

# **River Dell Regional School District**

**River Dell Regional School District  
Board of Education  
River Edge, New Jersey**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2018**

**Comprehensive Annual**

**Financial Report**

**of the**

**River Dell Regional School District  
Board of Education**

**River Edge, New Jersey**

**For the Fiscal Year Ended June 30, 2018**

**Prepared by**

**River Dell Regional School District  
Board of Education  
Business Department**

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# **INTRODUCTORY SECTION**

# RIVER DELL REGIONAL SCHOOL DISTRICT

230 Woodland Avenue, River Edge, NJ 07661

[www.riverdell.org](http://www.riverdell.org)

Patrick J. Fletcher, Superintendent of Schools

201-599-7201

Thomas L. Bonfiglio, Business Administrator/Board Secretary

Fax 201-261-3809

February 13, 2019

Honorable President and Members  
of the Board of Education  
River Dell Regional School District  
County of Bergen  
River Edge, New Jersey

Dear Board Members:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the River Dell Regional School District (the "District") for the fiscal year ended June 30, 2018. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. This report will provide the taxpayers of the River Dell Regional School District with comprehensive financial data in a format enabling them to gain an understanding of the District's financial affairs.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains a Table of Contents, Letter of Transmittal, Organizational Chart, a List of Principal Officials of the District, and a list of consultants and advisors to the District;
- The Financial Section begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the District's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information of the District, generally presented on a multi-year basis;
- The Single Audit Section - The District is required to undergo an annual single audit, as required, in conformity with the provisions of the Single Audit Act of 1984, as amended, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, is included in the single audit section of this report.



## **School District Organization**

The District provides education to 1,634 students (as of June 30, 2018) in grades seven through twelve. Geographically, the District is comprised of the Boroughs of River Edge and Oradell.

An elected nine-member Board of Education serves as the policy maker for the District. The Board adopts an annual budget and directly approves all expenditures, which serve as the basis for control over, and authorization for, all expenditures of District tax money.

The Superintendent is the chief executive officer of the District, responsible to the Board for total educational and support operations. The Business Administrator/Board Secretary is the chief financial officer of the District, responsible to the Board for maintaining all financial records, making payments of liabilities incurred by the District, acting as custodian of all District funds, and investing funds as permitted by New Jersey law.

## **Reporting Entity**

The River Dell Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board's (GASB). All funds of the District are included in this report. The River Dell Regional School District Board of Education and its two schools constitute the District's reporting entity.

## **Economic Condition and Outlook**

All new construction is closely monitored. The constituent communities continue to have small population growth. The two communities within the District have worked to build additional school facilities and have completed their respective referendums.

The District completed the 2017-2018 fiscal year with an enrollment of 1,634 students, which is 9 students less than the previous year's enrollment. The following details the changes in the student average daily enrollment of the District over the last five years.

### **AVERAGE DAILY ENROLLMENT**

<b>Fiscal Year</b>	<b>Student Enrollment</b>	<b>Percent change</b>
2017 - 18	1,621.3	.26%
2016 - 17	1,617.1	-1.64%
2015 - 16	1,644.0	-1.49%
2014 - 15	1,669.1	0.45%
2013 - 14	1,661.7	0.68%

The District, along with many other public school systems in the State, still faces some difficult economic situations in the future since the primary funding source is property tax revenue. The Board voted to approve a 2% tax levy cap plus an additional \$314,723 to cover higher medical costs, which eliminated the vote on the 2018-19 budget. Overall, total revenue for 2018-19 increased by 3.26%, while the expenditures decreased by 1.80%. The District's administration is closely monitoring the cost of operations and continues to look for new funding sources in order to maintain the quality educational services that the District has been accustomed to providing.

The District's primary funding source is property tax revenue. The amount to be raised in taxes is determined by the School Board through the District's normal budgeting process. This process has always left the passage of adequate funding for the budget in doubt. On January 17, 2012, Governor Chris Christie signed into law A-4394/S-3148 (P.L. 2011, c.202), which gives local Boards of Education the option of changing the election date of school board members from April to November. As an incentive for Boards of Education to approve this money-saving idea, Districts do not have to put their budgets up for a vote by the electorate as long as it does not exceed the State mandated 2% Cap on property tax increases. The River Dell Board of Education adopted this change on January 23, 2012, and as result, the District's 2018-19 budget was adopted without voter approval.

The District attributes much of its past education success to the community's demand for, and support of, both a traditional and quality school system. The District will remain accountable to the residents and taxpayers who make the District their school system of choice.

### **Educational Program**

The Mission Statement of the River Dell Regional School District is stated as follows:

1. To provide a safe, student-centered environment in which each student is valued and respected;
2. To challenge each student to reach his/her potential;
3. To nurture every student's intellectual, social, physical and emotional growth;
4. To promote a healthy work ethic, a passion for learning and a respect for one's self and others;
5. To develop responsible citizens for our diverse community and an ever-changing world;
6. To continue to involve our community in an active partnership;
7. To provide all students the opportunity to achieve and exceed the New Jersey Core Curriculum Content Standards.

The River Dell Regional School District offers College Preparatory, Honors and Advanced Placement courses. These include regular, gifted and talented, as well as special education for disabled students. Students are offered an extensive extracurricular and athletic program including opportunities for students to participate in student government, academic, service, National Honor Society, foreign language honor societies, drama, musical performances and female/male sport's teams.

Of the Class of 2018 student body, 94% are attending four-year colleges and 4% are attending two-year colleges, among them the most prestigious in the nation. The Middle States Association of College and Secondary Schools and the New Jersey Department of Education accredit River Dell. Parents, students, staff and administration all have a strong commitment to maintain high academic and ethical standards. River Dell has won several Best Practices awards from the New Jersey Department of Education, for our innovative programs including Gifted and Talented, Self Advocacy for Special Students, Sweet Tooth Enterprises (Business), Junior MBA and Production Design. We are also a United States Department of Education Blue Ribbon School of Excellence.

River Dell offers its students a variety of rigorous academic courses, which stress writing, computer and research skills in all disciplines. Most of our students far exceed minimum graduation requirements. As previously noted, 98% of the Class of 2018 pursued higher education, with 94% of students attending a four-year college/university. Noteworthy programs/requirements include:

All students are required to take four years of English, which includes a choice of senior Language Arts courses. In addition, approximately 21% of seniors also take AP English or Syracuse University Project Advance English. Electives include Media/TV Production, which links English and Technology. In addition to required World Cultures and US History, social studies electives include Psychology, Sociology and European History. Our laboratory-based Chemistry, Physics and Biology are offered at levels ranging from College Prep to AP. Science electives include Forensic Science and Human Physiology. Mathematics courses range from Algebra I to AP Calculus. World languages are offered at various levels. Languages include Mandarin Chinese, Italian and Spanish. Each year students participate in a statewide Foreign Language Competition, sponsored by Rider University. The Related Arts Department has a wide selection of electives culminating in AP Studio Art, which requires a professional portfolio.

The District has highly competent teaching, supervisory and administrative staff with approximately 40.0% of our 168 certified staff (76% hold Masters Degrees) engaging in postgraduate studies beyond the masters level, while 3.0% hold earned doctoral degrees. This staff continues to refine its expertise and competency through ongoing staff development at local seminars, conferences and educational institutions.

### **Financial Information**

Internal Accounting and Budgetary Control - Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal control system 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 controls 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 awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control system is also subject to periodic evaluation by the District's management.

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end either are cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as committed or assigned fund balance at fiscal year end.

### **Cash Management**

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

### **Risk Management**

The District 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. A schedule of insurance coverage is found in Exhibit J-20.

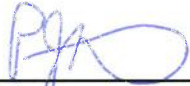
### **Independent Audit**

State statutes require an annual audit by independent certified public accountants. The audit firm of Smolin, Lupin & Co., P.A. was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Uniform Guidance and New Jersey OMB’s Circular 15-08, as required. The auditor’s report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the single audit section of this report.

**Acknowledgements**

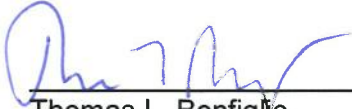
We would like to express our appreciation to the members of the River Dell Regional School District Board for their concern in providing fiscal accountability to the citizens and taxpayers of the District and thereby contributing their full support to the development and maintenance of our financial 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,



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Patrick J. Fletcher  
Superintendent of Schools

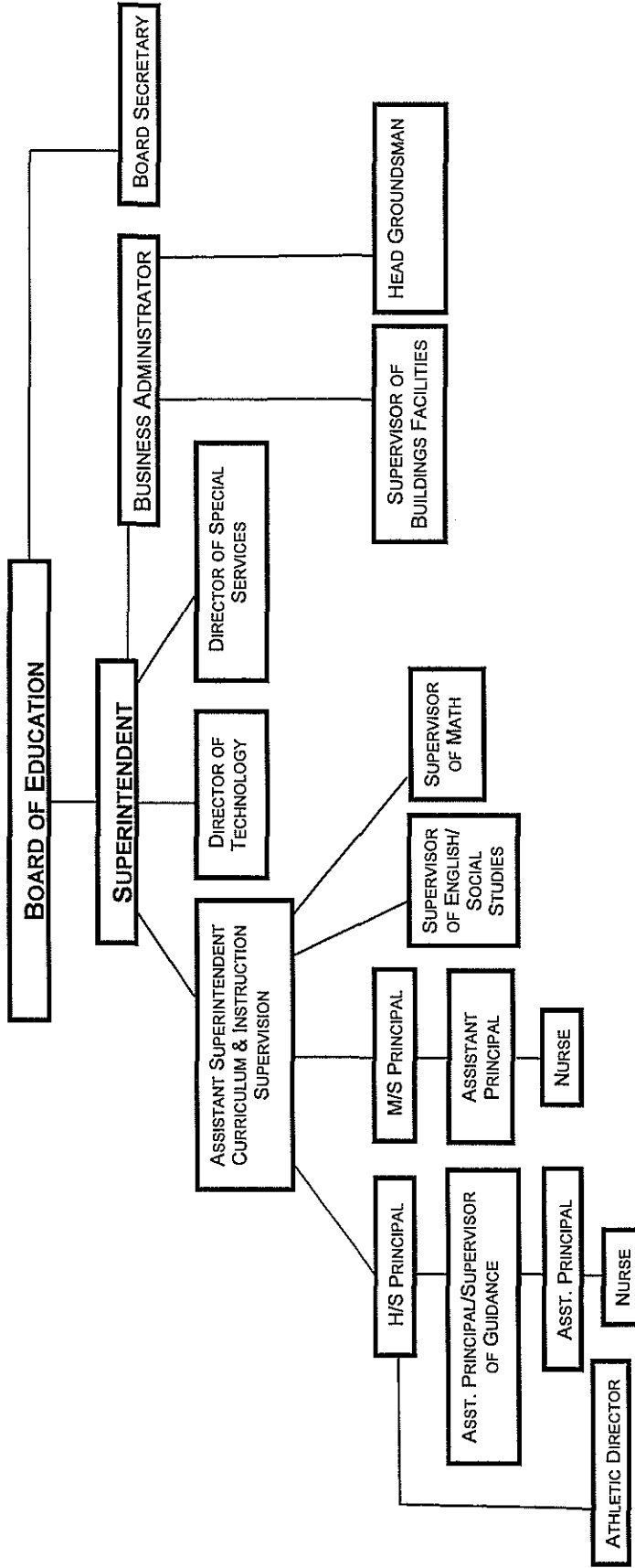


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Thomas L. Bonfiglio  
Business Administrator/Board Secretary

RIVER DELL REGIONAL BOARD OF EDUCATION  
 River Edge, NJ 07661

LINE OF RESPONSIBILITY



RIVER DELL REGIONAL SCHOOL DISTRICT  
BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2018

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Joseph P. Manzelli, Jr., President (River Edge)	December 31, 2018
Patrick Gallagher, Vice President (Oradell)	December 31, 2018
Albert Graef (Oradell)	December 31, 2020
Douglas Kupfer (River Edge)	December 31, 2020
Tracey-Ellen Ehalt (River Edge)	December 31, 2018
Claudia O'Neill (River Edge)	December 31, 2018
Alan Feigenson (Oradell)	December 31, 2019
Stephanie Hartman (River Edge)	December 31, 2019
Barbara Kuchar (Oradell)	December 31, 2019

OTHER OFFICIALS

Patrick J. Fletcher, Superintendent of Schools

Thomas L. Bonfiglio, Business Administrator/Board Secretary

Irwin S. Cohen, Treasurer of School Moneys

Rodney T. Hara, Esq., Legal Counsel

RIVER DELL REGIONAL SCHOOL DISTRICT  
BOARD OF EDUCATION

Consultants and Advisors

Audit Firm

Smolin, Lupin & Co., P.A.  
165 Passaic Avenue  
Fairfield, New Jersey 07004

Attorney

Fogarty & Hara  
21-00 Route 208 South  
Fair Lawn, NJ 07410

Official Depository

TD Bank  
126 North Washington Avenue  
Bergenfield, New Jersey 07621



# **FINANCIAL SECTION**

## Independent Auditor's Report

The Honorable President and  
Members of the Board of Education  
River Dell Regional School District  
County of Bergen  
River Edge, 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 River Dell Regional School District (the School District), in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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 *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 River Dell Regional School District, in the County of Bergen, State of New Jersey, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2018, River Dell Regional School District adopted the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinions are not modified with respect to this matter.

### **Other Matters**

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, budgetary comparison information, and pension and other postemployment benefits information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. 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 River Dell Regional School District’s basic financial statements. The introductory section, combining and individual 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’s 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.

The combining and individual 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 and individual fund financial statements, schedule of expenditures of federal awards, and schedule of expenditures of 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 February 13, 2019 on our consideration of River Dell Regional School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 River Dell Regional School District'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 River Dell Regional School District's internal control over financial reporting and compliance.



Smolin, Lupin & Co., P.A.  
Certified Public Accountants



Susan T. White  
Public School Accountant  
License #20CS00119300

Fairfield, New Jersey  
February 13, 2019

**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

**RIVER DELL REGIONAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED (CONTINUED)**

The discussion and analysis of River Dell Regional School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2018 are as follows:

- In total, net position increased by \$912,424, which represents a 6.02% increase from fiscal year 2017.
- General revenues accounted for \$32,331,893 of revenue or 71.75% of the total revenue.
- Program specific revenues in the form of charges for services, capital grants and operating grants and contributions accounted for \$12,731,177 or 28.25% of total revenues of \$45,063,070
- Total assets of governmental activities decreased by \$51,054 as cash decreased by \$862,127, receivables increased by \$82,299, and capital assets increased by \$728,774.
- The District had \$44,150,646 in expenses; only \$12,731,177 of these expenses was offset by program specific charges for services, grants, or contributions. General revenues (primarily taxes) of \$32,331,893 were adequate to provide for these programs.
- Among governmental funds, the general fund had \$35,539,535 in revenues and \$36,402,000 in expenditures. The general fund's fund balance decreased by \$862,465 over fiscal year 2017, now totaling \$2,606,662.
- Effective July 1, 2017, River Dell Regional School District adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. While there was no effect on net position as of June 30, 2017, as a result of this adoption state source revenue and expenses for the year ended June 30, 2018, included an additional \$2,094,525 in state contributions for postemployment benefits.

**Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the River Dell Regional School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements look at all the District's funds. In the case of River Dell Regional School District, the general fund is by far the most significant fund.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED (CONTINUED)**

**Reporting the School District as a Whole**

**Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2017-2018?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and deferred outflows and liabilities and deferred inflows using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors; some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs, and other factors.

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

- Governmental Activities - All of the District's programs and services are reported here including instruction, support services, operation, and maintenance of plant facilities, pupil transportation, and extracurricular activities.
- Business-Type Activities - These services are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The food services enterprise fund is reported as a business activity.

**Reporting the School District's Most Significant Funds**

**Fund Financial Statements**

Fund financial statements provide detailed information about the District's funds. The District uses many funds to account for a multitude of financial transactions. The District's governmental funds are the general fund, special revenue fund, capital projects fund, and debt service fund.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED (CONTINUED)**

**Governmental Funds**

The District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future years. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view of the District's general governmental operations and the basic services it provides. Governmental funds information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**Proprietary Funds**

The District maintains an enterprise fund, which is used to report the activity of the food service. The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

**The School District as a Whole**

The Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the District's net position at June 30.

	Governmental Activities		Business-type Activities		Total		Amount Change	% Change
	2018	2017	2018	2017	2018	2017		
<b>Assets:</b>								
Current and								
Other Assets	\$ 3,518,868	\$ 2,133,495	\$ 172,475	\$ 179,011	\$ 3,691,343	\$ 2,312,506	\$ 1,378,837	59.63%
Capital Assets	29,826,880	31,263,307	23,377	26,376	29,850,257	31,289,683	(1,439,426)	-4.60%
<b>Total Assets</b>	<b>33,345,748</b>	<b>33,396,802</b>	<b>195,852</b>	<b>205,387</b>	<b>33,541,600</b>	<b>33,602,189</b>	<b>(60,589)</b>	<b>-0.18%</b>
<b>Deferred Outflows</b>	<b>2,700,055</b>	<b>3,613,833</b>			<b>2,700,055</b>	<b>3,613,833</b>	<b>(913,778)</b>	<b>-25.29%</b>
<b>Liabilities:</b>								
Long-term								
Liabilities	16,854,443	20,541,790			16,854,443	20,541,790	(3,687,347)	-17.95%
Other Liabilities	1,180,288	1,069,942			1,180,288	1,069,942	110,346	10.31%
<b>Total Liabilities</b>	<b>18,034,731</b>	<b>21,611,732</b>			<b>18,034,731</b>	<b>21,611,732</b>	<b>(3,577,001)</b>	<b>-16.55%</b>
<b>Deferred Inflows</b>	<b>2,136,050</b>	<b>445,840</b>			<b>2,136,050</b>	<b>445,840</b>	<b>1,690,210</b>	<b>379.11%</b>
<b>Net Position:</b>								
Net Investment in								
Capital Assets	22,375,080	20,338,786	23,377	26,376	22,398,457	20,365,162	2,033,295	9.98%
Restricted	2,007,997	2,890,079			2,007,997	2,890,079	(882,082)	-30.52%
Unrestricted (deficit)	(8,508,055)	(8,275,802)	172,475	179,011	(8,335,580)	(8,096,791)	(238,789)	2.95%
<b>Total Net Position</b>	<b>\$ 15,875,022</b>	<b>\$ 14,953,063</b>	<b>\$ 195,852</b>	<b>\$ 205,387</b>	<b>\$ 16,070,874</b>	<b>\$ 15,158,450</b>	<b>\$ 912,424</b>	<b>6.02%</b>

The District's combined net position of \$16,070,874 on June 30, 2018, results in an increase of 6.02% from the prior year.



**RIVER DELL REGIONAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED (CONTINUED)**

**The School District as a Whole (Continued)**

Table 2 shows changes in net position for fiscal years 2018 and 2017.

	<b>Table 2 Changes in Net Position</b>		<b>Amount Change</b>	<b>% Change</b>
	<b>2018</b>	<b>2017</b>		
Revenues:				
Program Revenues:				
Charges for Services	\$ 306,141	\$ 295,335	\$ 10,806	3.66%
Operating Grants and Contributions	12,425,036	10,141,447	2,283,589	22.52%
General Revenues:				
Property Taxes	30,998,193	30,414,817	583,376	1.92%
Grants and Entitlements	669,466	705,784	(36,318)	-5.15%
Other	664,234	653,919	10,315	1.58%
Total Revenues	<u>45,063,070</u>	<u>42,211,302</u>	<u>2,851,768</u>	6.76%
Program Expenses:				
Instruction	25,658,000	24,055,696	1,602,304	6.66%
Support Services:				
Tuition	1,616,681	1,957,898	(341,217)	-17.43%
Students and Instructional Staff	6,072,804	5,364,252	708,552	13.21%
General Administration, School Administration, Central Services, Information Technology and Maintenance of Facilities	8,272,192	8,388,817	(116,625)	-1.39%
Pupil Transportation	676,945	687,489	(10,544)	-1.53%
Interest on Debt	188,291	233,750	(45,459)	-19.45%
Unallocated Depreciation and loss on equipment disposal	1,349,982	1,271,436	78,546	6.18%
Enterprise Fund	315,751	301,224	14,527	4.82%
Total Expenses	<u>44,150,646</u>	<u>42,260,562</u>	<u>1,890,084</u>	4.47%
Increase (Decrease) in Net Position	<u>\$ 912,424</u>	<u>\$ (49,260)</u>	<u>\$ 961,684</u>	1952.26%

**Governmental Activities**

The District's total governmental activities revenues were \$44,756,854 for the year ended June 30, 2018. Property taxes made up 69.26% of revenues for governmental activities for the River Dell Regional School District for fiscal year 2018. Federal and state grants accounted for another 29.26%% of governmental activities revenues.

