

RIVERDALE BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Riverdale, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
of the
Riverdale Board of Education
Riverdale, New Jersey
For The Fiscal Year Ended June 30, 2018**

**Prepared by
Business Office**

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INTRODUCTORY SECTION



Riverdale PUBLIC SCHOOL



52 Newark Pompton Turnpike · Riverdale, New Jersey 07457

PAUL KOBLISKA
PRINCIPAL/
HIB COORDINATOR
(973) 839 – 1300 Ext. 100
Fax: (973) 839 – 1024

Dr. GEOFFREY GORDON
INTERIM SUPERINTENDENT/
DIRECTOR OF SPECIAL SERVICES
(973) 839 – 1300 Ext. 102
Fax: (973) 839 – 8856

JAYSON GUTIERREZ
BUSINESS ADMINISTRATOR/
BOARD SECRETARY
(973) 839 – 1300 Ext. 103
Fax: (973) 839 – 8856

January 24, 2019

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

Dear Board Members:

The comprehensive annual financial report of the Riverdale School District (the "District") for the fiscal year ended June 30, 2018 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Riverdale School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

The District provides a full range of educational services appropriate to grade levels Prek through 8. These services include general, as well as special education for students designated as needing the same, via their IEP. The District completed the 2017/2018 fiscal year with an enrollment of 333 students, which is 5 students fewer than the previous year's enrollment.

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

Average Daily Enrollment		
Fiscal Year	Student Enrollment	Percent Change
2017-2018	333	-1.4%
2016-2017	338	-1.1%
2015-2016	342	3.0%
2014-2015	332	0.6%
2013-2014	330	-0.9%
2012-2013	333	2.7%
2011-2012	324	6.8%
2010-2011	318	1.9%
2009-2010	312	6.9%
2008-2009	292	4.3%

Beginning in the 2000/01 school year, students in grades 9 through 12 began attending the Pompton Lakes School District and the Riverdale School District paid the Pompton Lakes School District tuition according to a ten year send/receive agreement that was renewed in 2018 and will continue through the end of the 2029-2030 school year. The tuition charge is based upon a flat rate agreed upon by both districts.

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

3) MAJOR INITIATIVES: The Riverdale School District's goals reflect our belief that the education of our students remains our top priority. As a Pre-K-8 school District of 333 students, we have been able to personalize instruction by maintaining small class sizes, wherever possible, in an environment of high expectations for student achievement and excellence. Student performances on state and local assessments are clear examples of the district's effectiveness in attaining high levels of student achievement.

During the 2017/2018 school year, teachers and administrators were committed to examining instructional methodologies in the following curricular areas: differentiated instruction, writing process, language arts literacy, mathematics, student wellness, inclusion and special education. Through the continued efforts of the District, professional development activities were aligned to instructional improvement. The curriculum reflects a focus in integration of critical thinking skills, use of technological applications, organizational strategies and writing instruction throughout all disciplines. These efforts optimize the learning experiences for our students.

Our five-year curriculum review/revision cycle is one of our ongoing efforts to establish clear expectations, while increasing accountability and providing opportunities to work with parents in monitoring each child's educational goals. Each area of curriculum is reviewed to ensure the reflection of the most recent core curriculum content standard. Student activities embody the leadership theme and include: the Student Council, National Junior Honor Society, an interscholastic athletic program, choral and band after school programs, visual arts presentations and a science fair. Each grade level attends a curriculum based field trip to provide additional meaning to their learning.

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

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

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

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

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

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance

with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2018.

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

7) DEBT ADMINISTRATION: At June 30 2018, the District had finalized payment of all outstanding obligation bonds. On December 10, 2002, the voters of the Borough of Riverdale authorized a bond issue in the amount of \$5,552,000 to construct an addition and renovation to the Riverdale School. In addition, the Borough of Riverdale has agreed to contribute \$1,000,000 to fund the cost thereof. To date the district has received \$900,000, the balance of \$100,000.00 being canceled.

