation to Determine Single Audit and Major Programs.</b>				<b>\$ (202,428)</b>	<b>\$ 9,698</b>	<b>\$ -</b>	<b>\$ 575,957</b>	<b>\$ 604,750</b>	<b>\$ -</b>	<b>\$ (221,523)</b>	<b>\$ -</b>	<b>\$ (12,388)</b>	<b>\$ 604,750</b>

See Accompanying Notes to Schedule of Expenditures of State Financial Assistance.



**RIVERDALE BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

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

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$38,291 for the general fund and a decrease of \$1,740 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 989,812	\$ 989,812
Special Revenue Fund	\$ 118,724		118,724
Food Service Fund	<u>36,726</u>	<u>1,026</u>	<u>37,752</u>
Total Financial Assistance	<u>\$ 155,450</u>	<u>\$ 990,838</u>	<u>\$ 1,146,288</u>

**RIVERDALE BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5 OTHER INFORMATION**

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$159,734 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2017. The amount reported as TPAF Pension System Contributions in the amount of \$231,300, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$192,726 and TPAF Long-Term Disability Insurance in the amount of \$353 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2017.

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

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

**NOTE 7 DE MINIMIS INDIRECT COST RATE**

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

**RIVERDALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Part 1 – Summary of Auditor’s Results**

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

**Federal Awards**

NOT APPLICABLE

**State Awards**

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

Type of auditors' report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08?	_____ Yes <u>  X  </u> No

Identification of major state programs:

GMIS Number	Name of State Program or Cluster
17-495-034-5094-003	TPAF Social Security Aid

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
--	-------------------

Auditee qualified as low-risk auditee?	<u>  X  </u> Yes      _____ No
--	--------------------------------

**RIVERDALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

*Part 2 – Schedule of Financial Statement Findings*

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

There are none.

**RIVERDALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

**CURRENT YEAR FEDERAL AWARDS**

Not Applicable

**CURRENT YEAR STATE AWARDS**

There are none.

**RIVERDALE BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Uniform Guidance and New Jersey OMB's Circular 15-08..

**STATUS OF PRIOR YEAR FINDINGS**

There were none.