The total cost of all governmental activities programs and services was \$43,834,895. Instruction comprises 58.53% of District expenses.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED (CONTINUED)**

**Business - Type Activities**

Revenues for the District's business - type activities (food service program) were comprised of charges for services.

- Food service - had an operating loss of \$9,610, which includes a loss reported by the management company, plus year-end depreciation, inventory, and other adjustments.

**Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	<u>Total Cost of Services 2018</u>	<u>Net Cost of Services 2018</u>	<u>Total Cost of Services 2017</u>	<u>Net Cost of Services 2017</u>	<u>Amount Change Total Cost of Services</u>	<u>Amount Change Net Cost of Services</u>
Instruction	\$ 25,658,000	\$ 16,920,191	\$ 24,055,696	\$ 16,682,765	\$ 1,602,304	\$ 237,426
Support Services:						
Tuition	1,616,681	1,538,216	1,957,898	1,901,918	(341,217)	(363,702)
Student and Instructional Staff	6,072,804	3,929,966	5,364,252	3,903,290	708,552	26,676
General Administration, School Administration, Central Services, Administrative Information Technology and Maintenance of Facilities	8,272,192	6,872,970	8,388,817	7,137,243	(116,625)	(264,273)
Pupil Transportation	676,945	610,243	687,489	687,489	(10,544)	(77,246)
Interest on Debt	188,291	188,291	233,750	233,750	(45,459)	(45,459)
Unallocated Depreciation and Loss on Disposal of Equipment	1,349,982	1,349,982	1,271,436	1,271,436	78,546	78,546
<b>Total Expenses</b>	<u>\$ 43,834,895</u>	<u>\$ 31,409,859</u>	<u>\$ 41,959,338</u>	<u>\$ 31,817,891</u>	<u>\$ 1,875,557</u>	<u>\$ (408,032)</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Student and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development. General administration, school administration, and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities involve keeping the school grounds, buildings and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school as well as to and from school activities, as provided by State law.

Interest on debt involves the transactions associated with the payment of interest and other related charges on debt of the District.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED (CONTINUED)**

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$37,905,827 and expenditures were \$38,768,292. The net decrease in fund balance for the year, \$862,465, was all in the general fund.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following table presents a summary of the revenues of the governmental funds for the general fund, special revenue fund and debt service fund for the fiscal year ended June 30, 2018, and the amount and percentage of increases and decreases in relation to prior year revenues. There was no capital projects fund in the current or prior year.

<u>Revenue</u>	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2016-17</u>	<u>Percent Of Increase (Decrease)</u>
Local Sources	\$ 31,664,352	83.53%	\$ 595,616	1.92%
State Sources	5,802,096	15.31%	480,050	9.02%
Federal Sources	<u>439,379</u>	<u>1.16%</u>	<u>(2,759)</u>	-0.62%
Total	<u>\$ 37,905,827</u>	<u>100.00%</u>	<u>\$ 1,072,907</u>	2.91%

The increase in revenue from local sources of \$595,616 is primarily due to an increase in local tax levy. The increase in local revenue was needed to fund the additional expenditures associated with higher operating costs and the minimal increases in state aid without state aid on-behalf payments.

Revenues from state sources increased by \$480,050. On-Behalf TPAF pension contributions, post-retirement medical, long-term disability insurance, and reimbursed TPAF social security contributions increased by a total amount of \$450,181 (which is off-set by an equal increase in expenditures). The other state aid recorded in the general fund and special revenue fund increased by \$29,869.

Federal revenues decreased by \$2,759.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED (CONTINUED)**

**The School District's Funds (Continued)**

The following table presents a summary of the general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2018, and the amount of increases and decreases in relation to prior year expenditures.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2016-17</u>	<u>Percent of Increase (Decrease)</u>
Current Expense:				
Instruction	\$ 14,147,558	36.50%	\$ 31,231	0.22%
Undistributed Expenditures	20,175,686	52.04%	582,533	2.97%
Capital Outlay	2,078,756	5.36%	887,228	74.46%
Special Revenue	855,092	2.21%	19,363	2.32%
Debt Service	<u>1,511,200</u>	<u>3.90%</u>	<u>5,200</u>	0.35%
Total	<u>\$ 38,768,292</u>	<u>100.00%</u>	<u>\$ 1,525,555</u>	4.10%

Changes in expenditures were the results of varying factors. The net increase in instruction and undistributed expenditures of \$613,764 is primarily the result of increases in supplies, tuition, special education costs and repairs. Additionally, on-behalf TPAF pension contributions, post-retirement medical, long-term disability insurance, and reimbursed TPAF social security contributions increased by a total amount of \$450,181, (which is off-set by an equal increase in revenues). Capital outlay increased \$887,228 in the current year largely as a result of projects completed in the current year. Debt service increased \$5,200 due to the change in current year principal and interest charges.

The \$19,363 increase in special revenue fund expenditures is primarily due to increased state funding of Nonpublic Services.

**General Fund Budgeting Highlights**

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

**RIVER DELL REGIONAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED (CONTINUED)**

**General Fund Budgeting Highlights (Continued)**

The District had numerous budget transfers during the 2017-2018 school year. Key highlights include:

- Regular Programs Salaries of Teachers - budgeted salaries of teachers in grades 9-12 had a net decrease of \$229,274 for teachers that transferred and/or left the District.
- General Supplies - Regular Programs - Undistributed Instruction - increased \$135,562 due to breakage from salaries that was used for infrastructure upgrades.
- Special Education – Resource Room/Resource Center - Salaries of Teachers increased \$137,723 for additional personnel needed for increased population.
- Undistributed Expenditures - Instruction - Tuition to other LEA'S within the State - Special and Tuition to Private Schools for the Disabled within the state - decreased \$109,491 due to students changing classification or students who moved in/moved out of the District.
- Instructional Staff Training Services - Other Salaries increased \$217,339 for reallocation of personnel after budget was adopted.
- Required Maintenance for School Facilities - Cleaning, Repair and Maintenance Services increased \$257,627 for necessary repairs.
- Custodial Services - Energy (Natural Gas) Energy (Electricity) decreased \$172,754 due to much warmer winter than anticipated. Funds were used for necessary repairs.
- Unallocated Employee Benefits - Health Benefits decreased \$483,713 due to new employees not taking benefits and more "opt outs".
- Facilities Acquisition and Construction Services - Construction Services increased \$258,732 due to additional monies needed for unforeseen roof repairs.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED (CONTINUED)**

**Capital Assets**

At June 30, 2018, the District had \$30,066,777 invested in land, building, improvements and machinery and equipment. Table 4 shows fiscal year 2018 balances compared to 2017.

**Table 4  
Capital Assets (Net of Depreciation) at June 30,**

	2018	2017
Land	\$ 216,520	\$ 216,520
Site Improvements	2,978,888	3,339,100
Building and Improvements	25,617,308	24,361,925
Machinery and Equipment	1,254,061	1,423,457
Total	<u>\$ 30,066,777</u>	<u>\$ 29,341,002</u>

Overall, net capital assets increased \$725,775 from fiscal year 2017 to fiscal year 2018. The increase in capital assets is due primarily to current year additions greater than depreciation.

**Debt Administration**

At June 30, 2018, the District had \$16,854,443 of outstanding debt. Of this amount, \$388,888 is for compensated absences; \$7,360,000 is serial bonds for school construction projects; and \$9,105,555 is the net pension liability for PERS.

**Table 5  
Outstanding Serial Bonds at June 30,**

	2018	2017
2004 General Obligation Refunded Bonds	<u>\$ 7,360,000</u>	<u>\$ 8,530,000</u>

At June 30, 2018, the District's available borrowing margin was \$113,918,237.

**For the Future**

The River Dell Regional School District is in good financial condition presently. The District is proud of its community support of the public schools. A concern is the student enrollment. Over the past several years, the student population has been decreasing, and this trend is projected to continue for several more years.

The River Dell Regional School District's budget for 2018-2019 was approved by the County Superintendent.

In conclusion, the River Dell Regional School District has committed itself to financial excellence for many years. In addition, the District's system for financial planning, budgeting and internal financial controls are well regarded. The District plans to continue its sound fiscal management to meet the challenge of the future.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED (CONTINUED)**

**Contacting the School District's Financial Management**

The financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the District's Business Administrator, Mr. Thomas L. Bonfiglio, at 230 Woodland Avenue, River Edge, NJ 07661.

## **BASIC FINANCIAL STATEMENTS**



## **DISTRICT-WIDE FINANCIAL STATEMENTS**

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

RIVER DELL REGIONAL SCHOOL DISTRICT  
Statement of Net Position  
June 30, 2018

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash	\$ 1,623,234	\$ 153,929	\$ 1,777,163
Receivables, net	267,060	17,540	284,600
Inventories		1,006	1,006
Restricted assets:			
Capital reserve account - cash	1,412,054		1,412,054
Capital assets, net			
Not being depreciated	216,520		216,520
Being depreciated	<u>29,826,880</u>	<u>23,377</u>	<u>29,850,257</u>
Total assets	<u>33,345,748</u>	<u>195,852</u>	<u>33,541,600</u>
Deferred outflows of resources:			
Deferred outflows related to pensions	<u>2,700,055</u>		<u>2,700,055</u>
Total deferred outflows of resources	<u>2,700,055</u>		<u>2,700,055</u>
<b>LIABILITIES</b>			
Accounts payable	1,000,214		1,000,214
Payable to state government	79,918		79,918
Unearned revenue	3,356		3,356
Accrued interest	96,800		96,800
Noncurrent liabilities:			
Due within one year	1,590,000		1,590,000
Due beyond one year	6,158,888		6,158,888
Net pension liability	<u>9,105,555</u>		<u>9,105,555</u>
Total liabilities	<u>18,034,731</u>		<u>18,034,731</u>
Deferred inflows of resources:			
Deferred inflows related to refunding of debt	308,320		308,320
Deferred inflows related to pensions	<u>1,827,730</u>		<u>1,827,730</u>
Total deferred inflows or resources	<u>2,136,050</u>		<u>2,136,050</u>
<b>NET POSITION</b>			
Net investment in capital assets	22,375,080	23,377	22,398,457
Restricted for:			
Capital reserve	1,412,054		1,412,054
Other purposes	595,943		595,943
Unrestricted (deficit)	<u>(8,508,055)</u>	<u>172,475</u>	<u>(8,335,580)</u>
Total net position	<u>\$ 15,875,022</u>	<u>\$ 195,852</u>	<u>\$ 16,070,874</u>

The accompanying notes to the financial statements are an integral part of this statement.

RIVER DELL REGIONAL SCHOOL DISTRICT  
Statement of Activities  
For the Fiscal Year Ended June 30, 2018

<u>Function/Programs</u>	<u>Expenses</u>	<u>Indirect Expenses Allocation</u>	<u>Program Charge for Services</u>
Governmental activities:			
Instruction:			
Regular	\$ 10,979,523	\$ 8,516,899	\$ -
Special education	2,213,959	1,928,597	
Other special instruction	120,888	104,161	
Other instruction	1,111,531	682,442	
Support services:			
Tuition	1,616,681		
Student and instruction related services	3,681,724	2,391,080	
School administrative services	1,262,361	1,067,783	
General administration services	488,324	281,801	
Central services	504,971	324,449	
Administrative information technology services	516,556	346,646	
Plant operations and maintenance	2,599,078	880,223	
Pupil transportation	650,797	26,148	
Interest on long-term debt	188,291		
Unallocated depreciation	1,349,982		
Total governmental activities	<u>27,284,666</u>	<u>16,550,229</u>	
Business-type activities:			
Food services	<u>315,751</u>		<u>306,141</u>
Total business-type activities	<u>315,751</u>		<u>306,141</u>
Total primary government	<u>\$ 27,600,417</u>		<u>\$ 306,141</u>

Revenues		Net (Expense) Revenue and Changes in Net Position		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ 6,671,068	\$ -	\$ (12,825,354)	\$ -	\$ (12,825,354)
1,471,688		(2,670,868)		(2,670,868)
78,796		(146,253)		(146,253)
516,257		(1,277,716)		(1,277,716)
78,465		(1,538,216)		(1,538,216)
2,142,838		(3,929,966)		(3,929,966)
688,863		(1,641,281)		(1,641,281)
151,217		(618,908)		(618,908)
141,885		(687,535)		(687,535)
262,232		(600,970)		(600,970)
155,025		(3,324,276)		(3,324,276)
66,702		(610,243)		(610,243)
		(188,291)		(188,291)
		(1,349,982)		(1,349,982)
<u>12,425,036</u>		<u>(31,409,859)</u>		<u>(31,409,859)</u>
			<u>(9,610)</u>	<u>(9,610)</u>
			<u>(9,610)</u>	<u>(9,610)</u>
<u>\$ 12,425,036</u>	<u>\$ -</u>	<u>(31,409,859)</u>	<u>(9,610)</u>	<u>(31,419,469)</u>
General revenues:				
Property taxes levied for:				
General purposes		29,486,993		29,486,993
Debt service		1,511,200		1,511,200
Federal and State aid not restricted		669,466		669,466
Tuition received		477,670		477,670
Interest - capital reserve funds		2,870		2,870
Investment earnings		8,114	75	8,189
Miscellaneous income		175,505		175,505
Total general revenues		<u>32,331,818</u>	<u>75</u>	<u>32,331,893</u>
Change in net position		921,959	(9,535)	912,424
Net position - beginning		<u>14,953,063</u>	<u>205,387</u>	<u>15,158,450</u>
Net position - ending		<u>\$ 15,875,022</u>	<u>\$ 195,852</u>	<u>\$ 16,070,874</u>

The accompanying notes to the financial statements are an integral part of this statement.

## **FUND FINANCIAL STATEMENTS**

The individual fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

RIVER DELL REGIONAL SCHOOL DISTRICT  
Governmental Funds  
Balance Sheet  
June 30, 2018

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash	\$ 1,497,866	\$ 125,368	\$ -	\$ 1,623,234
Cash - capital reserve	1,412,054			1,412,054
Accounts receivable:				
State	154,694	2,810		157,504
Other	109,556			109,556
Total assets	\$ 3,174,170	\$ 128,178	\$ -	\$ 3,302,348
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 567,508	\$ 44,904	\$ -	\$ 612,412
Intergovernmental payable:				
State		79,918		79,918
Unearned revenue		3,356		3,356
Total liabilities	567,508	128,178		695,686
<b>Fund balances:</b>				
<b>Restricted for:</b>				
Capital reserve	1,412,054			1,412,054
Reserved for excess surplus	275,000			275,000
Reserved excess surplus - designated for subsequent year's expenditures	275,000			275,000
<b>Committed:</b>				
Year-end encumbrances	44,547			44,547
<b>Assigned:</b>				
Year-end encumbrances	1,396			1,396
Unassigned	598,665			598,665
Total fund balances	2,606,662			2,606,662
Total liabilities and fund balances	\$ 3,174,170	\$ 128,178	\$ -	

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 costs of the assets are \$47,674,908 and the accumulated depreciation is \$17,631,508.	30,043,400
Accrued interest is not due and payable in the current period, and therefore, is not reported as a liability in the funds.	(96,800)
Deferred outflows related to pensions.	2,700,055
Accounts payable related to the April 1, 2019 required PERS pension contribution that is not liquidated with current financial resources.	(387,802)
Bond issuance premium is recorded as revenue in the Governmental Funds in the year of receipt. The original premium is \$1,512,718 and accumulated amortization of \$1,204,398.	(308,320)
Deferred inflows related to pensions.	(1,827,730)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported as liabilities in the funds. (See Note 8)	(7,748,888)
Net pension liability.	(9,105,555)
Net position of governmental activities	\$ 15,875,022

The accompanying notes to the financial statements are an integral part of this statement.

RIVER DELL REGIONAL SCHOOL DISTRICT  
Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>				
Local sources:				
Local tax levy	\$ 29,486,993	\$ -	\$ 1,511,200	\$ 30,998,193
Tuition	477,670			477,670
Interest - capital reserve funds	2,870			2,870
Interest earned on investments	8,114			8,114
Miscellaneous	<u>175,505</u>	<u>2,000</u>		<u>177,505</u>
Total revenues - local sources	30,151,152	2,000	1,511,200	31,664,352
State sources	5,388,383	413,713		5,802,096
Federal sources		<u>439,379</u>		<u>439,379</u>
Total revenues	<u>35,539,535</u>	<u>855,092</u>	<u>1,511,200</u>	<u>37,905,827</u>
<b>EXPENDITURES:</b>				
Current expense:				
Regular instruction	10,701,180	278,343		10,979,523
Special education instruction	2,213,959			2,213,959
Other special instruction	120,888			120,888
Other instruction	1,111,531			1,111,531
Support services and undistributed costs:				
Tuition	1,538,216	78,465		1,616,681
Student and instruction related services	3,195,403	486,321		3,681,724
School administration services	1,262,361			1,262,361
General administration services	488,324			488,324
Central services	504,971			504,971
Administrative information technology services	516,556			516,556
Plant operations and maintenance	2,599,078			2,599,078
Pupil transportation	650,797			650,797
Employee benefits	9,419,980	11,963		9,431,943
Capital outlay	2,078,756			2,078,756
Debt service:				
Principal			1,170,000	1,170,000
Interest			<u>341,200</u>	<u>341,200</u>
Total expenditures	<u>36,402,000</u>	<u>855,092</u>	<u>1,511,200</u>	<u>38,768,292</u>
Net change in fund balances	(862,465)			(862,465)
Fund balances - July 1	<u>3,469,127</u>			<u>3,469,127</u>
Fund balances - June 30	<u>\$ 2,606,662</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,606,662</u>

The accompanying notes to the financial statements are an integral part of this statement.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2018

Total net change in fund balances - governmental funds (from B-2) \$ (862,465)

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

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

Depreciation	\$ (1,349,982)	
Capital outlays	<u>2,078,756</u>	728,774

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities. 1,170,000

Governmental funds report District pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the District's pension contributions in the current period. (353,429)

In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an increase in the reconciliation. 15,389

Sub-total 698,269

The accompanying notes to the financial statements are an integral part of this statement.