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

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

10) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board's audit committee selected the accounting firm of Lerch, Vinci, & Higgins, LLP, CPAs. In addition to meeting the requirements set forth in state statutes the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR)

Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and state OMB Circular 15-08. The auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

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

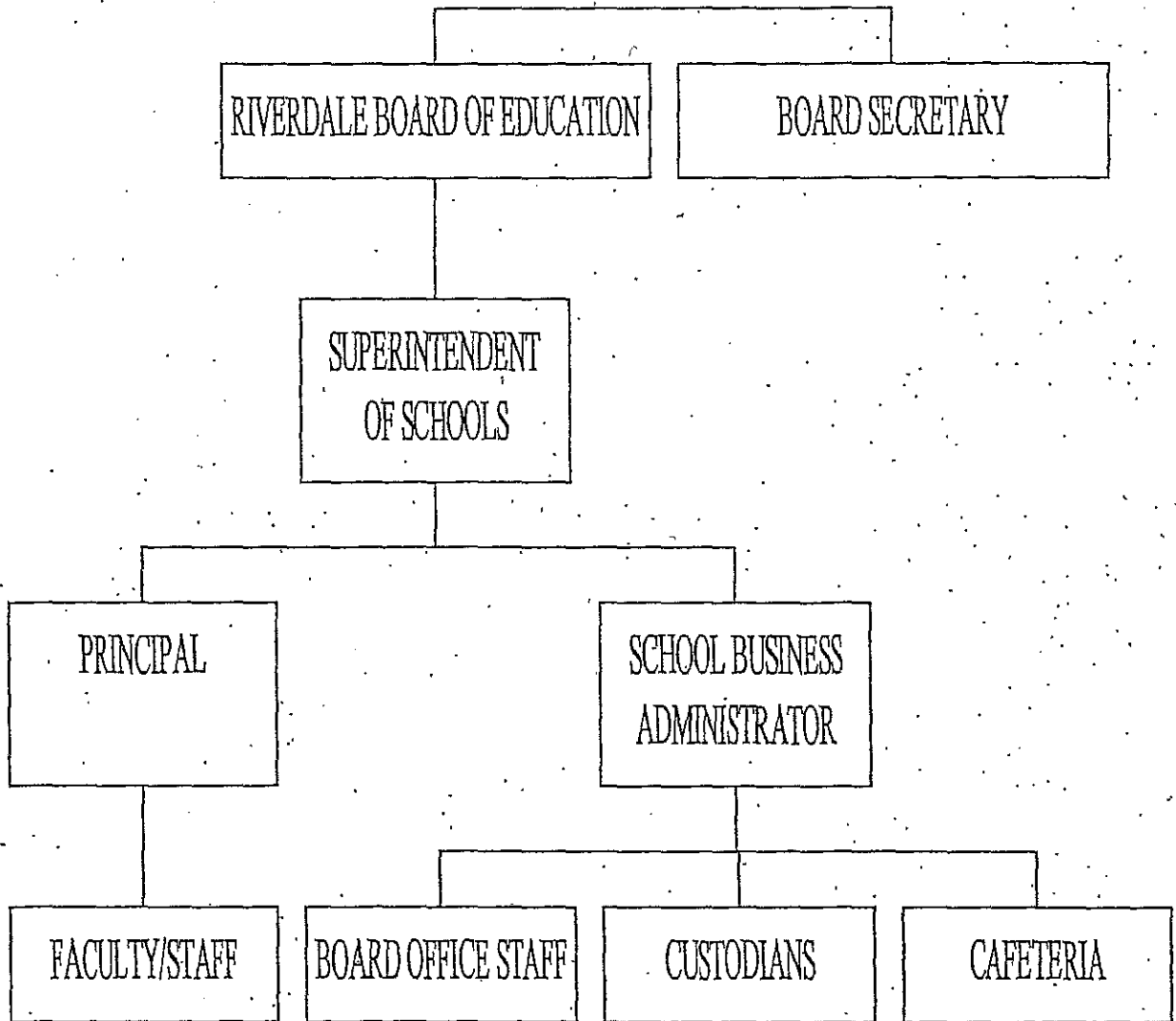
Respectfully submitted,



Geoffrey Gordon, Ed. D,
Superintendent/Director of Special Services

GNG:an

RIVERDALE BOARD OF EDUCATION
Organizational Chart



RIVERDALE SCHOOL DISTRICT
RIVERDALE , NJ

ROSTER OF OFFICIALS

June 30, 2018

<u>Board Members</u>	<u>Term Expires</u>
Charles Sheridan, President	2020
Kelly Norris, Vice President	2018
June Carelli	2018
Keith Hamilton	2018
Marybeth Miller	2020
Andrew Oliveri	2018
Jessica Rentas	2019

Other Officials:

Vicki J. Pede, Superintendent

Jayson Gutierrez, Business Administrator/Board Secretary

Stephen R. Fogarty, Esq., Board Attorney

**RIVERDALE SCHOOL DISTRICT
RIVERDALE, NEW JERSEY**

Consultants and Advisors

Architect

Solutions Architecture
81 Clay Street
2nd Floor Suite 2
Newark, NJ 07104

Audit Firm

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

Attorney

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

Official Depository

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

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverdale Board of Education, as of and for the fiscal year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverdale Board of Education as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2018 the Riverdale Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

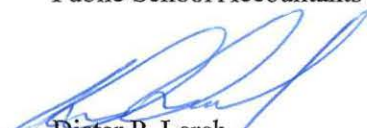
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated January 24, 2019 on our consideration of the Riverdale Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Riverdale Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Riverdale Board of Education's internal control over financial reporting and compliance.



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



Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
January 24, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

Riverdale Board of Education Riverdale, New Jersey

Management's Discussion and Analysis Fiscal Year Ended June 30, 2018

This section of the Riverdale Board of Education's comprehensive annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2018. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34- Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2017-2018) and the prior year (2016-2017) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2017-2018 fiscal year are as follows:

- The assets and deferred outflows of resources of the Riverdale Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$5,002,491 (net position).
- The District's total net position increased \$123,772.
- Overall district revenues were \$10,358,210. General revenues accounted for \$7,931,672 or 77% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2,426,538 or 23% of total revenues.
- The school district had \$10,128,560 in expenses for governmental activities; only \$2,310,596 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$7,931,672 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$1,995,480. Of this amount \$149,920 is available for spending at the District's discretion (unassigned fund balance – General Fund),

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Riverdale Board of Education Riverdale, New Jersey

Management's Discussion and Analysis (continued) Fiscal Year Ended June 30, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

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

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

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

Riverdale Board of Education
Riverdale, New Jersey

Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2018

District-Wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2018**

The district has three kinds of funds:

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

FINANCIAL ANALYSIS OF THE RIVERDALE BOARD OF EDUCATION AS A WHOLE

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

Table A-1 provides a summary of the school district's net position for 2018 and 2017.

Net position. The district's combined net position was \$5,002,491 on June 30, 2018. (See Table A-1).

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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2018**

Table A-1
Net Position
as of June 30, 2018 and 2017

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Assets						
Current and other assets	\$ 2,001,809	\$ 1,764,974	\$ 29,474	\$ 33,345	\$ 2,031,283	\$ 1,798,319
Capital assets, net	<u>4,202,020</u>	<u>4,384,168</u>	<u>26,671</u>	<u>12,773</u>	<u>4,228,691</u>	<u>4,396,941</u>
Total Assets	<u>6,203,829</u>	<u>6,149,142</u>	<u>56,145</u>	<u>46,118</u>	<u>6,259,974</u>	<u>6,195,260</u>
Deferred Outflows of Resources	<u>358,400</u>	<u>581,523</u>	<u>-</u>	<u>-</u>	<u>358,400</u>	<u>581,523</u>
Total Assets and Deferred Outflows of Resources	<u>6,562,229</u>	<u>6,730,665</u>	<u>56,145</u>	<u>46,118</u>	<u>6,618,374</u>	<u>6,776,783</u>
Liabilities						
Non-Current liabilities	1,177,470	1,815,934			1,177,470	1,815,934
Other liabilities	<u>6,329</u>	<u>28,325</u>	<u>1,594</u>	<u>1,314</u>	<u>7,923</u>	<u>29,639</u>
Total Liabilities	<u>1,183,799</u>	<u>1,844,259</u>	<u>1,594</u>	<u>1,314</u>	<u>1,185,393</u>	<u>1,845,573</u>
Deferred Inflows of Resources	<u>429,573</u>	<u>51,212</u>	<u>917</u>	<u>1,279</u>	<u>430,490</u>	<u>52,491</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,613,372</u>	<u>1,895,471</u>	<u>2,511</u>	<u>2,593</u>	<u>1,615,883</u>	<u>1,898,064</u>
Net Position						
Net Investment in capital assets	4,107,541	4,264,764	26,671	12,773	4,134,212	4,277,537
Restricted	1,196,492	1,115,415			1,196,492	1,115,415
Unrestricted	<u>(355,176)</u>	<u>(544,985)</u>	<u>26,963</u>	<u>30,752</u>	<u>(328,213)</u>	<u>(514,233)</u>
Total Net Position	<u>\$ 4,948,857</u>	<u>\$ 4,835,194</u>	<u>\$ 53,634</u>	<u>\$ 43,525</u>	<u>\$ 5,002,491</u>	<u>\$ 4,878,719</u>

Table A-2 on the following page shows changes in net position for fiscal year 2018 and 2017.