RIVER DELL REGIONAL SCHOOL DISTRICT  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2018

	Balance forward	\$ 698,269
<p>Proceeds from debt issues are a financing source in the governmental funds. Proceeds are not revenue in the Statement of Activities; issuing debt increases long-term liabilities in the Statement of Net Position.</p>		
Amortization of deferred amounts on refunding		137,520
<p>In the Statement of Activities, certain operating expenses, e.g., compensated absences (vacations and sick days) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the amount earned, the difference is an addition to the reconciliation.</p>		
		<u>86,170</u>
Change in net position of governmental activities	\$	<u><u>921,959</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Proprietary Funds  
 Statement of Net Position  
 June 30, 2018

	<u>Business-type            Activities -            Enterprise Funds</u> <u>Food            Services</u>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 153,929
Accounts receivable	
Other	17,540
Inventories	<u>1,006</u>
Total current assets	<u>172,475</u>
Noncurrent assets:	
Furniture, machinery and equipment	177,006
Less: accumulated depreciation	<u>153,629</u>
Total noncurrent assets	<u>23,377</u>
Total assets	<u>195,852</u>
 <b>NET POSITION</b>	
Investment in capital assets	23,377
Unrestricted	<u>172,475</u>
Total net position	<u>\$ 195,852</u>

The accompanying notes to the financial statements are an integral part of this statement.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Proprietary Funds  
 Statement of Revenues, Expenses and Changes in Net Position  
 For the Fiscal Year Ended June 30, 2018

	<u>Business-type            Activities -            Enterprise Funds</u> <u>Food            Services</u>
OPERATING REVENUES:	
Charges for services:	
Daily sales - non-reimbursable programs	\$ <u>306,141</u>
Total operating revenues	<u>306,141</u>
OPERATING EXPENSES:	
Salaries	118,056
Payroll taxes	15,909
Employee benefits	29,891
Management and administrative fees	18,719
Insurance	6,427
Supplies	6,342
Rent	1,500
Repairs	82
Outside services	4,775
Miscellaneous	6,083
Depreciation	2,999
Cost of sales - non-reimbursable program	<u>104,968</u>
Total operating expenses	<u>315,751</u>
Operating loss	<u>(9,610)</u>
Nonoperating revenues:	
Other sources:	
Interest revenue	<u>75</u>
Total nonoperating revenues	<u>75</u>
Change in net position	(9,535)
Total net position - July 1	<u>205,387</u>
Total net position - June 30	<u><u>\$ 195,852</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Proprietary Funds  
 Statement of Cash Flows  
 For the Fiscal Year Ended June 30, 2018

	Business-type Activities - <u>Enterprise Funds</u> Food <u>Services</u>
Cash flows from operating activities:	
Receipts from customers	\$ 306,141
Payments to employees	(118,056)
Payment for payroll taxes and employee benefits	(45,800)
Payments to suppliers	<u>(162,956)</u>
Net cash used by operating activities	<u>(20,671)</u>
Cash flows from investing activities:	
Interest on investments	<u>75</u>
Net cash provided by investing activities	<u>75</u>
Net decrease in cash	(20,596)
Cash - July 1	<u>174,525</u>
Cash - June 30	<u><u>\$ 153,929</u></u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ <u>(9,610)</u>
Adjustments not affecting cash:	
Depreciation	2,999
Change in assets and liabilities:	
Decrease in accounts receivable, net	(13,875)
Decrease in inventories	<u>(185)</u>
Total adjustments	<u>(11,061)</u>
Net cash used by operating activities	<u><u>\$ (20,671)</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Fiduciary Funds  
 Statement of Fiduciary Net Position  
 June 30, 2018

	<u>Private Purpose Scholarship Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Agency Funds</u>
<b>ASSETS</b>			
Cash	\$ <u>93,887</u>	\$ <u>193,136</u>	\$ <u>257,044</u>
Total assets	<u>93,887</u>	<u>193,136</u>	<u>\$ 257,044</u>
<b>LIABILITIES</b>			
Accounts payable	-	528	\$ -
Payroll deductions and withholdings			14,711
Due to student groups			<u>242,333</u>
Total liabilities		<u>528</u>	<u>\$ 257,044</u>
<b>NET POSITION</b>			
Held in trust for unemployment claims		<u>\$ 192,608</u>	
Held in trust for scholarships	<u>\$ 93,887</u>		

The accompanying notes to the financial statements are an integral part of this statement.

RIVER DELL REGIONAL SCHOOL DISTRICT  
Fiduciary Funds  
Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2018

	Private Purpose Scholarship Trust	Unemployment Compensation Trust
	<u>          </u>	<u>          </u>
ADDITIONS:		
Contributions:		
Other	\$ 24,280	\$ -
Plan member		24,861
	<u>          </u>	<u>          </u>
Total contributions	24,280	24,861
	<u>          </u>	<u>          </u>
Investment earnings:		
Interest	247	483
	<u>          </u>	<u>          </u>
Net investment earnings	247	483
	<u>          </u>	<u>          </u>
Total additions	24,527	25,344
	<u>          </u>	<u>          </u>
DEDUCTIONS:		
Scholarship/award payments	51,600	
Unemployment claims and fees		28,832
	<u>          </u>	<u>          </u>
Total deductions	51,600	28,832
	<u>          </u>	<u>          </u>
Change in net position	(27,073)	(3,488)
Net position - July 1	120,960	196,096
	<u>          </u>	<u>          </u>
Net position - June 30	\$ 93,887	\$ 192,608
	<u>          </u>	<u>          </u>

The accompanying notes to the financial statements are an integral part of this statement.

## **NOTES TO FINANCIAL STATEMENTS**

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity:**

The River Dell Regional School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board of Education (the "Board") consists of nine members elected to three-year terms 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. The purpose of the District is to educate students in grades 7 - 12. 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 River Dell Regional School District, 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; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) 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. Recent Accounting Standards:**

During fiscal year 2018 the District adopted the following GASB statements:

- *GASB No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* - effective with 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 provided by other entities.



**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Recent Accounting Standards (Continued):**

- GASB No. 85, *Omnibus 2017* - effective with the fiscal year ending June 30, 2018. The objective of this Statement is to address various issues related to blending component units, goodwill, fair value measurement, and the timing of measurement of postemployment benefits recognized in the financial statements.
- GASB No. 86, *Certain Debt Extinguishment Issues* - 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 extinguished debt and notes to financial statements for debt that is in substance defeased.

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

- GASB No. 83, *Certain Asset Retirement Obligations* - effective with the fiscal year ending June 30, 2019. This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A Government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.
- 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 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom the fiduciary relationship exists.
- 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.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Recent Accounting Standards (Continued):

- GASB No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* - will be effective with the fiscal year ended June 30, 2019. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistently provided. In addition, information about resources to liquidate debt and the risks associated in changes in terms associated with debt will be disclosed.
  
- GASB No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* - will be effective with the fiscal year ended June 30, 2021. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement will improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.

Management has not yet determined the impact of implementing these pronouncements.

C. Basis of Presentation:

The District's basic financial statements consist of District-Wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

*District-Wide Statements:* The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Presentation (Continued):**

The Statement of Net Position presents the financial condition of the governmental and business-type activities of the District at fiscal year end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

*Fund Financial Statements:* During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental, proprietary, and fiduciary* are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings and the purchase of built-in equipment. These resources cannot be transferred from and to current expense without Board resolution and NJDOE approval.

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenue from State and Federal Governments, (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Presentation (Continued):**

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the District's voters as a separate question on the ballot either during the annual election or at a special election and from state aid through economic development grants other than those financed by the proprietary fund.

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

The District reports the following proprietary funds:

Enterprise Fund: The enterprise fund accounts for all revenues and expenses pertaining to the District's food service (cafeteria) operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges.

The District reports the following fiduciary funds:

Private Purpose Scholarship Funds: The District maintains funds from donations to provide scholarship awards.

Unemployment Compensation Insurance Trust Fund: The District maintains a fund to pay for employees' unemployment claims.

Agency Funds: The agency funds are used to account for assets held by the District in a trustee capacity or as an agent for outside parties including other governments on behalf of other funds within the District. Agency funds include payroll, payroll agency and student activity funds.

**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.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

*District-Wide, Proprietary, and Fiduciary Fund 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. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". 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:* Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are no longer voted on by the electorate. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f) 1.

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 this 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 and going forward. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general election in accordance with the law.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets/Budgetary Control (Continued):

All budget amendments/transfers must be approved by School Board resolution and may be made at any time during the fiscal year, as long as the “transfer from” does not exceed 10% of the original line item budget, is not going to an administrative account, and is not going to or from capital outlay construction of facilities. If a transfer is anticipated to exceed 10%, the District must obtain NJDOE approval prior to making the transfer. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining capital project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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

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

F. Encumbrance Accounting:

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year-end.

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

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Cash:

Cash includes cash in banks and money market accounts.

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of New Jersey's 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 District's deposits are insured through the Federal Deposit Insurance Corporation (FDIC), or GUDPA. The District 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 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds for all deposits not covered by the FDIC. Bank balances are insured up to \$250,000 in aggregate by FDIC for each bank.

Receivables and Allowance for Uncollectible Accounts:

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. No allowance for uncollectible accounts has been recorded, as all amounts are considered collectible.

Inventories:

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

Inventories in the proprietary funds are valued at cost, which approximates market, using the first-in first-out (FIFO) method.

Short-Term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

Capital Assets:

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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, including assets acquired under capital leases, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The District does not possess any infrastructure.

All reported capital assets, except for land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Site improvements	20
School buildings and building improvements	45-50
Vehicles	8
Office, computer, instructional, and grounds equipment	5-15

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

Deferred Outflows/Inflows of Resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item which arises only under the accrual basis of accounting that qualifies for reporting in this category. The one 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 government-wide statement of net position and results from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investment; (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.



**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Deferred Outflows/Inflows of Resources (Continued):

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items which arose only under the accrual basis of accounting that qualifies for reporting in this category. One 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; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. The amount is deferred and amortized over future years. The other item that qualifies for reporting in this category is the deferred amounts on refunding of debt which results from the gain on a debt refunding reported in the government-wide Statement of Net Position. Deferred amounts on debt refunding result from the gain on the transaction when the carrying value of the refunded debt is greater than the debt's reacquisition price. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt.

Unearned Revenue:

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are recorded as unearned revenue.

Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the District-Wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Accrued Salaries and Wages:

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2018, the amounts earned by these employees were disbursed to the employees' own individual accounts.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Compensated Absences:

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

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

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.

District-Wide Net Position:

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Balance:

Fund balance categories are designed to make the nature and extent of the constraints placed on a government's fund balance more transparent. These categories are comprised of 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.

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.

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures - This restriction was created in accordance with N.J.S.A. 18A:7F-7 to represent the June 30, 2017 audited excess surplus that was appropriated in the 2018/2019 original budget certified for taxes.

Reserved Excess Surplus - This restriction was created in accordance with N.J.S.A. 18A:7F-7 to represent the June 30, 2018 audited excess surplus that is required to be appropriated in the 2019/2020 original budget certified for taxes.

Capital Reserve - This restriction was created by the District in accordance with N.J.A.C. 6A:23A 14.1 to fund future capital expenditures (See Note 13).

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

Debt Service - Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

Committed Fund Balance - Amounts constrained to specific purposes by an entity itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the entity 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 Education 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, 2018.

Assigned Fund Balance - Amounts the entity intends to use for a specific purpose; intent can be expressed by the Board of Education or by an official or body to which the Board of Education delegates the authority.

Year-End Encumbrances - Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30, 2018.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Unassigned Fund Balance - Represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund.

H. Revenues and Expenditures/Expenses:

Revenues - Exchange and Nonexchange Transactions:

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Interfund Transactions:

Transfers between governmental and business-type activities on the District-Wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Revenues and Expenditures/Expenses (Continued):

Tuition:

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.

Tuition Expenditures - Tuition charges for the fiscal year 2017-2018 were based on rates established by the receiving district or private school for the disabled. These rates are subject to change when the actual costs have been certified by the state.

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.

I. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, pension, workers compensation, compensated absences, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

J. Extraordinary and Special Items:

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

K. Management Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS**

Due to differences in the measurement focus and basis of accounting used on the governmental fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

**NOTE 3. CASH**

As of June 30, 2018, cash and restricted cash of the District consisted of \$3,189,217 in checking and money market accounts. The District has no bank deposits that are uninsured, unregistered or uncollateralized, including any deposits that are collateralized with securities held by the pledging public depository or by its trust department or agent but not in the District's name.

**Custodial Credit Risk - Deposits:**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a deposit policy for custodial credit risk. As of June 30, 2018, the District's bank balances of \$3,568,354 was not exposed to custodial credit risk, as the District's deposits are primarily in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. See Note 1.

**NOTE 4. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

There were no interfund balances remaining on the fund financial statements at June 30, 2018. There were no interfund transfers during the year ended June 30, 2018.

**NOTE 5. RECEIVABLES**

Receivables at June 30, 2018, consisted of accounts (fees for service), reimbursements, and intergovernmental State activities. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Amount
Governmental activities	
General fund:	
State	\$ 154,694
Other	109,556
Special Revenue fund:	
State	2,810
Total governmental activities	267,060
Business-type activities:	
Other	17,540
Total receivables	\$ 284,600

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 6. INVENTORIES**

Inventories in the food service fund at June 30, 2018, consisted of the following:

Food and Supplies	\$ 1,006
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**NOTE 7. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2018, was as follows:

	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 216,520	\$ -	\$ -	\$ 216,520
Total capital assets not being depreciated	216,520			216,520
<i>Capital assets being depreciated:</i>				
Site improvements	7,009,195			7,009,195
Building and building improvements	34,836,237	2,017,468		36,853,705
Machinery and equipment	3,534,200	61,288		3,595,488
Totals at historical cost	45,379,632	2,078,756		47,458,388
Less accumulated depreciation for:				
Site improvements	3,670,095	360,212		4,030,307
Building and improvements	10,474,312	762,085		11,236,397
Equipment	2,137,119	227,685		2,364,804
Total accumulated depreciation	16,281,526	1,349,982		17,631,508
Total capital assets being depreciated, net of accumulated depreciation	29,098,106	728,774		29,826,880
Government activity capital assets, net	\$ 29,314,626	\$ 728,774	\$ -	\$ 30,043,400
Business-type activities:				
Equipment	\$ 177,006	\$ -	\$ -	\$ 177,006
Less accumulated depreciation	150,630	2,999		153,629
Business-type activities capital assets, net	\$ 26,376	\$ (2,999)	\$ -	\$ 23,377

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 7. CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions as follows:

Governmental Activities:	
Unallocated	\$ 1,349,982
Business Type Activities:	
Food Services	<u>2,999</u>
Total	<u>\$ 1,352,981</u>

**NOTE 8. LONG-TERM OBLIGATIONS**

During the fiscal year ended June 30, 2018, the following changes occurred in long-term obligations:

	Balance, June 30, 2017	Increases	Decreases	Balance June 30, 2018	Amounts Due Within One Year
Bonds payable	\$ 8,530,000	\$ -	\$ (1,170,000)	\$ 7,360,000	\$ 1,235,000
Net pension liability	11,536,732		(2,431,177)	9,105,555	
Compensated absences payable	<u>475,058</u>		<u>(86,170)</u>	<u>388,888</u>	<u>355,000</u>
	<u>\$ 20,541,790</u>	<u>\$ -</u>	<u>\$ (3,687,347)</u>	<u>\$ 16,854,443</u>	<u>\$ 1,590,000</u>

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

- A. **General Obligation Bonds** - Bonds are authorized in accordance with State law by the voters of the municipality through referendums, to provide funds for the acquisition and construction of major capital facilities. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

On March 1, 2004, the District issued \$21,982,000 general obligation bonds at interest rates varying from 3.25% to 4.25% for various construction and renovation projects, however, these bonds were refunded on March 1, 2013 at an interest rate of 4%. The final maturity of these bonds is March 1, 2024.

Interest paid on debt issued by the District is exempt from federal income tax.



**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8. LONG-TERM OBLIGATIONS (CONTINUED)**

B. Debt Service Requirements - Debt service requirements on general obligation serial bonds payable at June 30, 2018, are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 1,235,000	\$ 294,400	\$ 1,529,400
2020	1,235,000	245,000	1,480,000
2021	1,230,000	195,600	1,425,600
2022	1,225,000	146,400	1,371,400
2023	1,220,000	97,400	1,317,400
2024	1,215,000	48,600	1,263,600
	<u>\$ 7,360,000</u>	<u>\$ 1,027,400</u>	<u>\$ 8,387,400</u>

C. Bonds Authorized But Not Issued - The District has no authorized but not issued bonds at June 30, 2018.

**NOTE 9. PENSION PLANS**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems covering substantially all eligible District employees: The Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). TPAF is considered a cost-sharing multiple-employer plan, with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. PERS is considered a cost-sharing multiple-employer plan.

*Descriptions of Systems*

*Teachers' Pension and Annuity Fund (TPAF)* - The Teachers' Pension and Annuity Fund was 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 health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60 and 62, respectively, with an annual benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60<sup>th</sup> of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 9. PENSION PLANS (CONTINUED)**

*Descriptions of Systems (Continued)*

*Public Employees' Retirement System (PERS)* - The Public Employees' Retirement System was established as of January 1, 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, and to any county, municipality, school board, charter school, or public agency, provided the employee is not required to be a member of another state-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60 and 62, respectively, with an annual benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60<sup>th</sup> of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions). 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 also sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees, which include those District 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.

**Supplemental Annuity Collective Trust Fund (SACT)**

The State established and administers a 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.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 9. PENSION PLANS (CONTINUED)**

*Funding Policy*

*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 7.34% for PERS and 7.34% for TPAF. Additional increases will be phased in over the next few years that will bring the total pension contribution rate to 7.5% of employees' annual compensation. In the DCRP, employee contributions are 5.5% of employees' annual compensation.

*Annual Pension Costs*

For the fiscal year ended June 30, 2018, the TPAF annual pension cost differs from the annual required contribution. For PERS, 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 District. PERS employer contributions are made annually by the District to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, member contributions are matched by a 3% employer contribution.

During the fiscal years ended June 30, 2018, 2017 and 2016, the District was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF, respectively for normal pension costs and accrued liability contributions (including non-contributory group life insurance (NCGI) the following amounts:

Fiscal Year Ended June 30,	PERS	On-Behalf TPAF	DCRP
2018	\$ 362,367	\$ 2,119,440	\$ 2,186
2017	346,052	1,655,848	2,072
2016	326,528	1,100,083	2,249

In addition, for fiscal year ended June 30, 2018, the District contributed \$4,537 for PERS and the State contributed \$2,474 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) and the district-wide financial statements (accrual basis) as both a revenue and expenditure in accordance with GASB No. 85. 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 \$1,059,094 during the fiscal year ended June 30, 2018, 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. 85.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 9. PENSION PLANS (CONTINUED)**

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

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

*Public Employee's Retirement System*

At June 30, 2018, the District reported a liability of \$9,105,555 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2016, which was rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the District's proportion was .01861162%, which was a decrease of .00093957% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized full accrual pension expense of \$715,793 in the district-wide financial statements. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between expected and actual experience	\$ 214,404	\$ -
Changes of assumptions	1,834,456	1,827,730
Net difference between projected and actual earnings on pension plan investments	62,003	
Changes in proportion and differences between District contribution and proportionate share of contributions	201,390	
District contributions subsequent to the measurement date	<u>387,802</u>	
Total	<u>\$ 2,700,055</u>	<u>\$ 1,827,730</u>

\$387,802 is reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 9. PENSION PLANS (CONTINUED)**

**Public Employee's Retirement System (Continued)**

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

<u>Year Ending June 30,</u>	
2018	\$ 773,276
2019	560,036
2020	332,659
2021	(444,746)
2022	<u>(348,900)</u>
Total	<u>\$ 872,325</u>

***Actuarial Assumptions***

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following key actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.25%
Salary increases:	
Through 2026	1.65 - 4.15%
Thereafter	Based on age 2.65 - 5.15%
	Based on age
Investment rate of return	7.00%

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that the future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

***Mortality Rates***

Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Tables (setback 3 years for males and set forward 1 year for females).

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 9. PENSION PLANS (CONTINUED)**

**Public Employee's Retirement System (Continued)**

*Long-Term Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	<u>8.25%</u>	13.08%
	<u>100.00%</u>	

*Discount Rate*

The discount rate used to measure the total pension liability for PERS was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 9. PENSION PLANS (CONTINUED)**

*Public Employee's Retirement System (Continued)*

The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040.

Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

***Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate***

The following presents the District's proportionate share of the net pension liability as of June 30, 2017, calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.00%) or 1-percentage-point higher (6.00%) than the current rate:

	At 1% Decrease (4.00%)	At Current Discount Rate (5.00%)	At 1% Increase (6.00%)
District's proportionate share of the PERS net pension liability	\$ 10,924,468	\$ 9,105,555	\$ 7,592,138

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

*Additional Information*

Collective balances at June 30, 2017 are as follows:

Collective deferred outflows of resources	\$ 9,501,490,051
Collective deferred inflows of resources	8,303,360,412
Collective net pension liability - local group	23,278,401,588
District's proportion	0.01861162%

The components of the net pension liability of the participating employers for PERS as of June 30, 2017, are as follows:

	State	Local	Total
Total pension liability	\$ 32,535,896,852	\$ 44,852,367,051	\$ 77,388,263,903
Plan fiduciary net position	6,890,274,055	21,573,965,463	28,464,239,518
	\$ 25,645,622,797	\$ 23,278,401,588	\$ 48,924,024,385
District's net pension liability (as reported on June 30, 2017)			\$ 9,105,555

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 9. PENSION PLANS (CONTINUED)**

*Public Employee's Retirement System (Continued)*

Collective pension expense for the Local Group for the measurement period ended June 30, 2017 is \$1,679,030,145.