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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2018**

Table A-2
Changes in Net Position
For the Fiscal Years Ended June 30, 2018 and 2017

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues						
Program Revenues						
Charges for Services	\$ 45,000	\$ 58,848	\$ 75,784	\$ 70,268	\$ 120,784	\$ 129,116
Operating/Capital Grants and Contributions	2,265,596	2,009,248	40,158	37,752	2,305,754	2,047,000
General Revenues						
Property Taxes	7,916,902	7,761,669			7,916,902	7,761,669
State Aid	9,106	8,671			9,106	8,671
Miscellaneous	5,619	49,506	45	49	5,664	49,555
<u>Total Revenues</u>	<u>10,242,223</u>	<u>9,887,942</u>	<u>115,987</u>	<u>108,069</u>	<u>10,358,210</u>	<u>9,996,011</u>
Expenses						
Instruction						
Regular	4,509,295	4,334,901			4,509,295	4,334,901
Special Education	2,268,424	2,286,141			2,268,424	2,286,141
Other Instruction	240,515	140,511			240,515	140,511
School Sponsored Activities and Athletics	73,906	64,221			73,906	64,221
Support Services						
Student and Instruction Related Serv.	883,134	939,725			883,134	939,725
General Administrative Services	418,131	461,031			418,131	461,031
School Administrative Services	196,383	193,458			196,383	193,458
Central Services	261,622	222,078			261,622	222,078
Plant Operations and Maintenance	731,890	756,127			731,890	756,127
Pupil Transportation	541,819	531,828			541,819	531,828
Food Services			104,886	94,851	104,886	94,851
Technology Initiative			992		992	-
Interest on Long-Term Debt	3,441	3,525	-	-	3,441	3,525
<u>Total Expenses</u>	<u>10,128,560</u>	<u>9,933,546</u>	<u>105,878</u>	<u>94,851</u>	<u>10,234,438</u>	<u>10,028,397</u>
Change in Net Position	113,663	(45,604)	10,109	13,218	123,772	(32,386)
Net Position, Beginning of Year	4,835,194	4,880,798	43,525	30,307	4,878,719	4,911,105
Net Position, End of Year	<u>\$ 4,948,857</u>	<u>\$ 4,835,194</u>	<u>\$ 53,634</u>	<u>\$ 43,525</u>	<u>\$ 5,002,491</u>	<u>\$ 4,878,719</u>

Riverdale Board of Education Riverdale, New Jersey

Management's Discussion and Analysis (continued) Fiscal Year Ended June 30, 2018

Governmental Activities. The District's total revenues were \$10,242,223. The local share of the revenues, that included property taxes, investment earnings, and miscellaneous revenue, amounted to \$7,922,521 or 77% of total revenues. Funding from state and federal sources and charges for services amounted to \$2,319,702 or 23%. (See Figure A-2)

The District's expenses are predominantly related to instruction and support services. Instruction totaled \$7,092,140 (70%) and student support services and interest on long-term debt totaled \$3,036,420 (30%) of total expenditures. (See Figure A-3)

Figure A-2 Revenues by Sources – Governmental Activities
For Fiscal Year 2018

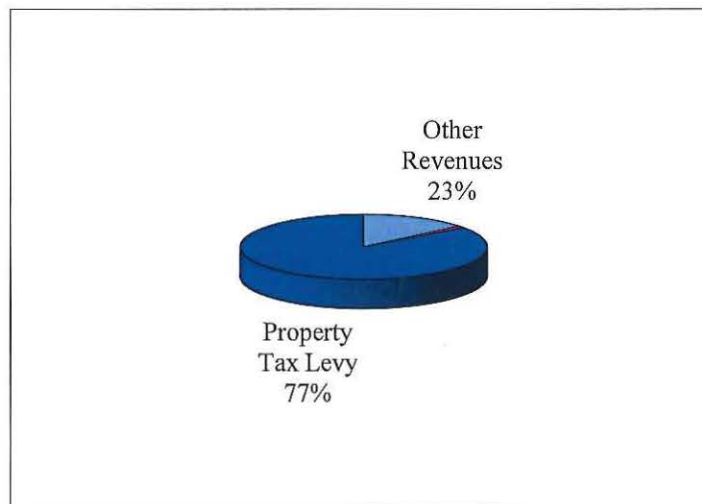
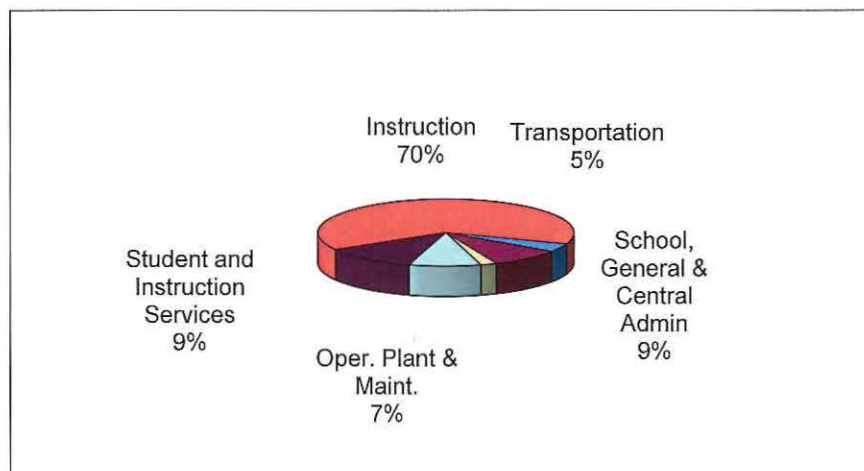