The average of the expected remaining service lives of all employees that are provided with pension benefits through the pension plan (active and inactive employees) is 5.48, 5.57, 5.72 and 6.44 years for 2017, 2016, 2015 and 2014, respectively.

*Teachers' Pensions and Annuity Fund*

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

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2017 was \$99,255,840. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2016, which was rolled forward to June 30, 2017. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and charter schools, actuarially determined. At June 30, 2017, the State's proportionate share of the TPAF net pension liability associated with the District was .14721230%, which was an increase of .00981161% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized on-behalf pension expense and revenue in the District-wide financial statements of \$6,875,942 for contributions incurred by the State.

*Actuarial Assumptions*

The actuarial valuation used the following assumptions, applied to all periods included in the measurement.

Inflation rate	2.25%
Salary increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.00%



**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 9. PENSION PLANS (CONTINUED)**

**Teachers' Pensions and Annuity Fund (Continued)**

*Mortality Rates*

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953-2013.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

*Long-Term Expected Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	<u>8.25%</u>	13.08%
	<u>100.00%</u>	

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 9. PENSION PLANS (CONTINUED)**

*Teachers' Pensions and Annuity Fund (Continued)*

*Discount Rate*

The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate of the most recent fiscal year. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate*

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2017, calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage point lower (3.25%) or 1-percentage point higher (5.25%) than the current rate:

	<u>At 1% Decrease (3.25%)</u>	<u>At Current Discount Rate (4.25%)</u>	<u>At 1% Increase (5.25%)</u>
State's proportionate share of the net pension liability associated with the District	<u>\$ 117,919,051</u>	<u>\$ 99,255,840</u>	<u>\$ 83,881,005</u>

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

*Pension Plan Fiduciary Net Position*

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

*Additional Information*

Collective deferred outflows of resources	\$	14,353,461,035
Collective deferred inflows of resources		11,992,821,439
Collective net pension liability, nonemployer		67,423,605,859
District's proportion		0.14721230%

Collective pension expense for the plan measurement period ended June 30, 2017 is \$4,688,207,089.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

General Information about the OPEB Plan:

*Plan description and benefits provided*

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

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or county college with 25 years of service.

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.

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

*Plan Membership*

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2016:

Active plan members	223,747
Inactive plan members or beneficiaries currently receiving benefits	142,331
Inactive plan members entitled to but not yet receiving benefits	-
	366,078
	366,078

*Post-Retirement Medical Benefits Contributions*

At June 30, 2018, the following employees were covered by the benefit terms:

TPAF participant retirees - As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits, and the State contributed \$1.39 billion on their behalf.

PERS participant retirees - The State paid \$238.9 million toward Chapter 126 benefits for 20,913 eligible retired members in Fiscal Year 2017.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

*Total OPEB liability*

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the District. Note that actual numbers will be published in the NJ State's CAFR (<https://www.nj.gov/treasury/omb/publications/archives.shtml>).

*Actuarial assumptions and other imputes*

The total OPEB liability in the June 30, 2017 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%		
Salary increases:	TPAF/ABP	PERS	PFRS
Through 2026	1.55%-4.55% based on years of service	2.15%-4.15% based on age	2.10%-8.98% based on age
Thereafter	2.00%-5.45% based on years of service	3.15%-5.15% based on age	3.10%-9.98% based on age
Discount rate	3.58%		

The discount rate was based on the Bond Buyer Go 20-Bond Municipal Bond Index.

Health Care Trend Assumptions - For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Part B reimbursement the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015 and July 1, 2011 - June 30, 2014 for TPAF and PERS, respectively.

Retirees' share of benefit related cost                      1.5% of projected health insurance premiums for retirees

Changes in the Total OPEB Liability reported by the State of New Jersey:

	Total OPEB Liability
Balance at 6/30/2016	\$ 57,831,784,184
Changes for the year:	
Service cost	2,391,878,884
Interest cost	1,699,441,736
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	(7,086,599,129)
Contributions: members	45,748,749
Gross benefit payments	(1,242,412,566)
Balance at 6/30/2017	\$ 53,639,841,858

There were no changes of assumptions in benefit terms.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85% percent in 2016 to 3.58% percent in 2017.

*Sensitivity of the total OPEB liability to changes in the discount rate*

The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	At 1% Decrease (2.58%)	At Current Discount Rate (3.58%)	At 1% Increase (4.58%)
Total OPEB liability (school retirees)	\$ 63,674,362,200	\$ 53,639,841,858	\$ 45,680,364,953

*Sensitivity of the total OPEB liability to changes in the healthcare cost trends*

The following presents the total OPEB liability of the State, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Trend Rates	1% Increase
Total OPEB liability (school retirees)	\$ 44,113,584,560	\$ 53,639,841,858	\$ 66,290,599,457

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*  
For the year ended June 30, 2018, the District recognized OPEB revenue and expense of \$3,463,426 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75 the District's proportionate share of school retirees OPEB is zero, and there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between expected and actual experience	\$ -	\$ -
Net difference between expected and actual earnings on OPEB plan investments	-	-
Assumption changes		(6,343,769,032)
Contributions made in fiscal year ending 2018 after June 30, 2017 measurement date	<u>1,190,373,242</u>	
Total	<u>\$ 1,190,373,242</u>	<u>\$ (6,343,769,032)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	
2018	\$ (742,830,097)
2019	(742,830,097)
2020	(742,830,097)
2021	(742,830,097)
2022	(742,830,097)
Thereafter	<u>(2,629,618,547)</u>
Total	<u>\$ (6,343,769,032)</u>

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 11. COMPENSATED ABSENCES**

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

District employees who are employed under a ten-month contract are entitled to ten paid sick leave days per fiscal school year. District employees who are employed under a twelve-month contract are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. For employees who have not less than ten (10) years of service in the District, the District shall pay, with certain limitations, the employee for unused sick leave in accordance with the District's agreements with the various employee unions. Vacation days not used during the year may only be carried forward with approval from the Superintendent. See Note 1(G) for additional information.

The liability for vested compensated absences of the governmental fund types is recorded in the current and long-term liabilities.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2018, a liability did not exist for compensated absences in the enterprise funds.

**NOTE 12. DEFERRED COMPENSATION**

The District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows: AXA Equitable Life Insurance Company, Lincoln Investment Planning, Oppenheimer Shareholder Services, Aspire Financial Services, and Vanguard Fiduciary Trust Co.

**NOTE 13. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Board of Education on September 25, 2000, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity will be included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 13. CAPITAL RESERVE ACCOUNT (CONTINUED)**

Pursuant to N.J.A.C. 6A:23-2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the fiscal year July 1, 2017 to June 30, 2018 is as follows:

Beginning balance, July 1, 2017	\$	2,252,374
Increased by:		
Interest earnings		2,870
Deposit approved by board resolution June 4, 2018		<u>1,101,882</u>
Decreased by:		
Withdrawals through 2017-18 budget		(1,686,340)
Withdrawals through Board Resolution		<u>(258,732)</u>
Ending balance, June 30, 2018	\$	<u><u>1,412,054</u></u>

The June 30, 2018 LRFP balance of local support costs of uncompleted capital projects is approximately \$3,480,000.

**NOTE 14. NET POSITION - UNRESTRICTED (DEFICIT)**

As reflected on Exhibit A-1, Statement of Net Position, a deficit in unrestricted net position of \$8,508,055 existed as of June 30, 2018, for governmental activities. The primary cause of this deficit is the recognition of the net pension liability, as well as the District not recognizing the receivable for state aid payments and the recording of the long-term liability for compensated absences. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net Position, such liabilities are required to be recorded in the period in which they are incurred.

However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place, and pension costs are recorded when due. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

The deficit is a result of the following:

Unassigned fund balance (Exhibit C-1)	\$	662,080
Unrecognized state aid payments for 2017-2018		(63,415)
Compensated absences payable		(388,888)
Accrued interest payable		(96,800)
State net pension liability and related deferred outflows and inflows		<u>(8,621,032)</u>
Unrestricted net position (deficit) (Exhibit A-1)	\$	<u><u>(8,508,055)</u></u>



**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 15. TRANSFERS FOR CAPITAL OUTLAY AND GENERAL FUND**

During the year ending June 30, 2018, the District transferred \$258,732 to Capital Outlay construction services. The transfer was made from the capital reserve account to supplement a capital project previously approved in the original advertised budget certified for taxes pursuant to N.J.A.C. 6A:23A-8.4. Additionally, the District transferred \$83,651 to Capital Outlay equipment to cover additional costs for equipment.

**NOTE 16. FUND BALANCE APPROPRIATED**

General Fund - Of the \$2,606,662 general fund balance in the fund financial statements at June 30, 2018, \$45,943 is reserved for encumbrances; \$550,000 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$275,000 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2019); \$1,412,054 has been reserved in the Capital Reserve Account; and \$598,665 is unassigned. At the December 18, 2017 meeting, the Board authorized and approved appropriations of \$8,526 from general fund balance from 2017 additional nonpublic school transportation aid.

Debt Service Fund - There is no balance at June 30, 2018.

**NOTE 17. CALCULATION OF EXCESS SURPLUS**

The designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2018 is \$275,000.

**NOTE 18. CONTINGENCIES**

The District is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material effect on the financial position of the District or will be covered under the District's insurance policies.

The District is a participant, together with other school districts, in a joint insurance workers' compensation trust. In the event that claims against the trust exceed annual revenues, the District would be obligated to contribute its ratable share of the losses to pay the liability.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 19. RISK MANAGEMENT**

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

**Property, Liability, and Workers' Compensation Insurance**

The District also participates, together with other school districts, in a joint insurance workers compensation trust (See Note 18). A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**New Jersey Unemployment Compensation Insurance**

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017-2018	\$ -	\$ 24,861	\$ 28,832	\$ 192,608
2016-2017	30,000	24,564	39,106	196,096
2015-2016	-	24,434	29,651	180,432

**NOTE 20. OTHER MATTERS**

The District participates in federal and state financial assistance grant programs. Expenditures financed by such assistance are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2018, significant amounts of grant expenditures have not been audited, but the District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the District. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

## **BUDGETARY COMPARISON SCHEDULES**

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2018

	2018			Variance
	Original Budget	Budget Transfers	Final Budget	Final to Actual
<b>REVENUES:</b>				
Local sources:				
Local tax levy	\$ 29,486,993	\$ -	\$ 29,486,993	\$ 29,486,993
Tuition	420,000		420,000	477,670
Interest - capital reserve funds	300		300	2,870
Interest on investments				8,114
Miscellaneous	350,000		350,000	175,505
<b>Total - local sources</b>	<b>30,257,293</b>		<b>30,257,293</b>	<b>(106,141)</b>
State sources:				
Transportation aid	38,594		38,594	38,594
Extraordinary aid	175,000		175,000	77,483
Special education categorical aid	568,022	68,161	636,183	636,183
Security aid	29,095		29,095	29,095
Other state aids	49,992		49,992	75,030
On-behalf TPAF pension - normal contribution (non-budgeted)				2,069,225
On-behalf TPAF pension - non-contributory insurance (non-budgeted)				50,215
On-behalf TPAF - post retirement medical contributions (non-budgeted)				1,368,901
On-behalf TPAF - long-term disability insurance (non-budgeted)				2,474
Reimbursed TPAF social security contributions (non-budgeted)				1,059,094
<b>Total - state sources</b>	<b>860,703</b>	<b>68,161</b>	<b>928,864</b>	<b>4,477,430</b>
<b>Total revenues</b>	<b>31,117,996</b>	<b>68,161</b>	<b>31,186,157</b>	<b>4,371,289</b>

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2018

	2018				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Regular programs - instruction:					
Salaries of teachers:	\$ 3,186,068	\$ (2,317)	\$ 3,183,751	\$ 3,137,816	\$ 45,935
Grades 6-8	6,660,142	(229,274)	6,430,868	6,397,859	33,009
Grades 9-12					
Home instruction - regular programs:					
Salaries of teachers	21,000	(2,500)	18,500	10,004	8,496
Purchased professional - educational services	12,500	2,500	15,000	9,170	5,830
Regular programs - undistributed instruction:					
Other salaries for instruction	107,822	7,881	115,703	113,310	2,393
Purchased professional - educational services	1,850	(800)	1,050		1,050
Other purchased services	589,730	(25,595)	564,135	539,469	24,666
General supplies	306,449	135,562	442,011	409,725	32,286
Textbooks	97,590	(9,092)	88,498	81,697	6,801
Other objects	3,899	170	4,069	2,130	1,939
<b>Total regular programs - instruction</b>	<b>10,987,050</b>	<b>(123,465)</b>	<b>10,863,585</b>	<b>10,701,180</b>	<b>162,405</b>
<b>Special education - instruction:</b>					
Learning and/or language disabilities:					
Salaries of teachers	232,291	420	232,711	230,187	2,524
Other salaries for instruction	208,614	(87,657)	120,957	115,620	5,337
General supplies	1,601		1,601	1,159	442
<b>Total learning and/or language disabilities</b>	<b>442,506</b>	<b>(87,237)</b>	<b>355,269</b>	<b>346,966</b>	<b>8,303</b>
<b>Resource room/resource center:</b>					
Salaries of teachers	1,699,451	137,723	1,837,174	1,836,882	292
Other salaries for instruction	23,667	(1,109)	22,558	22,557	1
General supplies	8,650	(550)	8,100	7,554	546
<b>Total resource room/resource center</b>	<b>1,731,768</b>	<b>136,064</b>	<b>1,867,832</b>	<b>1,866,993</b>	<b>839</b>
<b>Total special education - instruction</b>	<b>2,174,274</b>	<b>48,827</b>	<b>2,223,101</b>	<b>2,213,959</b>	<b>9,142</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2018

	2018				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Basic skills/remedial - instruction:					
General supplies	\$ 650	\$ (231)	\$ 419	\$ 370	\$ 49
Total basic skills/remedial - instruction	650	(231)	419	370	49
Bilingual education - instruction:					
Salaries of teachers	120,646		120,646	118,110	2,536
General supplies	4,874	(55)	4,819	2,408	2,411
Textbooks	450		450		450
Total bilingual education - instruction	125,970	(55)	125,915	120,518	5,397
School sponsored cocurricular activities - instruction:					
Salaries	199,259	(2,340)	196,919	191,170	5,749
Purchased services	10,300	3,069	13,369	8,851	4,518
Supplies and materials	32,770	2,044	34,814	34,711	103
Other objects	9,000	(2,000)	7,000	4,448	2,552
Transfers to cover deficit (agency funds)	5,000	(3,750)	1,250		1,250
Total school sponsored cocurricular activities - instruction	256,329	(2,977)	253,352	239,180	14,172
School sponsored athletics - instruction:					
Salaries	590,784	(1,800)	588,984	582,665	6,319
Purchased services	47,050	15,955	63,005	62,750	255
Supplies and materials	77,340	2,241	79,581	79,576	5
Other objects	60,120	3,200	63,320	54,140	9,180
Transfers to cover deficit	91,751	4,000	95,751	92,750	3,001
Total school sponsored athletics - instruction	867,045	23,596	890,641	871,881	18,760

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2018

	2018			Variance
	Original Budget	Budget Transfers	Final Budget	Final to Actual
Other instructional programs - instruction:				
Purchased services	\$	\$ 665	\$ 665	\$ 470
Total other instructional programs - instruction		665	665	470
Total - instruction	14,411,318	(53,640)	14,357,678	14,147,558
Undistributed expenditures:				
Instruction:				
Tuition to other LEAs within the state-special	102,442	141,742	244,184	189,281
Tuition to county vocational school-regular	542,000	(27,073)	514,927	514,926
Tuition to county vocational school districts-special	96,000	54,125	150,125	145,107
Tuition to county special services school districts and regional day schools	253,140	59,661	312,801	96,214
Tuition to private schools for the disabled within the state	937,720	(251,233)	686,487	592,688
Total undistributed expenditures - instruction	1,931,302	(22,778)	1,908,524	1,538,216
Attendance and social work services:				
Salaries	40,885	5,737	46,622	46,621
Total attendance and social work services	40,885	5,737	46,622	46,621
Health services:				
Salaries	197,948	2,876	200,824	200,823
Purchased professional and technical services	14,500		14,500	14,500
Other purchased services	250		250	65
Supplies and materials	3,629	627	4,256	4,206
Total health services	216,327	3,503	219,830	219,594
				236

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.



RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2018

	2018			Variance
	Original Budget	Budget Transfers	Final Budget	Final to Actual
Speech, OT, PT & related services:				
Salaries	\$ 117,918	\$ 800	\$ 118,718	\$ 118,717
Supplies and materials	500		500	451
				1
				49
Total speech, OT, PT & related services	118,418	800	119,218	119,168
				50
Other support services - students - extraordinary:				
Salaries	106,127	(49,627)	56,500	25,482
				31,018
Total support services - students- extraordinary	106,127	(49,627)	56,500	25,482
				31,018
Guidance:				
Salaries of other professional staff	746,241	(13,599)	732,642	729,285
Salaries of secretarial and clerical assistants	146,621	8,946	155,567	155,552
Purchased professional - educational services	8,979		8,979	6,464
Other purchased services	9,856	1,609	11,465	9,363
Supplies and materials	27,370	(2,791)	24,579	10,911
Other objects	1,560	555	2,115	2,110
				5
Total guidance	940,627	(5,280)	935,347	913,685
				21,662
Child study teams:				
Salaries of other professional staff	635,583	14,195	649,778	649,772
Salaries of secretarial and clerical assistants	37,088	31,042	68,130	68,126
Purchased professional - educational services	151,500	11,425	162,925	124,559
Other purchased professional and technical services	32,500	(2,015)	30,485	29,643
Other purchased services	5,150	(820)	4,330	3,452
Supplies and materials	4,320	1,040	5,360	4,099
Other objects	1,100		1,100	1,095
				5
Total child study teams	867,241	54,867	922,108	880,746
				41,362

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2018

	2018				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Improvement of instruction services/ other support services - instructional staff:					
Salaries of supervisors of instruction	\$ 87,506	\$ 2	\$ 87,508	\$ 87,507	\$ 1
Purchased professional - educational services	5,000	17,138	22,138	13,171	8,967
Other purchased services	50,010	(8,969)	41,041	40,180	861
Supplies and materials	49,057	14,775	63,832	63,765	67
Other objects	1,000	(614)	386		386
<b>Total improvement of instruction services/ other support services - instructional staff</b>	<b>192,573</b>	<b>22,332</b>	<b>214,905</b>	<b>204,623</b>	<b>10,282</b>
Educational media services/school library:					
Salaries	207,406	2,060	209,466	209,464	2
Purchased professional and technical services	1,647	(72)	1,575	1,455	120
Other purchased services	28,825	320	29,145	28,558	587
Supplies and materials	29,544	(248)	29,296	27,968	1,328
Other objects	100		100		100
<b>Total educational media services/school library</b>	<b>267,522</b>	<b>2,060</b>	<b>269,582</b>	<b>267,445</b>	<b>2,137</b>
Instructional staff training services:					
Other salaries	308,359	217,339	525,698	463,152	62,546
Purchased professional - educational services	45,550	(14,894)	30,656	29,142	1,514
Other purchased services	18,840	5,650	24,490	22,427	2,063
Supplies and materials	4,000	(1,326)	2,674	1,104	1,570
Other objects	3,230		3,230	2,214	1,016
<b>Total instructional staff training services</b>	<b>379,979</b>	<b>206,769</b>	<b>586,748</b>	<b>518,039</b>	<b>68,709</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2018