Figure A-3 Expenses by Function – Governmental Activities
For Fiscal Year 2018



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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2018**

Table A-3
Cost and Net Cost of Services for Governmental Activities
For the Fiscal Years Ended June 30, 2018 and 2017

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Governmental Activities				
Instruction				
Regular	4,509,295	\$ 4,334,901	\$ 3,434,285	\$ 3,329,671
Special Education	2,268,424	2,286,141	1,461,881	1,531,973
Other Instruction	240,515	140,511	146,516	88,888
School Sponsored Activities and Athletics	73,906	64,221	69,472	64,221
Support Services				
Student and Instruction Related Svcs.	883,134	939,725	725,928	773,849
General Administrative Services	418,131	461,031	389,725	461,031
School Administrative Services	196,383	193,458	138,950	140,715
Central Services	261,622	222,078	243,822	222,078
Plant Operations and Maintenance	731,890	756,127	695,632	745,138
Pupil Transportation	541,819	531,828	508,312	504,361
Interest on Long-Term Debt	3,441	3,525	3,441	3,525
	<u>3,441</u>	<u>3,525</u>	<u>3,441</u>	<u>3,525</u>
Total Governmental Activities	<u>\$ 10,128,560</u>	<u>\$ 9,933,546</u>	<u>\$ 7,817,964</u>	<u>\$ 7,865,450</u>

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2018 was \$105,878. These costs were funded by operating grants and charges for services (Detailed on Table A-2).

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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2018**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$1,995,480. At June 30, 2017, the fund balance was \$1,736,649.

Revenues for the District's governmental funds were \$9,167,181, while total expenditures were \$8,908,350.

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

The following schedule presents a summary of General Fund revenues for the fiscal years ended June 30, 2018 and 2017.

	Fiscal Year Ended <u>6/30/2018</u>	Fiscal Year Ended <u>6/30/2017</u>	Amount of Increase (Decrease)	Percent Change
Local Sources:				
Property Taxes	\$ 7,916,902	\$ 7,761,669	\$ 155,233	2.0%
Miscellaneous	50,619	108,354	(57,735)	-53.3%
Intergovernmental State Sources	<u>1,103,307</u>	<u>989,812</u>	<u>113,495</u>	11.5%
 Total Revenues	 <u>\$ 9,070,828</u>	 <u>\$ 8,859,835</u>	 <u>\$ 210,993</u>	 2.4%

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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2018**

General Fund (Continued)

The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2018 and 2017.

	Fiscal Year Ended <u>6/30/2018</u>	Fiscal Year Ended <u>6/30/2017</u>	Amount of Increase <u>(Decrease)</u>	Percent Change
Instruction	\$ 6,119,274	\$ 5,925,553	\$ 193,721	3%
Support Services	2,638,086	2,634,963	3,123	0%
Debt Service	34,992	34,566	426	1%
Capital Outlay	<u>19,645</u>	<u>75,999</u>	<u>(56,354)</u>	-74%
 Total Expenditures	 <u>\$ 8,811,997</u>	 <u>\$ 8,671,081</u>	 <u>\$ 140,916</u>	 2%

Total General Fund expenditures increased by \$140,916 or 2% from the previous year.

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

Revenues of the Special Revenue Fund were \$96,353 for the year ended June 30, 2018. Federal sources accounted for \$91,729 or 95% of Special Revenue Fund's revenue for the year.

Total Special Revenue Fund revenues decreased \$28,868 or 23% from the previous year.

Expenditures of the Special Revenue Fund were \$96,353. Instructional expenditures were \$86,909 or 90%.

Proprietary Funds

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

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

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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2018**

GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

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

Capital Assets. At the end of the fiscal year 2018, the school district had invested in land, buildings, machinery and equipment as stated in Table A-4 as follows:

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

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 11,800	\$ 11,800			\$ 11,800	\$ 11,800
Buildings and Building Improvements	7,171,633	7,151,988			7,171,633	7,151,988
Machinery and Equipment	<u>387,317</u>	<u>387,317</u>	\$ 48,104	\$ 30,712	<u>435,421</u>	<u>418,029</u>
Total	7,570,750	7,551,105	48,104	30,712	7,618,854	7,581,817
Less: Accumulated Depreciation	<u>(3,368,730)</u>	<u>(3,166,937)</u>	<u>(21,433)</u>	<u>(17,939)</u>	<u>(3,390,163)</u>	<u>(3,184,876)</u>
Total	<u>\$ 4,202,020</u>	<u>\$ 4,384,168</u>	<u>\$ 26,671</u>	<u>\$ 12,773</u>	<u>\$ 4,228,691</u>	<u>\$ 4,396,941</u>

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

Debt Administration. As of June 30, 2018 the school district had long-term debt and outstanding long-term liabilities in the amount of \$1,177,570.

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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2018**

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

	<u>2018</u>	<u>2017</u>
Capital Lease Payable	\$ 101,539	\$ 133,090
Net Pension Liability	1,060,527	1,647,171
Compensated Absences Payable	<u>15,504</u>	<u>35,673</u>
Total	<u>\$ 1,177,570</u>	<u>\$ 1,815,934</u>

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

RIVERDALE BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2018

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,925,049	\$ 25,302	\$ 1,950,351
Receivables, net			
Receivables from Other Governments	76,735	2,075	78,810
Other	25	419	444
Inventory		1,678	1,678
Capital Assets, not being depreciated	11,800		11,800
Capital Assets, net of depreciation	<u>4,190,220</u>	<u>26,671</u>	<u>4,216,891</u>
Total Assets	<u>6,203,829</u>	<u>56,145</u>	<u>6,259,974</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows on Net Pension Liability	<u>358,400</u>	-	<u>358,400</u>
Total Deferred Outflows of Resources	<u>358,400</u>	-	<u>358,400</u>
Total Assets and Deferred Outflows of Resources	<u>6,562,229</u>	<u>56,145</u>	<u>6,618,374</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	2,370	272	2,642
Unearned Revenue	3,959	1,322	5,281
Noncurrent Liabilities			
Due within one year	31,654		31,654
Due beyond one year	<u>1,145,816</u>	-	<u>1,145,816</u>
Total Liabilities	<u>1,183,799</u>	<u>1,594</u>	<u>1,185,393</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows on Net Pension Liability	429,573		429,573
Deferred Commodities Revenue	<u>-</u>	<u>917</u>	<u>917</u>
Total Deferred Inflows of Resources	<u>429,573</u>	<u>917</u>	<u>430,490</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,613,372</u>	<u>2,511</u>	<u>1,615,883</u>
NET POSITION			
Net Investment in Capital Assets	4,107,541	26,671	4,134,212
Restricted for:			
Capital Projects	677,731		677,731
Other Purposes	518,761		518,761
Unrestricted	<u>(355,176)</u>	<u>26,963</u>	<u>(328,213)</u>
Total Net Position	<u>\$ 4,948,857</u>	<u>\$ 53,634</u>	<u>\$ 5,002,491</u>

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

RIVERDALE BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 4,509,295	\$ 45,000	\$ 1,030,010		\$ (3,434,285)		\$ (3,434,285)
Special Education	2,268,424		806,543		(1,461,881)		(1,461,881)
Other Instruction	240,515		93,999		(146,516)		(146,516)
School Sponsored Activities and Athletics	73,906		4,434		(69,472)		(69,472)
Support Services							
Student and Instruction Related Services	883,134		157,206		(725,928)		(725,928)
General Administration Services	418,131		28,406		(389,725)		(389,725)
School Administration Services	196,383		57,433		(138,950)		(138,950)
Central Services	261,622		17,800		(243,822)		(243,822)
Plant Operations and Maintenance	731,890		36,258		(695,632)		(695,632)
Pupil Transportation	541,819		33,507		(508,312)		(508,312)
Interest on Debt	3,441	-	-	-	(3,441)	-	(3,441)
Total Governmental Activities	10,128,560	45,000	2,265,596	-	(7,817,964)	-	(7,817,964)
Business-Type Activities							
Food Service	104,886	74,572	40,158	-	-	\$ 9,844	9,844
Technology Initiative	992	1,212	-	-	-	220	220
Total Business-Type Activities	105,878	75,784	40,158	-	-	10,064	10,064
Total Primary Government	\$ 10,234,438	\$ 120,784	\$ 2,305,754	\$ -	(7,817,964)	10,064	(7,807,900)
General Revenues							
Property Taxes, Levied for General Purposes					7,916,902		7,916,902
State Aid - Unrestricted					9,106		9,106
Miscellaneous Income					5,619	45	5,664
Total General Revenues					7,931,627	45	7,931,672
Change in Net Position					113,663	10,109	123,772
Net Position, Beginning of Year					4,835,194	43,525	4,878,719
Net Position, End of Year					\$ 4,948,857	\$ 53,634	\$ 5,002,491