	2018				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Support services general administration:					
Salaries	\$ 334,735	\$ 2,385	\$ 337,120	\$ 337,118	\$ 2
Legal services	65,250	(6,998)	58,252	58,252	
Audit fees	55,058	599	55,657	32,347	23,310
Communications/telephone	31,000	(1,977)	29,023	26,468	2,555
Other purchased services	11,450	1,911	13,361	13,361	
General supplies	8,600	1,784	10,384	10,383	1
Miscellaneous expenditures	8,100	2,296	10,396	10,395	1
<b>Total support services general administration</b>	<b>514,193</b>		<b>514,193</b>	<b>488,324</b>	<b>25,869</b>
Support services school administration:					
Salaries of principals/assistant principals	801,226	6,410	807,636	807,636	
Salaries of other professional staff	183,147	1	183,148	183,147	1
Salaries of secretarial and clerical assistants	261,993	2,098	264,091	253,729	10,362
Other purchased services	14,600	(5,589)	9,011	5,977	3,034
Supplies and materials	7,920	41	7,961	6,785	1,176
Other objects	4,956	214	5,170	5,087	83
<b>Total support services school administration</b>	<b>1,273,842</b>	<b>3,175</b>	<b>1,277,017</b>	<b>1,262,361</b>	<b>14,656</b>
Support services central services:					
Salaries	394,407	2,871	397,278	397,277	1
Purchased professional services	24,445	(6,537)	17,908	7,748	10,160
Miscellaneous purchased services	44,650	(13,034)	31,616	27,337	4,279
Supplies and materials	21,000	37,950	58,950	58,949	1
Miscellaneous expenditures	18,000	(4,250)	13,750	13,660	90
<b>Total support services central services</b>	<b>502,502</b>	<b>17,000</b>	<b>519,502</b>	<b>504,971</b>	<b>14,531</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2018

	2018				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Support services administrative information technology:					
Salaries	\$ 385,698	\$ 7,373	\$ 393,071	\$ 393,069	\$ 2
Purchased professional services	10,000	(9,196)	804		804
Other purchased services	3,010	1,842	4,852	4,805	47
Supplies and materials	135,005	(8,714)	126,291	113,346	12,945
Other objects	1,534	4,168	5,702	5,336	366
Total support services administrative information technology	535,247	(4,527)	530,720	516,556	14,164
Required maintenance for school facilities:					
Salaries	349,614	(3,812)	345,802	345,798	4
Cleaning, repair and maintenance services	214,978	235,925	450,903	393,438	57,465
General supplies	110,500	(4,401)	106,099	106,080	19
Other objects	900	1,226	2,126	2,105	21
Total required maintenance for school facilities	675,992	228,938	904,930	847,421	57,509
Custodial Services:					
Salaries	581,343	47,520	628,863	628,862	1
Purchased professional and technical services	39,500	59,100	98,600	96,431	2,169
Cleaning, repair and maintenance services	16,000	9,197	25,197	25,197	
Other purchased property services	50,000	8,035	58,035	58,035	
Insurance	135,000	6,063	141,063	141,062	1
Miscellaneous purchased services	75	15	90	89	1
General supplies	86,000	(11,140)	74,860	66,587	8,273
Energy (natural gas)	300,000	(142,376)	157,624	132,350	25,274
Energy (electricity)	300,000	(30,378)	269,622	266,177	3,445
Energy (gasoline)	2,500	(2,500)			
Other objects	100	(21)	79		79
Total custodial services	1,510,518	(56,485)	1,454,033	1,414,790	39,243

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2018

	2018				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Care and upkeep of grounds:					
Salaries	\$ 138,461	\$ 10,060	\$ 148,521	\$ 148,518	\$ 3
Purchased professional and technical services	35,000	(5,500)	29,500	29,500	
Cleaning, repair and maintenance services	30,000	67,884	97,884	97,851	33
General supplies	30,300	2,357	32,657	32,639	18
Other objects	200	225	425	405	20
Total care and upkeep of grounds	233,961	75,026	308,987	308,913	74
Security:					
Salaries	27,927	28	27,955	27,954	1
Total security	27,927	28	27,955	27,954	1
Student transportation services:					
Salaries for pupil transportation (between home and school) - regular	36,137		36,137	34,196	1,941
Cleaning, repair and maintenance services	4,000	(40)	3,960	968	2,992
Contracted services - aid in lieu of payments for non-public school students	40,000	55,900	95,900	73,705	22,195
Contracted services (between home and school) - vendors	210,000	(55,860)	154,140	154,134	6
Contracted services (other than between home and school) - vendors	153,300	(5,323)	147,977	147,594	383
Contracted services (between home and school) - joint agreements	23,500		23,500	16,003	7,497
Contracted services (special education students) - vendors	235,000		235,000	222,066	12,934
Transportation supplies	4,000		4,000	2,131	1,869
Total student transportation services	705,937	(5,323)	700,614	650,797	49,817

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2018

	2018				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Unallocated employee benefits:					
Social security contributions	\$ 356,181	\$	\$ 356,181	\$ 318,987	\$ 37,194
Other retirement contributions - PERS	376,000		376,000	373,861	2,139
Workmen's compensation	139,000	(1,200)	137,800	115,728	22,072
Health benefits	5,065,463	(483,713)	4,581,750	3,975,091	606,659
Tuition reimbursement	17,100	10,277	27,377	27,376	1
Unused sick payments to terminated/retired staff	13,932	45,097	59,029	59,028	1
<b>Total unallocated employee benefits</b>	<b>5,967,676</b>	<b>(429,539)</b>	<b>5,538,137</b>	<b>4,870,071</b>	<b>668,066</b>
On-behalf TPAF pension - normal contribution (non-budgeted)				2,069,225	(2,069,225)
On-behalf TPAF pension - non-contributory insurance (non-budgeted)				50,215	(50,215)
On-behalf TPAF - post retirement medical contributions (non-budgeted)				1,368,901	(1,368,901)
On-behalf TPAF - long-term disability insurance (non-budgeted)				2,474	(2,474)
Reimbursed TPAF social security contributions (non-budgeted)				1,059,094	(1,059,094)
				4,549,909	(4,549,909)
<b>Total undistributed expenditures</b>	<b>17,008,796</b>	<b>46,676</b>	<b>17,055,472</b>	<b>20,175,686</b>	<b>(3,120,214)</b>
<b>Total expenditures - current expense</b>	<b>31,420,114</b>	<b>(6,964)</b>	<b>31,413,150</b>	<b>34,323,244</b>	<b>(2,910,094)</b>
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Regular programs - instruction:					
Grades 9-12		19,539	19,539	19,539	
Undistributed expenditures:					
School sponsored and other instructional programs		4,344	4,344	4,344	
Required maintenance for school facilities		36,348	36,348	36,347	1
Care and upkeep of grounds		23,420	23,420	23,167	253
<b>Total equipment</b>		<b>83,651</b>	<b>83,651</b>	<b>83,397</b>	<b>254</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2018

	2018			Variance
	Original Budget	Budget Transfers	Final Budget	Final to Actual
Facilities acquisition and construction services:				
Construction services	\$ 1,686,340	\$ 258,732	\$ 1,945,072	\$ 1,935,072
Other objects	60,287		60,287	60,287
Total facilities acquisition and construction services	1,746,627	258,732	2,005,359	1,995,359
Total capital outlay	1,746,627	342,383	2,089,010	2,078,756
Total expenditures	33,166,741	335,419	33,502,160	36,402,000
Excess (deficiency) of revenues over (under) expenditures	(2,048,745)	(267,258)	(2,316,003)	(844,554)
Fund balance - July 1	3,514,631		3,514,631	3,514,631
Fund balance - June 30	\$ 1,465,886	\$ (267,258)	\$ 1,198,628	\$ 2,670,077

Restricted Fund Balance:	
Reserved excess surplus - designated for subsequent year's expenditures	\$ 275,000
Reserved excess surplus	275,000
Capital reserve	1,412,054
Committed Fund Balance:	
Year-end encumbrances	44,547
Assigned Fund Balance:	
Year-end encumbrances	1,396
Unassigned Fund Balance	662,080
Total fund balance	2,670,077

Reconciliation to Governmental Funds Statements (GAAP):	
State aid payments not recognized on GAAP basis	(63,415)
Fund balance per Governmental Funds (GAAP)	\$ 2,606,662

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

RIVER DELL REGIONAL SCHOOL DISTRICT  
Special Revenue Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
State sources	\$ 76,000	\$ 417,631	\$ 493,631	\$ 413,713	\$ (79,918)
Federal sources	375,000	67,735	442,735	439,379	(3,356)
Local sources	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>          </u>
Total revenues	<u>451,000</u>	<u>487,366</u>	<u>938,366</u>	<u>855,092</u>	<u>(83,274)</u>
<b>EXPENDITURES:</b>					
Instruction:					
Other salaries for instruction	110,000	2,908	112,908	112,908	
Purchased professional - educational services	45,000	(17,839)	27,161	25,483	1,678
Tuition	45,000	33,465	78,465	78,465	
General supplies	1,000	92,752	93,752	92,074	1,678
Textbooks	<u>40,000</u>	<u>7,878</u>	<u>47,878</u>	<u>47,878</u>	<u>          </u>
Total instruction	<u>241,000</u>	<u>119,164</u>	<u>360,164</u>	<u>356,808</u>	<u>3,356</u>
Support services:					
Salaries of other professional staff	65,000	47,719	112,719	103,288	9,431
Personal services - employee benefits		11,963	11,963	11,963	
Purchased professional and technical services	70,000	(42,123)	27,877	27,877	
Purchased professional educational services	10,000	271,243	281,243	210,756	70,487
Other purchased services	60,000	31,075	91,075	91,075	
Supplies and materials	<u>5,000</u>	<u>48,325</u>	<u>53,325</u>	<u>53,325</u>	<u>          </u>
Total support services	<u>210,000</u>	<u>368,202</u>	<u>578,202</u>	<u>498,284</u>	<u>79,918</u>
Total expenditures/outflows	<u>451,000</u>	<u>487,366</u>	<u>938,366</u>	<u>855,092</u>	<u>83,274</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.



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

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Notes to Required Supplementary Information - Part II  
 Budget-to-GAAP Reconciliation  
 For the Fiscal Year Ended June 30, 2018

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

	General Fund	Special Revenue Fund
Sources/inflows of resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 35,557,446	\$ 855,092
Difference - budget to GAAP:		
State aid payments recognized for GAAP statements in the current year, previously recognized for budgetary purposes	45,504	
State aid payments recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	<u>(63,415)</u>	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 35,539,535</u>	<u>\$ 855,092</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<u>\$ 36,402,000</u>	<u>\$ 855,092</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 36,402,000</u>	<u>\$ 855,092</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**SCHEDULES RELATED TO ACCOUNTING  
AND REPORTING FOR PENSIONS AND POSTEMPLOYMENT  
BENEFITS OTHER THAN PENSIONS**

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share of the Net Pension Liability  
 Public Employees Retirement System  
 Last Five Years \*

	Fiscal Year Ended June 30,				
	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.01861162%	0.01955119%	0.01846605%	0.01805067%	0.01863348%
District's proportionate share of the net pension liability	\$ 9,105,555	\$ 11,536,732	\$ 8,525,798	\$ 7,012,655	\$ 7,157,234
District's covered - employee payroll	\$ 2,685,561	\$ 2,568,911	\$ 2,549,096	\$ 2,554,913	\$ 2,527,709
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	339.06%	449.09%	334.46%	274.48%	283.15%
Plan fiduciary net position as a percentage of the total pension liability (local)	48.10%	40.14%	47.92%	52.08%	48.72%

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

Note - This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full ten year trend is compiled, the District will only present information for those years for which information is available.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Required Supplementary Information  
 Schedule of District Contributions  
 Public Employees Retirement System  
 Last Five Years

	Fiscal Year Ended June 30,				
	2018	2017	2016	2015	2014
Contractually required contribution	\$ 362,367	\$ 346,052	\$ 326,528	\$ 308,604	\$ 282,170
Contributions in relation to the contractually required contribution	(362,367)	(346,052)	(326,528)	(308,604)	(282,170)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 2,685,561	\$ 2,568,911	\$ 2,549,096	\$ 2,554,913	\$ 2,527,709
Contributions as a percentage of covered - employee payroll	13.49%	13.47%	12.81%	12.08%	11.16%

Note - This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full ten year trend is compiled, the District will only present information for those years for which information is available.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share of the Net Pension Liability  
 Teachers' Pension and Annuity System  
 Last Five Years \*

	Fiscal Year Ended June 30,				
	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's proportion of the net pension liability associated to the District **	0.14721230%	0.13740068%	0.13850838%	0.13707852%	0.13011658%
State's proportionate share of the net pension liability associated with the District **	\$ 99,255,840	\$ 108,088,129	\$ 87,543,211	\$ 73,264,007	\$ 65,759,897
District's covered - employee payroll	\$ 15,159,559	\$ 14,436,788	\$ 14,062,930	\$ 13,677,840	\$ 13,654,051
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll **	654.74%	748.70%	622.51%	535.64%	481.61%
Plan fiduciary net position as a percentage of the total pension liability (local)	25.41%	22.33%	28.71%	33.64%	33.76%

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

\*\* TPAF is a special funding situation defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the District (employer) does not contribute directly to the plan there is no net pension liability to report in the financial statements of the District.

Note - This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full ten year trend is compiled, the District will only present information for those years for which information is available.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Required Supplementary Information  
 Schedule of Changes in the District's OPEB Liability and Related Ratios  
 For the Fiscal Year Ended June 30, 2018 \*

Total OPEB liability:	
Service cost	\$ 2,464,085
Interest	1,756,751
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	(7,227,961)
Member contributions	47,374
Benefit payments	<u>(1,286,546)</u>
Net change in total OPEB liability	(4,246,297)
Total OPEB liability - beginning	<u>59,791,537</u>
Total OPEB - ending	<u>\$ 55,545,240</u>
Covered employee payroll	<u>\$ 17,845,120</u>
Total OPEB liability as a percentage of covered employee payroll	311%

## Notes to schedule:

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

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

Note - This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full ten year trend is compiled, the District will only present information for those years for which information is available.



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

RIVER DELL REGIONAL SCHOOL DISTRICT  
Notes to Required Supplementary Information - Part III  
Schedule of the District's Proportionate Share of the Net Pension Liability  
and Schedule of District Contributions  
For the Fiscal Year Ended June 30, 2018

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 3.98% as of June 30, 2016 to 5.00% as of June 30, 2017 in accordance with Paragraph 44 of GASB Statement No. 67.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 3.22% as of June 30, 2016 to 4.25% as of June 30, 2017 in accordance with Paragraph 44 of GASB Statement No. 67.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

## **OTHER SUPPLEMENTARY INFORMATION**

## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2018

	(Exhibit E-1a) Nonpublic Services	(Exhibit E-1b) E.S.E.A.	I.D.E.A. Part B - Basic	Other Grants	Totals
<b>REVENUES:</b>					
State sources	\$ 413,713	\$ -	\$ -	\$ -	\$ 413,713
Federal sources		41,473	397,906		439,379
Local sources				2,000	2,000
<b>Total revenues</b>	<b>413,713</b>	<b>41,473</b>	<b>397,906</b>	<b>2,000</b>	<b>855,092</b>
<b>EXPENDITURES:</b>					
Instruction:					
Other salaries for instruction		7,020	112,908		112,908
Purchased professional - educational services			18,463		25,483
Tuition			78,465		78,465
General supplies	32,338	6,576	53,160		92,074
Textbooks	47,878				47,878
<b>Total instruction</b>	<b>80,216</b>	<b>13,596</b>	<b>262,996</b>		<b>356,808</b>
Support services:					
Salaries of other professional staff	59,453		43,835		103,288
Personal services - employee benefits	11,963				11,963
Purchased professional and technical services		27,877			27,877
Purchased professional educational services	210,756				210,756
Other purchased services			91,075		91,075
Supplies and materials	51,325			2,000	53,325
<b>Total support services</b>	<b>333,497</b>	<b>27,877</b>	<b>134,910</b>	<b>2,000</b>	<b>498,284</b>
<b>Total expenditures</b>	<b>\$ 413,713</b>	<b>\$ 41,473</b>	<b>\$ 397,906</b>	<b>\$ 2,000</b>	<b>\$ 855,092</b>

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Special Revenue Fund  
 Nonpublic Services  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2018

	Compen- satory Education	English As A Second Language	Home Instruction	Supple- mental Instruction	Exam and Classifi- cation	Correc- tive Speech	Textbook	Security	Technology	Nursing	Totals
REVENUES:											
State sources	\$ 62,363	\$ 903	\$ 2,810	\$ 60,344	\$ 65,718	\$ 9,285	\$ 47,878	\$ 50,325	\$ 32,338	\$ 81,749	\$ 413,713
EXPENDITURES:											
Instruction:											
General supplies											32,338
Textbooks							47,878				47,878
Total instruction							47,878		32,338		80,216
Support services:											
Salaries of other professional staff										59,453	59,453
Personal services - employee benefits										11,963	11,963
Purchased professional educational services	62,363	903	2,810	60,344	65,718	9,285				9,333	210,756
Supplies and materials								50,325		1,000	51,325
Total support services	62,363	903	2,810	60,344	65,718	9,285		50,325		81,749	333,497
Total expenditures	\$ 62,363	\$ 903	\$ 2,810	\$ 60,344	\$ 65,718	\$ 9,285	\$ 47,878	\$ 50,325	\$ 32,338	\$ 81,749	\$ 413,713

RIVER DELL REGIONAL SCHOOL DISTRICT  
Special Revenue Fund  
E.S.E.A.  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2018

	<u>Title II Part A Current Year</u>	<u>Title III Current Year</u>	<u>Title III Immigrant Current Year</u>	<u>Title IV Part A Current Year</u>	<u>Totals</u>
REVENUES:					
Federal sources	\$ 21,575	\$ 10,000	\$ 3,254	\$ 6,644	\$ 41,473
EXPENDITURES:					
Instruction:					
Purchased professional - educational services		3,698		3,322	7,020
General supplies			3,254	3,322	6,576
Total instruction		<u>3,698</u>	<u>3,254</u>	<u>6,644</u>	<u>13,596</u>
Support services:					
Purchased professional and technical services	<u>21,575</u>	<u>6,302</u>			<u>27,877</u>
Total support services	<u>21,575</u>	<u>6,302</u>			<u>27,877</u>
Total expenditures	<u>\$ 21,575</u>	<u>\$ 10,000</u>	<u>\$ 3,254</u>	<u>\$ 6,644</u>	<u>\$ 41,473</u>

## **CAPITAL PROJECTS FUND DETAIL STATEMENTS**

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

At June 30, 2018, there was no Capital Projects Fund.



## **PROPRIETARY FUNDS DETAIL STATEMENTS**

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District's board is that the costs of providing goods or services be financed through user charges.

**Food Services Fund** - This fund provides for the operation of food services in all schools within the District.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5, AND B-6.**

## FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the District for a specific purpose.

**Private Purpose Scholarship Trust** - These are funds used to account for assets held by the District for scholarships or awards to students.

**Unemployment Compensation Insurance Trust** - This fund is used to pay employees unemployment compensation claims.

Agency Funds are used to account for assets held by the District as an agent for individuals, private organizations, other governments and/or other funds.