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FUND FINANCIAL STATEMENTS

**RIVERDALE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2018**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,924,870	\$ 179	\$ 1,925,049
Receivables			
Intergovernmental	7,540	69,195	76,735
Other			-
Interfunds Receivable	<u>65,174</u>	<u>-</u>	<u>65,174</u>
 Total Assets	 <u>\$ 1,997,584</u>	 <u>\$ 69,374</u>	 <u>\$ 2,066,958</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Interfunds Payable		\$ 65,149	\$ 65,149
Accounts Payable	\$ 304	2,066	2,370
Unearned Revenue	<u>1,800</u>	<u>2,159</u>	<u>3,959</u>
 Total Liabilities	 <u>2,104</u>	 <u>69,374</u>	 <u>71,478</u>
Fund Balances			
Restricted Fund Balance			
Excess Surplus	392,848		392,848
Excess Surplus - Designated for Subsequent Year's			
Expenditures	199,004		199,004
Capital Reserve	629,731		629,731
Capital Reserve - Designated for Subsequent Year's			
Expenditures	48,000		48,000
Maintenance Reserve	406,761		406,761
Maintenance Reserve - Designated for Subsequent			
Year's Expenditures	12,000		12,000
Tuition Adjustments - Designated for Subsequent			
Year's Expenditures	100,000		100,000
Assigned			
Year End Encumbrances	57,216		57,216
Unassigned Fund Balance	<u>149,920</u>	<u>-</u>	<u>149,920</u>
 Total Fund Balances	 <u>1,995,480</u>	 <u>-</u>	 <u>1,995,480</u>
 Total Liabilities and Fund Balances	 <u>\$ 1,997,584</u>	 <u>\$ 69,374</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$7,570,750, and the accumulated depreciation is \$3,368,730. 4,202,020

Certain amounts resulting from the calculation of liabilities are reported as deferred outflows and deferred inflows of resources on the statement of net position and amortized over future years. (See Note 2A) (71,173)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 2A) (1,177,470)

Net position of governmental activities \$ 4,948,857

**RIVERDALE BOARD OF EDUCATION
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>Total Governmental Funds</u>
REVENUES			
Local Sources			
Property Tax Levy	\$ 7,916,902		\$ 7,916,902
Tuition	45,000		45,000
Interest	4,106		4,106
Miscellaneous	1,513	-	1,513
Total - Local Sources	7,967,521	-	7,967,521
State Sources	1,103,307		1,103,307
Federal Sources		\$ 91,729	91,729
Other Sources	-	4,624	4,624
Total Revenues	9,070,828	96,353	9,167,181
EXPENDITURES			
Current			
Instruction			
Regular Instruction	3,873,672	13,528	3,887,200
Special Education Instruction	1,998,833	59,275	2,058,108
Other Instruction	177,822	14,106	191,928
School-Sponsored Activities and Athletics	68,947		68,947
Support Services			
Student and Instruction Related Services	769,452	9,444	778,896
General Administrative Services	406,631		406,631
School Administrative Services	160,490		160,490
Central Services	241,715		241,715
Plant Operations and Maintenance	520,820		520,820
Pupil Transportation	538,978		538,978
Debt Service			
Principal	31,551		31,551
Interest and Other Charges	3,441		3,441
Capital Outlay	19,645	-	19,645
Total Expenditures	8,811,997	96,353	8,908,350
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	258,831	-	258,831
Fund Balance, Beginning of Year	1,736,649	-	1,736,649
Fund Balance, End of Year	\$ 1,995,480	\$ -	\$ 1,995,480

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

**RIVERDALE BOARD OF EDUCATION
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
 REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 WITH THE DISTRICT-WIDE STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 258,831

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

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

Capital Outlay	\$ 19,645	
Depreciation Expense	<u>(201,793)</u>	(182,148)

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

Decrease in Compensated Absences	20,269	
Increase in Pension Expense	<u>(14,840)</u>	5,429

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

Capital Leases		<u>31,551</u>
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Change in net position of governmental activities (Exhibit A-2) \$ 113,663