**Student Activity Fund** - This agency fund is used to account for student funds held at the schools.

**Payroll and Payroll Agency Funds** - These agency funds are used to account for the payroll transactions of the District.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Fiduciary Funds  
 Combining Statement of Fiduciary Net Position  
 June 30, 2018

	Trust		Agency				
	Private Purpose Scholarship Trust	Unemployment Compensation Trust	Total Trust Funds	Student Activity	Payroll Agency	Payroll	Total Agency Funds
<b>ASSETS:</b>							
Cash	\$ 93,887	\$ 193,136	\$ 287,023	\$ 242,333	\$ 14,711	\$ -	\$ 257,044
Total assets	<u>93,887</u>	<u>193,136</u>	<u>287,023</u>	<u>242,333</u>	<u>14,711</u>	<u>-</u>	<u>257,044</u>
<b>LIABILITIES</b>							
Liabilities:							
Accounts payable	-	528	528	-	-	-	-
Payroll deductions and withholdings					14,711		14,711
Accrued salaries and wages							
Due to student groups				242,333			242,333
Total liabilities		<u>528</u>	<u>528</u>	<u>242,333</u>	<u>14,711</u>	<u>-</u>	<u>257,044</u>
<b>NET POSITION:</b>							
Held in trust for unemployment claims		192,608	192,608				
Held in trust for scholarships	<u>93,887</u>		<u>93,887</u>				
Total net position	<u>\$ 93,887</u>	<u>\$ 192,608</u>	<u>\$ 286,495</u>				

RIVER DELL REGIONAL SCHOOL DISTRICT  
Fiduciary Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2018

	<u>Private Purpose Scholarship Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Totals</u>
ADDITIONS:			
Contributions:			
Other	\$ 24,280	\$ -	\$ 24,280
Plan member		24,861	24,861
	<u>24,280</u>	<u>24,861</u>	<u>49,141</u>
Total contributions			
	<u>24,280</u>	<u>24,861</u>	<u>49,141</u>
Investment earnings:			
Interest	247	483	730
	<u>247</u>	<u>483</u>	<u>730</u>
Net investment earnings			
	<u>247</u>	<u>483</u>	<u>730</u>
Total additions	<u>24,527</u>	<u>25,344</u>	<u>49,871</u>
DEDUCTIONS:			
Unemployment claims and fees		28,832	28,832
Scholarship/award payments	51,600		51,600
	<u>51,600</u>	<u>28,832</u>	<u>80,432</u>
Total deductions			
	<u>51,600</u>	<u>28,832</u>	<u>80,432</u>
Change in net position	(27,073)	(3,488)	(30,561)
Net position - July 1	<u>120,960</u>	<u>196,096</u>	<u>317,056</u>
Net position - June 30	<u>\$ 93,887</u>	<u>\$ 192,608</u>	<u>\$ 286,495</u>

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Student Activity Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2018</u>
MIDDLE/SENIOR HIGH SCHOOLS:				
River Dell Regional	\$ 257,705	\$ 527,105	\$ 542,477	\$ 242,333
ATHLETICS:				
River Dell Regional	<u>                    </u>	<u>115,482</u>	<u>115,482</u>	<u>                    </u>
Total all schools	<u>\$ 257,705</u>	<u>\$ 642,587</u>	<u>\$ 657,959</u>	<u>\$ 242,333</u>

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Payroll Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
<b>ASSETS:</b>				
Cash	\$ <u>9,566</u>	\$ <u>9,682,281</u>	\$ <u>9,677,136</u>	\$ <u>14,711</u>
Total assets	\$ <u><u>9,566</u></u>	\$ <u><u>9,682,281</u></u>	\$ <u><u>9,677,136</u></u>	\$ <u><u>14,711</u></u>
 <b>LIABILITIES:</b>				
Payroll deductions and withholdings	\$ <u>9,566</u>	\$ <u>9,682,281</u>	\$ <u>9,677,136</u>	\$ <u>14,711</u>
Total liabilities	\$ <u><u>9,566</u></u>	\$ <u><u>9,682,281</u></u>	\$ <u><u>9,677,136</u></u>	\$ <u><u>14,711</u></u>

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Payroll Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2018

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
<b>ASSETS:</b>				
Cash	\$ <u>          -</u>	\$ <u>11,190,374</u>	\$ <u>11,190,374</u>	\$ <u>          -</u>
Total assets	\$ <u>          -</u>	\$ <u>11,190,374</u>	\$ <u>11,190,374</u>	\$ <u>          -</u>
 <b>LIABILITIES:</b>				
Accrued salaries and wages	\$ <u>          -</u>	\$ <u>11,190,374</u>	\$ <u>11,190,374</u>	\$ <u>          -</u>
Total liabilities	\$ <u>          -</u>	\$ <u>11,190,374</u>	\$ <u>11,190,374</u>	\$ <u>          -</u>

## **LONG-TERM DEBT SCHEDULES**

The long-term debt schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the District. This includes serial bonds outstanding and obligations under capital leases.



RIVER DELL REGIONAL SCHOOL DISTRICT  
 Long-Term Debt  
 Schedule of Serial Bonds  
 For the Fiscal Year Ended June 30, 2018

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2017	Issued	Retired	Balance June 30, 2018
			Date	Amount					
Improvements to High School and (Refunded 2004 bonds maturing 3-1-2013 to 3-1-2024)	3/1/2013	\$ 11,750,000	3/1/2018	1,170,000	4.000%	\$ 8,530,000	\$ -	\$ 1,170,000	\$ 7,360,000
			3/1/2019	1,235,000	4.000%				
			3/1/2020	1,235,000	4.000%				
			3/1/2021	1,230,000	4.000%				
			3/1/2022	1,225,000	4.000%				
			3/1/2023	1,220,000	4.000%				
			3/1/2024	1,215,000	4.000%				
							\$ 8,530,000	\$ -	\$ 1,170,000

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Debt Service Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 1,511,200	\$ -	\$ 1,511,200	\$ 1,511,200	\$ -
Total revenues	1,511,200		1,511,200	1,511,200	
<b>EXPENDITURES:</b>					
Regular debt service:					
Interest	341,200		341,200	341,200	
Redemption of principal	1,170,000		1,170,000	1,170,000	
Total regular debt service	1,511,200		1,511,200	1,511,200	
Total expenditures	1,511,200		1,511,200	1,511,200	
Excess (deficiency) of revenues over (under) expenditures					
Fund balances - July 1					
Fund balances - June 30	\$ -	\$ -	\$ -	\$ -	\$ -

# River Dell Regional School District Statistical Section (Unaudited)

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b>	97 - 103
<p>These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.</p>	
<b>Revenue Capacity</b>	104 - 109
<p>These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.</p>	
<b>Debt Capacity</b>	110 - 113
<p>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.</p>	
<b>Demographic and Economic Information</b>	114 - 115
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.</p>	
<b>Operating Information</b>	116 - 120
<p>These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.</p>	

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Net Position by Component  
 Last Ten Years  
 (accrual basis of accounting)  
 Unaudited

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 14,170,382	\$ 14,999,328	\$ 15,953,743	\$ 17,108,921	\$ 17,930,614	\$ 18,186,830	\$ 18,547,763	\$ 19,161,174	\$ 20,338,786	\$ 22,375,080
Restricted	534,363	669,271	1,378,744	1,626,127	1,597,794	1,820,577	2,638,746	3,343,091	2,890,079	2,007,997
Unrestricted (deficit)	(211,664)	(335,643)	(216,628)	(196,850)	(11,043)	(36,081)	(7,227,027)	(7,507,831)	(8,275,802)	(8,508,055)
Total governmental activities net position	14,493,081	15,332,956	17,115,859	18,538,198	19,517,365	19,953,326	13,959,482	14,996,434	14,953,063	15,875,022
<b>Business-type activities:</b>										
Investment in capital assets	22,092	19,251	25,528	23,263	21,175	17,577	20,896	23,036	26,376	23,377
Unrestricted	42,108	42,865	67,042	90,246	126,714	157,264	185,623	188,240	179,011	172,475
Total business-type activities net position	64,200	62,116	92,570	113,509	147,889	174,841	206,519	211,276	205,387	195,852
<b>District-wide:</b>										
Net investment in capital assets	14,192,474	15,018,579	15,979,271	17,132,184	17,951,789	18,186,407	18,568,659	19,184,210	20,365,162	22,398,457
Restricted	534,363	669,271	1,378,744	1,626,127	1,597,794	1,820,577	2,638,746	3,343,091	2,890,079	2,007,997
Unrestricted (deficit)	(169,556)	(292,778)	(149,586)	(106,604)	(115,671)	(121,183)	(7,041,404)	(7,319,591)	(8,096,791)	(8,335,580)
Total district-wide net position	\$ 14,557,281	\$ 15,395,072	\$ 17,208,429	\$ 18,651,707	\$ 19,665,254	\$ 20,128,167	\$ 14,166,001	\$ 15,207,710	\$ 15,158,450	\$ 16,070,874

Source: District Records

Notes: In accordance with GASB 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed.

For the fiscal year ended June 30, 2015, the District adopted GASB No. 68 and 71, which require the District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015, are shown as originally reported and have not been restated for this adoption.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Changes in Net Position  
 Last Ten Years  
 (accrual basis of accounting)  
 Unaudited

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses:</b>										
Governmental activities:										
Instruction:										
Regular	\$ 11,310,256	\$ 11,482,584	\$ 11,191,020	\$ 11,848,868	\$ 13,276,084	\$ 13,371,099	\$ 15,065,413	\$ 16,251,252	\$ 18,298,276	\$ 19,496,422
Special education	1,909,415	2,064,810	2,015,379	2,171,721	2,664,478	2,663,190	3,033,805	3,216,839	3,883,411	4,142,556
Other special education	320,463	446,683	324,060	361,432	503,972	504,058	191,483	186,673	236,163	225,049
Other instruction	1,111,420	1,095,802	1,062,459	1,135,651	1,208,775	1,206,381	1,382,836	1,484,544	1,637,846	1,793,973
Support services:										
Tuition	1,945,565	1,912,308	1,963,326	2,081,931	2,311,184	2,145,846	1,903,647	1,740,530	1,957,898	1,616,681
Student and instruction related services	4,098,493	4,034,820	3,854,724	3,650,398	3,609,269	3,804,569	4,168,847	5,016,339	5,364,252	6,072,804
School administrative services	1,462,008	1,500,244	1,514,430	1,699,706	1,792,359	1,794,915	2,178,476	2,270,547	2,589,645	2,330,144
General administration services	592,925	740,026	585,028	548,219	583,681	638,662	620,491	676,975	744,649	770,125
Central services	520,085	544,581	535,547	581,377	634,643	611,285	652,087	710,641	781,464	829,420
Administrative information technology	271,938	452,763	494,972	484,424	611,822	592,653	775,753	704,657	812,455	863,202
Plant operations and maintenance	2,672,612	2,716,997	2,914,920	2,974,565	2,936,173	3,046,479	3,327,352	3,049,054	3,460,604	3,479,301
Pupil transportation	671,985	598,699	537,118	616,444	584,705	575,346	563,994	619,292	687,489	676,945
Special schools										
Interest on long-term debt	769,250	714,554	658,515	602,910	498,525	347,461	318,868	277,073	233,750	188,291
Unallocated depreciation	1,987,516	1,461,850	1,530,856	1,491,849	1,004,379	1,481,046	1,217,743	1,226,031	1,271,436	1,349,982
Total governmental activities expenses	29,643,931	29,766,721	29,182,354	30,249,495	32,220,049	32,782,990	35,400,795	37,430,447	41,959,338	43,834,895
Business-type activities:										
Food service	306,182	295,687	284,175	268,259	277,142	277,499	285,052	299,246	301,224	315,751
Total business-type activities expense	306,182	295,687	284,175	268,259	277,142	277,499	285,052	299,246	301,224	315,751
Total district expenses	\$ 29,950,113	\$ 30,062,408	\$ 29,466,529	\$ 30,517,754	\$ 32,497,191	\$ 33,060,489	\$ 35,685,847	\$ 37,729,693	\$ 42,260,562	\$ 44,150,646
<b>Program Revenues:</b>										
Governmental activities:										
Charges for services:										
Student and instruction related services	\$ 293,784	\$ 191,926	\$ 162,470	\$ 160,764	\$ 149,768	\$ 147,606	\$ 141,738	\$ -	\$ -	\$ -
Operating grants and contributions	2,496,879	2,772,957	3,077,733	3,100,523	3,889,169	3,384,411	5,928,163	7,350,331	10,141,447	12,425,036
Capital grants and contributions				97,079						
Total governmental activities program revenues	2,790,663	2,964,883	3,240,203	3,358,366	4,038,937	3,532,017	6,069,901	7,350,331	10,141,447	12,425,036
Business-type activities:										
Charges for services:										
Food service	300,941	290,259	279,424	264,198	281,522	279,451	286,730	299,587	295,335	306,141
Total business type activities program revenues	300,941	290,259	279,424	264,198	281,522	279,451	286,730	299,587	295,335	306,141
Total district program revenues	\$ 3,091,604	\$ 3,255,142	\$ 3,519,627	\$ 3,622,564	\$ 4,320,459	\$ 3,811,468	\$ 6,356,631	\$ 7,649,918	\$ 10,436,782	\$ 12,731,177

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Changes in Net Position  
 Last Ten Years  
 (accrual basis of accounting)  
 Unaudited

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (expense)/revenue:										
Governmental activities	\$ (26,853,268)	\$ (26,801,838)	\$ (25,942,151)	\$ (26,891,129)	\$ (28,181,112)	\$ (29,250,973)	\$ (29,330,894)	\$ (30,080,116)	\$ (31,817,891)	\$ (31,409,859)
Business-type activities	(5,241)	(5,428)	(4,751)	(4,061)	4,380	1,952	1,678	341	(5,889)	(9,610)
Total district-wide net expense	\$ (26,858,509)	\$ (26,807,266)	\$ (25,946,902)	\$ (26,895,190)	\$ (28,176,732)	\$ (29,249,021)	\$ (29,329,216)	\$ (30,079,775)	\$ (31,823,780)	\$ (31,419,469)
General revenues and other changes in net position:										
Governmental activities:										
Property taxes levied for:										
General purposes	\$ 22,577,722	\$ 23,480,115	\$ 24,863,418	\$ 25,506,624	\$ 26,016,756	\$ 26,920,714	\$ 27,786,252	\$ 28,341,977	\$ 28,908,817	\$ 29,486,993
Debt services	2,209,329	2,193,798	2,183,323	1,872,338	1,610,000	1,559,529	1,494,699	1,493,600	1,506,000	1,511,200
Unrestricted grants and contributions	1,121,301	1,287,742	376,858	512,522	650,725	634,225	639,418	632,191	705,784	669,466
Tuition received	392,472	473,642	376,858	352,187	425,986	498,924	407,008	443,902	401,426	477,670
Interest - capital reserve funds			18	36	36	61	315	736	1,741	2,870
Investment earnings	42,671	7,515	30,066	747	473	9,795	1,910	4,306	5,667	8,114
Miscellaneous income	484,994	202,136	209,515	191,111	486,303	246,629	194,681	204,772	245,085	175,505
Transfers		(3,235)	(35,205)	(25,000)	(30,000)	(25,000)	(30,000)	(4,416)		
Total governmental activities	26,828,489	27,641,713	27,627,975	28,410,547	29,160,279	29,844,877	30,494,283	31,117,068	31,774,520	32,331,818
Business-type activities:										
Investment earnings	200	109	35,205	25,000	30,000	25,000	30,000	4,416		75
Transfers										
Total business-type activities	200	3,344	35,205	25,000	30,000	25,000	30,000	4,416		75
Total district-wide	\$ 26,828,689	\$ 27,645,057	\$ 27,663,180	\$ 28,435,547	\$ 29,190,279	\$ 29,869,877	\$ 30,524,283	\$ 31,121,484	\$ 31,774,520	\$ 32,331,893
Change in net position:										
Governmental activities	\$ (24,779)	\$ 839,875	\$ 1,685,824	\$ 1,519,418	\$ 979,167	\$ 593,904	\$ 1,163,389	\$ 1,036,952	\$ (43,371)	\$ 921,959
Business-type activities	(5,041)	(2,084)	30,454	20,939	34,380	26,952	31,678	4,757	(5,889)	(9,535)
Total district	\$ (29,820)	\$ 837,791	\$ 1,716,278	\$ 1,540,357	\$ 1,013,547	\$ 620,856	\$ 1,195,067	\$ 1,041,709	\$ (49,260)	\$ 912,424

Source: District Records

Notes: In accordance with GASB 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed.

For the fiscal year ended June 30, 2015, the District adopted GASB No.'s 68 and 71, which require the District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015, are shown as originally reported and have not been restated for this adoption.

For the fiscal year ended June 30, 2018, the District adopted GASB No. 75, which required the District to record its proportionate share of the net OPEB expenses and related revenue in the government-wide financial statements. Balances prior to June 30, 2018, are shown as originally reported and have not been restated for this adoption.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Fund Balances - Governmental Funds  
 Last Ten Years  
 (modified accrual basis of accounting)  
 Unaudited

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund:										
Reserved	\$ 351,507	\$ 587,610	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	346,352	190,376								
Restricted			926,067	1,299,342	1,417,577	1,660,671	2,526,405	3,135,753	2,802,374	1,962,054
Committed			226,899	176,523	62,250	149,605		176,718	83,260	44,547
Assigned			172,836	97,320	107,666		112,341	30,620	4,445	1,396
Unassigned			299,596	318,464	522,821	543,151	531,033	535,853	579,048	598,665
Total general fund	\$ 697,859	\$ 777,986	\$ 1,625,398	\$ 1,891,649	\$ 2,110,314	\$ 2,353,427	\$ 3,169,779	\$ 3,878,944	\$ 3,469,127	\$ 2,606,662
All other governmental funds:										
Reserved	\$ 279,000	\$ -	\$ 315	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Capital projects fund	314,871	182,856	81,346			10,301				
Debt service fund	3,819									
Restricted				52,942	52,942					
Total all other governmental funds	\$ 597,690	\$ 182,856	\$ 81,661	\$ 52,942	\$ 52,942	\$ 10,301	\$ -	\$ -	\$ -	\$ -

Source District Records

Note: In accordance with GASB 54, effective for the fiscal year ended June 30, 2011, the description and terminology utilized to identify fund balance was changed.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Years  
 (modified accrual basis of accounting)  
 Unaudited

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues:</b>										
Tax levy	\$ 24,787,051	\$ 25,673,913	\$ 27,046,741	\$ 27,378,962	\$ 27,626,756	\$ 28,480,243	\$ 29,280,951	\$ 29,835,577	\$ 30,414,817	\$ 30,998,193
Tuition charges	392,472	473,642	376,858	352,187	425,986	498,924	407,008	443,902	401,426	477,670
Interest earnings	42,671	7,515	30,066	765	509	9,856	2,225	5,042	7,408	10,984
Miscellaneous	485,994	222,136	209,515	191,111	486,303	246,629	194,681	204,772	245,085	177,505
State sources	3,044,928	3,160,759	2,329,263	3,104,828	3,994,978	3,531,281	4,070,186	4,520,158	5,322,046	5,802,096
Federal sources	572,252	879,940	845,549	508,217	544,916	487,355	492,694	527,040	442,138	439,379
<b>Total revenue</b>	<b>29,325,368</b>	<b>30,417,905</b>	<b>30,837,992</b>	<b>31,536,070</b>	<b>33,079,448</b>	<b>33,254,288</b>	<b>34,447,745</b>	<b>35,536,491</b>	<b>36,832,920</b>	<b>37,905,827</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular instruction	9,522,557	9,554,104	9,264,273	9,623,571	10,017,899	10,257,519	10,536,627	10,726,852	11,079,967	10,979,523
Special education instruction	1,488,528	1,583,434	1,536,714	1,633,561	1,943,071	1,985,117	2,041,673	2,020,032	2,215,028	2,213,959
Other special instruction	250,701	343,675	247,746	272,980	368,613	377,500	130,130	119,008	136,625	120,888
Other instruction	935,442	909,537	872,315	928,726	962,758	975,464	1,039,250	1,053,535	1,081,983	1,111,531
<b>Support services:</b>										
Tuition	1,945,565	1,912,308	1,963,326	2,081,931	2,311,184	2,145,846	1,903,647	1,740,530	1,957,898	1,616,681
Student and instruction related services	3,114,161	3,095,891	2,998,572	2,783,705	2,684,709	2,861,472	2,965,208	3,548,885	3,371,545	3,681,724
School administrative services	1,121,738	1,126,621	1,127,404	1,255,663	1,292,915	1,315,391	1,468,607	1,436,437	1,470,271	1,262,361
General administration services	507,570	635,147	470,436	428,109	454,031	513,505	461,121	487,529	486,487	488,324
Central services	408,652	421,851	400,541	443,497	485,992	468,612	473,056	497,024	493,227	504,971
Administrative information technology services	215,031	354,724	390,894	370,291	481,367	470,723	557,582	467,762	529,216	516,556
Plant operations and maintenance	2,266,736	2,276,625	2,422,542	2,470,075	2,413,675	2,499,986	2,749,630	2,449,096	2,472,833	2,599,078
Pupil transportation	661,814	587,042	523,961	602,805	570,739	560,773	548,442	601,649	658,192	650,797
Employee benefits	4,749,444	5,168,926	5,163,388	5,646,039	6,554,723	6,335,053	6,807,565	7,544,049	8,591,937	9,431,943
Capital outlay	2,837,575	272,055	418,659	831,528	732,049	659,685	424,156	636,922	1,191,528	2,078,756
<b>Debt service:</b>										
Principal	1,435,000	1,470,000	1,515,000	1,261,000	1,040,000	1,080,000	1,035,000	1,065,000	1,120,000	1,170,000
Interest and other charges	778,148	723,798	668,323	611,338	570,235	479,529	470,000	428,600	386,000	341,200
Advance to refunding escrow					1,115,640					
Bond issuance costs					127,764					
<b>Total expenditures</b>	<b>32,238,662</b>	<b>30,435,738</b>	<b>29,984,094</b>	<b>31,244,819</b>	<b>34,127,364</b>	<b>32,986,175</b>	<b>33,611,694</b>	<b>34,822,910</b>	<b>37,242,737</b>	<b>38,768,292</b>



RIVER DELL REGIONAL SCHOOL DISTRICT  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Years  
 (modified accrual basis of accounting)  
 Unaudited

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Excess (deficiency) of revenues over (under) expenditures	\$ (2,913,294)	\$ (17,833)	\$ 853,898	\$ 291,251	\$ (1,047,916)	\$ 268,113	\$ 836,051	\$ 713,581	\$ (409,817)	\$ (862,465)
Other financing sources (uses):										
Capital leases (non-budgeted)	2,202,676				11,750,000					
Proceeds from refunding					(12,008,778)					
Payments to escrow agent					1,512,718					
Premium on bonds issued	199,192	30	11	3						
Transfers in	(199,192)	(3,265)	(35,216)	(25,003)	(30,000)	(25,000)	(30,000)	(4,416)		
Transfers out										
Total other financing sources (uses)	2,202,676	(3,235)	(35,205)	(25,000)	1,223,940	(25,000)	(30,000)	(4,416)		
Net change in fund balances	\$ (710,618)	\$ (21,068)	\$ 818,693	\$ 266,251	\$ 176,024	\$ 243,113	\$ 806,051	\$ 709,165	\$ (409,817)	\$ (862,465)
Debt service as a percentage of noncapital expenditures	7.53%	7.27%	7.38%	6.16%	4.82%	4.82%	4.53%	4.37%	4.18%	4.12%

Source: District Records

Notes: Noncapital expenditures are total expenditures less capital outlay.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund - Other Local Revenue By Source  
 Last Ten Years  
 (modified accrual basis of accounting)  
 Unaudited

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund:										
Interest on investments	\$ 33,252	\$ 7,485	\$ 30,055	\$ 744	\$ 473	\$ 9,795	\$ 1,910	\$ 4,306	\$ 5,667	\$ 8,114
Student activity fees		73,516	86,150	73,540	87,570	84,210	64,985	86,885	114,755	102,753
Rentals	65,075	51,720	50,276	21,737	12,381	19,939	15,195	18,420	13,533	5,600
Sale of equipment	153,450									
Prior year's refunds	35	1,659	7,210	11,469	28,597	16,879	15,637	14,673	21,342	5,177
Miscellaneous - restricted:										
Reimbursement of counselor and other costs	32,947	34,800			19,880	20,142	21,158	22,061	23,107	
Utility rebates		23,178	16,451	33,159	31,884	35,572	26,855	36,280	41,303	30,425
Athletic receipts	16,910	15,089	14,155	14,920	16,654	14,921	18,526	19,821	18,334	17,390
Other	26,364		22,672	21,895	14,231	24,745	26,562			
Miscellaneous - unrestricted	440	2,174	12,601	14,391	6,011	5,221	5,763	6,632	12,711	14,160
Total Miscellaneous	328,473	209,621	239,570	191,855	217,681	231,424	196,591	209,078	250,752	183,619
Interest on capital reserve funds				18	36	61	315	736	1,741	2,870
Tuition	392,472	473,642	376,858	352,187	425,986	498,924	407,008	443,902	401,426	477,670
Total General Fund	\$ 720,945	\$ 683,263	\$ 616,428	\$ 544,060	\$ 643,703	\$ 730,409	\$ 603,914	\$ 653,716	\$ 653,919	\$ 664,159

Source: District Records

RIVER DELL REGIONAL SCHOOL DISTRICT  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Years  
Unaudited

Fiscal Year Ended December 31,	Borough of Oradell										Total Direct School Tax Rate <sup>b</sup>
	Vacant Land	Residential	Industrial/Commercial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Memo Only Tax Exempt Property	Estimated Actual (County) Equalized Value	Total Direct School Tax Rate <sup>b</sup>	
2009	\$ 4,510,900	\$ 1,400,052,700	\$ 205,794,900	\$ 8,253,800	\$ 1,618,612,300	\$ 838,401	\$ 1,619,450,701	\$ 160,702,900	\$ 1,818,510,684	\$ 1.376	
2010	4,769,900	1,400,255,300	205,949,300	8,253,800	1,619,228,300	1,782,462	1,621,010,762	161,113,300	1,806,117,582	1.450	
2011	3,901,100	1,408,484,200	201,008,500	8,137,800	1,621,531,600	1,736,535	1,623,268,135	161,113,300	1,761,002,376	1.441	
2012	3,637,800	1,401,620,300	208,127,400	8,137,800	1,621,523,300	1,724,316	1,623,247,616	160,961,500	1,732,579,488	1.460	
2013	3,565,500	1,242,733,700	193,823,300	7,298,700	1,447,421,200	1,728,300	1,449,149,500	146,988,500	1,571,313,680	1.704	
2014	3,565,500	1,246,404,200	189,737,100	7,298,700	1,447,005,500	1,337,625	1,448,343,125	146,750,100	1,630,493,967	1.740	
2015	3,565,500	1,248,969,400	187,018,800	7,325,200	1,446,878,900	1,356,001	1,448,234,901	146,750,100	1,645,169,703	1.828	
2016	3,622,100	1,250,345,100	186,327,100	7,325,200	1,447,619,500	1,344,599	1,448,964,099	147,099,800	1,717,435,009	1.849	
2017	3,229,300	1,414,167,200	210,872,100	8,484,500	1,636,753,100	1,640,262	1,638,393,362	152,934,100	1,686,217,246	1.678	
2018	2,515,600	1,439,519,000	211,847,800	9,238,100	1,663,120,500	1,607,928	1,664,728,428	159,529,100	1,750,681,475	1.707	

Fiscal Year Ended December 31,	Borough of River Edge										Total Direct School Tax Rate <sup>b</sup>
	Vacant Land	Residential	Industrial/Commercial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Memo Only Tax Exempt Property	Estimated Actual (County) Equalized Value	Total Direct School Tax Rate <sup>b</sup>	
2009	\$ 11,167,500	\$ 1,421,404,500	\$ 117,120,400	\$ 70,523,500	\$ 1,620,215,900	\$ 6,952,327	\$ 1,627,168,227	\$ 134,659,500	\$ 1,920,855,215	\$ 1.650	
2010	11,257,500	1,423,100,600	122,801,500	70,523,500	1,627,683,100	7,502,187	1,635,185,287	131,812,000	1,842,825,877	1.694	
2011	11,268,700	1,424,860,900	121,449,300	70,523,500	1,628,102,400	6,992,114	1,635,094,514	131,812,000	1,845,519,614	1.740	
2012	7,651,800	1,230,634,900	112,819,600	79,154,600	1,430,260,900	7,391,212	1,437,652,112	136,031,600	1,612,162,697	2.004	
2013	7,651,800	1,230,141,600	112,365,300	79,154,600	1,429,313,300	4,948,498	1,434,261,798	135,636,000	1,650,484,645	2.026	
2014	3,019,800	1,230,540,199	118,410,100	77,829,700	1,429,799,799	4,544,828	1,434,344,627	135,357,100	1,680,254,978	2.088	
2015	3,035,800	1,237,865,699	120,292,100	76,839,700	1,438,033,299	4,509,632	1,442,542,931	136,292,300	1,652,674,244	2.074	
2016	2,533,300	1,245,022,199	123,252,100	76,839,700	1,447,647,299	4,742,304	1,452,389,603	136,292,300	1,687,677,142	2.120	
2017	2,533,300	1,247,329,199	123,952,600	76,787,900	1,450,602,999	4,715,220	1,455,318,219	136,292,300	1,706,636,057	2.173	
2018	2,742,900	1,250,423,299	124,576,100	76,737,900	1,454,480,199	4,561,923	1,459,042,122	136,691,200	1,775,381,937	2.200	

Source: Municipal Tax Assessor and Abstract of Ratables, County Board of Taxation.

Notes: Real property is required to be assessed at some percentage of true value (fair or market value) board of taxation.

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

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

b - Tax rates are per \$100.

c - Borough undertook a revaluation of real property.

d - Borough performed a reassessment of real property.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Direct and Overlapping Property Tax Rates  
 Last Ten Years  
 (rate per \$100 of assessed value)  
 Unaudited

Fiscal Year Ended June 30,	River Dell Regional School District			Overlapping Rates		Total Direct and Overlapping Tax Rate	
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct School	Borough of Oradell	County of Bergen		
2009	c	\$ 1.310	\$ 0.066	\$ 1.376	\$ 0.549	\$ 0.217	\$ 2.142
2010		1.385	0.065	1.450	0.570	0.218	2.238
2011	c	1.374	0.067	1.441	0.617	0.226	2.284
2012		1.405	0.055	1.460	0.652	0.235	2.347
2013		1.651	0.053	1.704	0.770	0.249	2.723
2014		1.687	0.053	1.740	0.862	0.273	2.875
2015	c	1.777	0.051	1.828	0.812	0.271	2.911
2016		1.796	0.053	1.849	0.836	0.291	2.976
2017		1.631	0.047	1.678	0.766	0.258	2.702
2018	d	1.661	0.046	1.707	0.781	0.257	2.745

Source: Municipal Tax Collector

Notes: N.J.S.A. 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation.

- a - The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.
- b - Rates for debt service are based on each year's requirements.
- c - Borough undertook a revaluation of real property.
- d - Borough performed a reassessment of real property.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Direct and Overlapping Property Tax Rates  
 Last Ten Years  
 (rate per \$100 of assessed value)  
 Unaudited

Fiscal Year Ended June 30,	River Dell Regional School District			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct School	Borough of River Edge	County of Bergen	
2009	\$ 1.580	\$ 0.070	\$ 1.650	\$ 0.565	\$ 0.227	\$ 2.442
2010	1.624	0.070	1.694	0.650	0.221	2.565
2011	1.673	0.067	1.740	0.697	0.234	2.671
2012	1.936	0.068	2.004	0.816	0.245	3.065
2013	1.968	0.058	2.026	0.842	0.264	3.132
2014	<sup>c</sup> 2.033	0.055	2.088	0.862	0.273	3.223
2015	2.021	0.053	2.074	0.868	0.275	3.217
2016	2.070	0.050	2.120	0.880	0.286	3.286
2017	2.122	0.051	2.173	0.885	0.304	3.362
2018	2.149	0.051	2.200	0.897	0.298	3.395

Source: Municipal Tax Collector

Notes: N.J.S.A. 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation.

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

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

c - Borough undertook a revaluation of real property.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Principal Property Taxpayers  
 Current Year and Nine Years Ago  
 Unaudited

Taxpayer	Borough of Oradell					
	2018		2009			
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Hajjar Medical Office Bldg of Kinderkamack	\$ 20,262,300	1	1.22%	\$ 16,784,200	2	1.04%
600 Kinderkamack Road, LLC	19,806,400	2	1.19%			
Cranston Associates	18,759,500	3	1.13%	18,423,900	1	1.14%
SFIII Kinderkamack, LLC	12,484,500	4	0.75%			
Kamack Realty Corp.	9,437,900	5	0.57%	9,657,400	6	0.60%
White Beeches Realty Corp	7,400,900	6	0.44%	5,788,000	10	0.36%
Holy Name Real Estate Corp	6,520,300	7	0.39%	7,417,000	8	0.46%
HMOB of Oradell Owner LLC	5,830,800	8	0.35%	7,038,000	9	0.43%
Huntington Properties LLC	5,462,700	9	0.33%			
Public Service Electric & Gas Co.	5,500,000	10	0.33%	10,214,600	4	0.63%
Rio Vista Properties, LLC				15,757,300	3	0.97%
Rio Vista Properties, LLC				10,214,800	5	0.63%
Oradell Office Plaza, LLC				7,428,800	7	0.46%
<b>Total</b>	<b>\$ 111,465,300</b>		<b>6.70%</b>	<b>\$ 108,724,000</b>		<b>6.72%</b>

Source: Municipal Tax Assessor

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Principal Property Taxpayers  
 Current Year and Nine Years Ago  
 Unaudited

Taxpayer	Borough of River Edge					
	2018			2009		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
River Terrace Gardens Assoc., LLC	\$ 21,816,700	1	1.50%	\$ 19,825,900	1	1.22%
River Edge Associates	19,446,100	2	1.33%	15,761,300	2	0.97%
Route 4 - Main Street, LLC	14,382,000	3	0.99%	5,625,000	8	0.35%
ESS WCOT Owner LLC, PTA	9,844,800	4	0.67%			
Gainesborough COOP Corp.	8,600,000	5	0.59%	10,398,200	3	0.64%
First Real Estate Investment Trust of NJ	8,475,900	6	0.58%	7,297,900	6	0.45%
River Terrace Gardens Assoc. - RE Gardens	8,289,500	7	0.57%			
Grand Four Associates	6,618,900	8	0.45%	8,649,300	5	0.53%
Milpau, LLC	5,427,200	9	0.37%	5,032,600	9	0.31%
Verizon - New Jersey	4,561,923	10	0.31%	6,952,327	7	0.43%
Prudential Realty				10,040,200	4	0.62%
Riverside Medical Arts Center				4,066,200	10	0.25%
<b>Total</b>	<b>\$ 107,463,023</b>		<b>7.37%</b>	<b>\$ 93,648,927</b>		<b>5.77%</b>

Source: Municipal Tax Assessor

RIVER DELL REGIONAL SCHOOL DISTRICT  
Property Tax Levies and Collections  
Last Ten Years  
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2009	\$ 24,787,051	\$ 24,787,051	100.00%	\$ -
2010	25,673,913	25,673,913	100.00%	
2011	27,046,741	27,046,741	100.00%	
2012	27,378,962	27,378,962	100.00%	
2013	27,626,756	27,626,756	100.00%	
2014	28,480,243	28,480,243	100.00%	
2015	29,280,951	29,280,951	100.00%	
2016	29,835,577	29,835,577	100.00%	
2017	30,414,817	30,414,817	100.00%	
2018	30,998,193	30,998,193	100.00%	

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

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



RIVER DELL REGIONAL SCHOOL DISTRICT  
Ratios of Outstanding Debt by Type  
Last Ten Years  
Unaudited

Borough of Oradell

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General	Capital			
	Obligation Bonds	Leases			
2009	\$ 9,219,463	\$ 802,654	\$ 10,022,117	1.98%	\$ 1,287
2010	8,389,687	529,132	8,918,819	1.69%	1,116
2011	7,986,990	276,401	8,263,391	1.49%	1,026
2012	7,097,259		7,097,259	1.22%	877
2013	6,171,394		6,171,394	1.06%	758
2014	5,830,615		5,830,615	0.97%	713
2015	5,261,446		5,261,446	0.84%	640
2016	4,992,503		4,992,503	0.78%	605
2017	4,362,224		4,362,224	N/A	525
2018	3,726,417		3,726,417	N/A	N/A

Borough of River Edge

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General	Capital			
	Obligation Bonds	Leases			
2009	\$ 9,788,537	\$ 852,198	\$ 10,640,735	1.53%	\$ 995
2010	9,148,313	576,979	9,725,292	1.30%	856
2011	8,036,010	278,098	8,314,108	1.05%	726
2012	7,664,741		7,664,741	0.93%	666
2013	6,658,606		6,658,606	0.81%	575
2014	5,919,385		5,919,385	0.70%	510
2015	5,453,554		5,453,554	0.61%	468
2016	4,657,497		4,657,497	0.52%	399
2017	4,167,776		4,167,776	N/A	355
2018	3,633,583		3,633,583	N/A	N/A

Source: District Records

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

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

N/A - At the time of CAFR completion, this data was not yet available.

RIVER DELL REGIONAL SCHOOL DISTRICT  
Ratios of General Bonded Debt Outstanding  
Last Ten Years  
Unaudited

Borough of Oradell

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value Property <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2009	\$ 9,219,463	\$ -	\$ 9,219,463	0.57%	\$ 1,184
2010	8,389,687		8,389,687	0.52%	1,050
2011	7,986,990		7,986,990	0.49%	992
2012	7,097,259		7,097,259	0.44%	877
2013	6,171,394		6,171,394	0.43%	758
2014	5,830,615		5,830,615	0.40%	713
2015	5,261,446		5,261,446	0.36%	640
2016	4,992,503		4,992,503	0.34%	605
2017	4,362,224		4,362,224	0.27%	525
2018	3,726,417		3,726,417	0.22%	448

Borough of River Edge

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value Property <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2009	\$ 9,788,537	\$ -	\$ 9,788,537	0.60%	\$ 916
2010	9,148,313		9,148,313	0.56%	805
2011	8,036,010		8,036,010	0.49%	702
2012	7,664,741		7,664,741	0.53%	666
2013	6,658,606		6,658,606	0.46%	575
2014	5,919,385		5,919,385	0.41%	510
2015	5,453,554		5,453,554	0.38%	468
2016	4,657,497		4,657,497	0.32%	399
2017	4,167,776		4,167,776	0.29%	355
2018	3,633,583		3,633,583	0.25%	310

Source: District Records

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

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

b - See Exhibit J-14 for population data. The ratio is calculated using the population for the prior calendar year.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2017  
 Unaudited

<u>Governmental Unit</u>		<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes				
Borough of Oradell	(1)	\$ 20,806,298	100%	\$ 20,806,298
Borough of River Edge	(1)	11,117,826	100%	11,117,826
Other debt				
County of Bergen - Borough of Oradell's share	(2);(A)	N/A	N/A	
County of Bergen - Borough of River Edge's share	(2);(A)	N/A	N/A	<hr/>
Subtotal, overlapping debt				31,924,124
River Dell Regional School District Direct Debt				<hr/> 8,530,000
Total direct and overlapping debt				<hr/> <hr/> \$ 40,454,124

Sources: (1) Municipal Chief Financial Officer

(A) The debt for this entity was apportioned to the Boroughs of Oradell and River Edge by applying the Municipality-to-County Net Valuation on which County taxes are apportioned for Bergen County.

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

N/A At the time of CAFR completion, this data was not yet available.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
 Unaudited

Legal Debt Margin Calculation for Fiscal Year 2017

December 31, Year	Borough of River Edge Equalized Valuation Basis		Borough of Oradell Equalized Valuation Basis		Combined Equalized Valuation Basis
	Valuation Basis		Valuation Basis		
2017	\$ 1,763,222,316	\$	1,830,205,859	\$	3,593,428,175
2016	1,695,534,433		1,724,793,876		3,420,328,309
2015	1,668,832,887		1,712,688,092		3,381,520,979
			[A]	\$	<u>10,395,277,463</u>
			[A/3]	\$	3,465,092,488
Average equalized valuation of taxable property					
			[B]		121,278,237 <sup>a</sup>
			[C]		7,360,000
			[B-C]	\$	<u>113,918,237</u>
Debt limit (3.5 % of average equalization value)					
					121,278,237
					7,360,000
					<u>113,918,237</u>
Total Net Debt Applicable to Limit					
					113,918,237
Legal debt margin					
					113,918,237

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 128,789,063	\$ 129,351,876	\$ 127,463,501	\$ 124,996,970	\$ 121,591,435	\$ 118,221,834	\$ 115,587,616	\$ 116,173,754	\$ 117,587,503	\$ 121,278,237
Total net debt applicable to limit	19,008,000	17,538,000	16,023,000	14,762,000	12,830,000	11,750,000	10,715,000	9,650,000	8,530,000	7,360,000
Legal debt margin	<u>109,781,063</u>	<u>111,813,876</u>	<u>111,440,501</u>	<u>110,234,970</u>	<u>108,761,435</u>	<u>106,471,834</u>	<u>104,872,616</u>	<u>106,523,754</u>	<u>109,057,503</u>	<u>113,918,237</u>
Total net debt applicable to the limit as a percentage of debt limit	14.76%	13.56%	12.57%	11.81%	10.55%	9.94%	9.27%	8.31%	7.25%	6.07%

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 percentage limits would be applicable for other district types.

RIVER DELL REGIONAL SCHOOL DISTRICT  
Demographic and Economic Statistics  
Last Ten Years  
Unaudited

Borough of Oradell					
Year	Population <sup>a(1)</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c(2)</sup>	Unemployment Rate <sup>d</sup>	
2009	7,787	\$ 506,910,339	\$ 65,097	5.90%	
2010	7,992	528,111,360	66,080	6.10%	
2011	8,053	556,011,332	69,044	6.00%	
2012	8,095	582,459,535	71,953	6.10%	
2013	8,146	582,023,554	71,449	4.70%	
2014	8,175	599,170,275	73,293	4.20%	
2015	8,215	627,527,420	76,388	3.50%	
2016	8,246	636,484,002	77,187	3.10%	
2017	8,314	N/A	N/A	3.30%	
2018	8,314 <sup>(3)</sup>	N/A	N/A	N/A	

Borough of River Edge					
Year	Population <sup>a(1)</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c(2)</sup>	Unemployment Rate <sup>d</sup>	
2009	10,691	\$ 695,952,027	\$ 65,097	6.20%	
2010	11,360	750,668,800	66,080	6.40%	
2011	11,448	790,415,712	69,044	6.30%	
2012	11,509	828,107,077	71,953	6.40%	
2013	11,571	826,736,379	71,449	6.60%	
2014	11,615	851,298,195	73,293	4.60%	
2015	11,665	891,066,020	76,388	3.60%	
2016	11,687	902,084,469	77,187	3.40%	
2017	11,724	N/A	N/A	3.30%	
2018	11,724 <sup>(3)</sup>	N/A	N/A	N/A	

## Source:

- a - Population information provided by the US Bureau of the Census, Population Division
- b - Personal income has been estimated based upon the municipal population and per capita personal income presented
- c - US Bureau of Economic Analysis per capita personal income for New Jersey by county
- d - Unemployment data provided by the NJ Dept of Labor and Workforce Development

## Notes:

- <sup>(1)</sup> Represents estimate as of July 1
- <sup>(2)</sup> Represents county information vs. municipality.
- <sup>(3)</sup> estimated

N/A - At the time of CAFR completion, this data was not yet available.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Principal Employers  
 Current Year and Nine Years Ago  
 Unaudited

Borough of Oradell						
Employer	2018			2009		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
	N/A	1	N/A	N/A	1	N/A
	N/A	2	N/A	N/A	2	N/A
	N/A	3	N/A	N/A	3	N/A
	N/A	4	N/A	N/A	4	N/A
	N/A	5	N/A	N/A	5	N/A
	N/A	6	N/A	N/A	6	N/A
	N/A	7	N/A	N/A	7	N/A
	N/A	8	N/A	N/A	8	N/A
	N/A	9	N/A	N/A	9	N/A
	N/A	10	N/A	N/A	10	N/A
	-		-	-		-

Borough of River Edge						
Employer	2018			2009		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
	N/A	1	N/A	N/A	1	N/A
	N/A	2	N/A	N/A	2	N/A
	N/A	3	N/A	N/A	3	N/A
	N/A	4	N/A	N/A	4	N/A
	N/A	5	N/A	N/A	5	N/A
	N/A	6	N/A	N/A	6	N/A
	N/A	7	N/A	N/A	7	N/A
	N/A	8	N/A	N/A	8	N/A
	N/A	9	N/A	N/A	9	N/A
	N/A	10	N/A	N/A	10	N/A
	-		-	-		-

Source: Borough of Oradell, Borough of River Dell and State of New Jersey Department of Labor and Industry Annual Labor Force Estimates by Municipality.

N/A - At the time of CAFR completion, this data was not yet available.

RIVER DELL REGIONAL SCHOOL DISTRICT  
Full-time Equivalent District Employees by Function/Program  
Last Ten Fiscal Years  
Unaudited

Function/Program	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Instruction	109.0	110.0	111.0	114.0	112.9	110.4	111.2	113.4	114.5	116.8
Regular	23.0	23.0	17.0	24.0	27.6	29.2	29.0	30.2	31.0	30.5
Special education										
Support Services:										
Student & instruction related services	21.0	22.0	26.0	29.0	33.0	36.0	36.0	37.5	37.0	38.0
General administration	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
School administrative services	9.0	9.0	9.0	11.0	10.0	10.0	10.0	10.0	10.0	10.0
Central services	5.0	5.0	5.0	5.0	5.5	4.5	4.5	4.5	4.5	4.5
Administrative information technology	2.0	2.0	4.0	4.0	4.0	4.0	4.0	4.5	4.0	4.0
Plant operations and maintenance	21.0	21.0	22.0	19.0	19.0	21.0	22.0	22.0	21.0	22.0
Pupil transportation	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
<b>Total</b>	<b>192.5</b>	<b>194.5</b>	<b>196.5</b>	<b>209.5</b>	<b>215.5</b>	<b>218.6</b>	<b>220.2</b>	<b>225.6</b>	<b>225.5</b>	<b>229.3</b>

Source: District personnel records

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Operating Statistics  
 Last Ten Fiscal Years  
 Unaudited

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Middle School	Senior High School					
2009	1,610	\$ 27,187,939	\$ 16,887	5.03%	113.2	1:11	1:12	1,535.5	1,477.4	0.66%	96.22%	
2010	1,622	27,969,885	17,244	2.11%	113.5	1:11	1:13	1,616.0	1,554.8	5.24%	96.21%	
2011	1,638	27,382,112	16,717	-3.06%	115.5	1:11	1:14	1,619.0	1,548.0	0.19%	95.61%	
2012	1,670	28,540,953	17,090	2.23%	120.8	1:14	1:16	1,667.0	1,601.3	2.96%	96.06%	
2013	1,649	30,541,676	18,521	8.37%	123.4	1:16	1:15	1,650.5	1,579.7	-0.99%	95.71%	
2014	1,651	30,766,961	18,635	0.62%	125.7	1:15	1:14	1,661.7	1,593.9	0.68%	95.92%	
2015	1,665	31,682,538	19,029	2.11%	125.2	1:15	1:14	1,669.1	1,599.6	0.45%	95.84%	
2016	1,645	32,692,388	19,874	4.44%	126.3	1:16	1:15	1,644.0	1,577.0	-1.50%	95.92%	
2017	1,643	34,545,209	21,026	5.80%	127.0	1:16	1:15	1,617.1	1,577.0	-1.64%	97.52%	
2018	1,634	35,178,336	21,529	2.39%	128.2	1:16	1:15	1,621.3	1,553.4	0.26%	95.81%	

Sources: District Records

Note: Enrollment based on annual October district count.

a - Operating expenditures equal total expenditures less debt service and capital outlay.

b - Teaching staff includes only full-time equivalents of certificated staff.

c - Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).



RIVER DELL REGIONAL SCHOOL DISTRICT  
 School Building Information  
 Last Ten Fiscal Years  
 Unaudited

District Building	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>Middle School</u>										
River Dell Middle School (1956)										
Square Feet	117,834	117,834	117,834	117,834	117,834	117,834	117,834	117,834	117,834	117,834
Capacity (students)	729.70	729.70	729.70	729.70	729.70	729.70	729.70	729.70	729.70	729.70
Enrollment	569	553	576	587	571	606	601	578	577	568
<u>High School</u>										
River Dell High School (1958)										
Square Feet	174,016	174,016	174,016	174,016	174,016	174,016	174,016	174,016	174,016	174,016
Capacity (students)	1,476.1	1,476.1	1,476.1	1,476.1	1,476.1	1,476.1	1,476.1	1,476.1	1,476.1	1,476.1
Enrollment	1,041	1,069	1,045	1,083	1,078	1,045	1,064	1,067	1,066	1,053
Number of Schools at June 30, 2018										
Middle School = 1										
Senior High School = 1										

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October district count.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Schedule of Required Maintenance Expenditures by School Facilities  
 Last Ten Fiscal Years  
 Unaudited

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

* School Facilities School # (s)	River Dell Middle School 060	River Dell High School 050	Total
2009	\$ 282,380	\$ 512,626	\$ 795,006
2010	275,377	406,674	682,051
2011	372,434	550,007	922,441
2012	422,630	624,135	1,046,765
2013	333,614	492,678	826,292
2014	288,784	426,473	715,257
2015	359,203	530,467	889,670
2016	285,153	421,111	706,264
2017	303,105	447,623	750,728
2018	342,145	505,276	847,421
Total School Facilities	\$ <u>3,264,825</u>	\$ <u>4,917,070</u>	\$ <u>8,181,895</u>

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

Source: District Records

RIVER DELL REGIONAL SCHOOL DISTRICT  
Insurance Schedule  
June 30, 2018  
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - School Alliance Insurance Fund		
Property - Blanket Building & Contents	\$ 99,110,552	\$ 2,500
Comprehensive General Liability	5,000,000	1,000
Automobile Liability	5,000,000	1,000
Uninsured Motorists	30,000	
Auto Medical Payments	10,000	
Employee Benefits Liability	100,000	1,000
Cyber Liability	2,000,000	10,000
Crime and Fidelity - Faithful Performance	500,000	1,000
Theft, Disappearance and Destruction	50,000	1,000
Flood	10,000,000	25,000
Earthquake	25,000,000	25,000
Boiler and Machinery Equipment Coverage	100,000,000	1,000
School Leaders Professional Liability - School Alliance Insurance Fund	5,000,000	5,000
Environmental Impairment Liability Aggregate Limit - Ace Insurance Group	1,000,000	10,000
Additional Excess Liability (each occurrence) - Torus/Starstone/Markel	30,000,000	
Travel Accident - Gerber Life Insurance Co.	500,000	
Public Official Bonds:		
Treasurer of School Moneys	300,000	
Board Secretary/Business Administrator	100,000	

Source: District Records

Note: The District is part of the South Bergen Region VII Pool. Several of the above coverage's are the combined amounts for all the school districts under master policies with insurance companies.

## **SINGLE AUDIT SECTION**

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

The Honorable President and  
Members of the Board of Education  
River Dell Regional School District  
County of Bergen  
River Edge, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of River Dell Regional School District, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise River Dell Regional School District's basic financial statements, and have issued our report thereon dated February 13, 2019.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 River Dell Regional School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

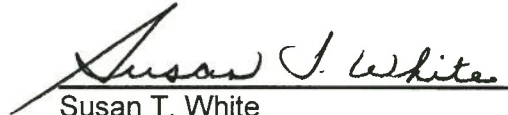
## Purpose of this Report

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



Smolin, Lupin & Co., P.A.

Certified Public Accountants



Susan T. White

Public School Accountant

License #20CS00119300

Fairfield, New Jersey  
February 13, 2019

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

The Honorable President and  
Members of the Board of Education  
River Dell Regional School District  
County of Bergen  
River Edge, New Jersey

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

We have audited River Dell Regional School District's compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of River Dell Regional School District's major state programs for the year ended June 30, 2018. River Dell Regional School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with 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 River Dell Regional School District'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; and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey OMB's Circular 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about River Dell Regional School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of River Dell Regional School District's compliance.



**Opinion on Each Major State Program**

In our opinion, River Dell Regional School District, in the County of Bergen, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2018.

**Report on Internal Control Over Compliance**

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


*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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**

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 New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

  
Smolin, Lupin & Co., P.A.  
Certified Public Accountants

  
Susan T. White  
Public School Accountant  
License #20CS00119300



RIVER DELL REGIONAL SCHOOL DISTRICT  
 Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From/To	Balance at June 30, 2017	Carryover/ Walkover Amount	Cash Received	Budgetary Expenditures	Adjust- ments	Repayment of Prior Years' Balances	June 30, 2018	
												Accounts Receivable	Deferred Revenue
<b>U.S. Department of Education</b>													
<b>Passed-through State Department of Education:</b>													
<b>Special Revenue Fund:</b>													
I.D.E.A. Part B: Current Year	84.027	H027A170100	IDEA-4405-18	\$397,906	7/1/17 - 6/30/18	- \$	- \$	397,906 \$	(397,906) \$	- \$	- \$	- \$	- \$
E.S.E.A. Title II Part A, Improving Teacher Quality:													
Current Year	84.367A	S367A170029	ESSA-4405-18	21,575	7/1/17 - 6/30/18			21,575	(21,575)				
E.S.E.A. Title III, English Language Acquisition: Current Year	84.365	S365A170030	ESSA-4405-18	10,000	7/1/17 - 6/30/18			10,000	(10,000)				
E.S.E.A. Title III, English Language Acquisition - Immigrant: Current Year	84.365	S365A170030	ESSA-4405-18	3,254	7/1/17 - 6/30/18			3,254	(3,254)				
E.S.E.A. Title IV Part A, Student Support and Academic Enrichment: Current Year	84.424	S424A170031	ESSA-4405-18	10,000	7/1/17 - 6/30/18			10,000	(6,644)				3,356
<b>Total Special Revenue Fund</b>								<u>442,735</u>	<u>(439,379)</u>				<u>3,356</u>
<b>Total Federal Awards</b>								<u>\$ - \$</u>	<u>\$ - \$</u>				<u>\$ - \$</u>

Note - This schedule was not subject to an audit in accordance with the Uniform Guidance.

See accompanying notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.



RIVER DELL REGIONAL SCHOOL DISTRICT  
 Schedule of Expenditures of State Financial Assistance  
 For the Fiscal Year Ended June 30, 2018

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From/To	As of June 30, 2017			Balance at June 30, 2018			MEMO				
				Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/Walkover Amount	GAAP Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<b>Total Special Revenue Fund</b>				\$ -	\$ 27,499	\$ -	\$ 490,821	\$ (413,713)	\$ (27,499)	\$ -	\$ (2,810)	\$ 79,918	\$ 2,810	\$ 413,713
<b>Total State Financial Assistance</b>				(184,761)	27,499		5,909,271	(5,802,096)	(27,499)		(157,504)	79,918	220,919	5,802,096
<b>State Financial Assistance Not Subject to Single Audit Determination:</b>														
<b>General Fund</b>														
TPAF Pension - Normal Contribution	18-495-034-5094-002	2,069,225	7/1/17 - 6/30/18				(2,069,225)	2,069,225						(2,069,225)
TPAF Pension - Non-contributory Insurance	18-495-034-5094-004	50,215	7/1/17 - 6/30/18				(50,215)	50,215						(50,215)
TPAF - Long-Term Disability Insurance	18-495-034-5094-004	2,474	7/1/17 - 6/30/18				(2,474)	2,474						(2,474)
TPAF - Post-Retirement Medical Contributions	18-495-034-5094-001	1,366,901	7/1/17 - 6/30/18				(1,366,901)	1,366,901						(1,366,901)
<b>Total State Expenditures Subject to Major Program Determination</b>				\$ (184,761)	\$ 27,499	\$ -	\$ 2,418,456	\$ (2,311,281)	\$ (27,499)	\$ -	\$ (157,504)	\$ 79,918	\$ 220,919	\$ 2,311,281

**RIVER DELL REGIONAL SCHOOL DISTRICT**  
**Notes to Schedules of Expenditures of**  
**Federal Awards and State Financial Assistance**  
**June 30, 2018**

**NOTE 1. GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education of the River Dell Regional School District (the "District"). The Board of Education (the "Board") is defined in Note 1 to the District's financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies are included on the schedules of expenditures of federal awards and state financial assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting. This basis of accounting is described in Note 1 to the District's financial statements. The information in these schedules are 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* (Uniform Guidance) and New Jersey OMB's 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 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, Special Revenue Fund, and Debt Service Fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the General Fund and Special Revenue Fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, payments are not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payments in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The District did not have one or more June state aid payments in the Special Revenue Fund, however, if it did, the Special Revenue Fund would recognize the one or more June state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

**RIVER DELL REGIONAL SCHOOL DISTRICT**  
**Notes to Schedules` of Expenditures of**  
**Federal Awards and State Financial Assistance**  
**June 30, 2018**

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$63,415 for the General Fund. There are no adjustments for the Special Revenue Fund and Debt Service Fund. See Exhibit C-3, Notes to Required Supplementary Information - Part II, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Federal awards and state financial assistance revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>
General Fund	\$ -	\$ 5,388,383
Special Revenue Fund	439,379	413,713
Total federal awards and state financial assistance - GAAP Basis	439,379	5,802,096
Less: TPAF Pension Contributions - Normal Costs, Post-Retirement Medical, Disability Insurance, and Non-Contributory Insurance		<u>3,490,815</u>
Total per schedules of expenditures of federal awards and state financial assistance	<u>\$ 439,379</u>	<u>\$ 2,311,281</u>

**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**

The amount reported as TPAF Pension - Normal Costs, Post-Retirement Medical Contributions, Disability Insurance, and Non-Contributory Insurance, represents the amount paid by the state on behalf of the District for the year ended June 30, 2018. Reimbursed TPAF social security contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2018.

**RIVER DELL REGIONAL SCHOOL DISTRICT**  
**Notes to Schedule of Expenditures of**  
**Federal Awards and State Financial Assistance**  
**June 30, 2018**

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

On-behalf state programs for TPAF Pension - Normal Costs, Post-Retirement Medical Contributions, Disability Insurance, and Non-Contributory Insurance are not subject to a state single audit and, therefore, are excluded from major program determination. The schedule of expenditures of state financial assistance provides a reconciliation of state financial assistance reported in the District's basic financial statements and the amount subject to state single audit and major program determination.

NOTE 7. DE MINIMIS INDIRECT COST RATE

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

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended June 30, 2018

Section I - Summary of Auditor's Results

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified?            yes   x   no

2) Significant deficiencies identified that are not considered to be material weaknesses?            yes   x   none reported

Noncompliance material to basic financial statements noted?            yes   x   no

**Federal Awards**

Not applicable - Not subject to an audit in accordance with the Uniform Guidance.

**State Financial Assistance**

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

Auditee qualified as low-risk auditee?   x   yes            no

Internal control over major programs:

1) Material weakness(es) identified?            yes   x   no

2) Significant deficiencies identified that are not considered to be material weaknesses?            yes   x   none reported

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

Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB's Circular 15-08?            yes   x   no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
18-495-034-5120-089	State Aid Public Cluster:
18-495-034-5120-084	Special Education Categorical Aid
18-495-034-5120-085	Security Aid
18-495-034-5120-098	Additional Adjustment Aid
18-495-034-5120-098	PARCC Readiness
18-495-034-5120-097	Per Pupil Growth Aid
18-495-034-5120-101	Professional Learning Community Aid

**RIVER DELL REGIONAL SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs (Continued)  
For the Fiscal Year Ended June 30, 2018**

Section II - Financial Statement Findings

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

There are none.



**RIVER DELL REGIONAL SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs (Continued)  
For the Fiscal Year Ended June 30, 2018**

Section III - 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 awards and state financial assistance programs, as required by the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

Not applicable - not subject to an audit in accordance with the Uniform Guidance.

**CURRENT YEAR STATE FINANCIAL ASSISTANCE**

There are none.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
Summary Schedule of Prior-Year Audit Findings  
For the Fiscal Year Ended June 30, 2018**

This section identifies the status of prior-year findings related to the basic financial statements and federal awards and state financial assistance that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

There were no prior-year audit findings.