**RIVERDALE BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2018**

Business-Type Activities - Enterprise Fund

	<u>Food Service</u>	<u>Non-Major Technology Initiative</u>	<u>Totals</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 25,081	\$ 221	\$ 25,302
Intergovernmental Receivable			
State	82		82
Federal	1,993		1,993
Other Accounts Receivable	419		419
Inventories	1,678	-	1,678
	<u>29,253</u>	<u>221</u>	<u>29,474</u>
Total Current Assets			
Capital Assets			
Equipment	48,104		48,104
Less: Accumulated Depreciation	(21,433)	-	(21,433)
	<u>26,671</u>	<u>-</u>	<u>26,671</u>
Total Capital Assets			
Total Assets	<u>55,924</u>	<u>221</u>	<u>56,145</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	272		272
Unearned Revenue	1,322	-	1,322
	<u>1,594</u>	<u>-</u>	<u>1,594</u>
Total Current Liabilities			
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue	917	-	917
	<u>2,511</u>	<u>-</u>	<u>2,511</u>
Total Liabilities and Deferred Inflows of Resources			
NET POSITION			
Invested in Capital Assets	26,671		26,671
Unrestricted	26,742	221	26,963
	<u>\$ 53,413</u>	<u>\$ 221</u>	<u>\$ 53,634</u>
Total Net Position			

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

**RIVERDALE BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Business-Type Activites - Enterprise Fund		
	Food Service	Non-Major Technology Initiative	Totals
OPERATING REVENUES			
Charges for Services			
Daily Sales - Reimbursable Programs	\$ 46,953		\$ 46,953
Daily Sales - Non-Reimbursable Programs	27,619		27,619
Receipts from Customers	-	\$ 1,212	1,212
Total Operating Revenues	<u>74,572</u>	<u>1,212</u>	<u>75,784</u>
OPERATING EXPENSES			
Salaries and Wages	27,931		27,931
Insurance	2,698		2,698
Purchased Services	7,144		7,144
Supplies and Materials	448	992	1,440
Repair and Maintenance	4,281		4,281
Cost of Sales - Reimbursable Programs	45,817		45,817
Cost of Sales - Non-Reimbursable Programs	5,083		5,083
Depreciation Expense	3,494		3,494
Miscellaneous	7,990	-	7,990
Total Operating Expenses	<u>104,886</u>	<u>992</u>	<u>105,878</u>
Operating Income (Loss)	<u>(30,314)</u>	<u>220</u>	<u>(30,094)</u>
NONOPERATING REVENUES			
Interest Earnings	44	1	45
State Sources			
State School Lunch Program	1,211		1,211
Federal Sources			
National Lunch Program	29,637		29,637
Food Distribution Program	9,310	-	9,310
Total Nonoperating Revenues	<u>40,202</u>	<u>1</u>	<u>40,203</u>
Change in Net Position	9,888	221	10,109
Net Position, Beginning of Year	<u>43,525</u>	<u>-</u>	<u>43,525</u>
Net Position, End of Year	<u>\$ 53,413</u>	<u>\$ 221</u>	<u>\$ 53,634</u>

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

**RIVERDALE BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Business-Type Activites - Enterprise Fund</u>		
	<u>Food Service</u>	<u>Non-Major Technology Initiative</u>	<u>Totals</u>
Cash Flows from Operating Activities			
Cash Received from Customers and Other Operating Activities	\$ 74,025	\$ 1,212	\$ 75,237
Cash Payments for Employees - Salaries and Benefits	(27,931)	-	(27,931)
Cash Payments to Suppliers for Goods and Services	(61,041)	(992)	(62,033)
Net Cash Provided (Used) by Operating Activities	(14,947)	220	(14,727)
Cash Flows from Noncapital Financing Activities			
Cash Received from State and Federal Subsidy Reimbursements	30,943	-	30,943
Net Cash Provided by Noncapital Financing Activities	30,943	-	30,943
Cash Flows from Capital and Related Financing Activities			
Purchases of capital assets	(17,392)	-	(17,392)
Net cash (used) by capital and related financing activities	(17,392)	-	(17,392)
Cash Flows from Investing Activities			
Interest Earnings	44	1	45
Net Cash Provided by Investing Activities	44	1	45
Net Increase (Decrease) in Cash and Cash Equivalents	(1,352)	221	(1,131)
Cash and Cash Equivalents, Beginning of Year	26,433	-	26,433
Cash and Cash Equivalents, End of Year	\$ 25,081	\$ 221	\$ 25,302
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	\$ (30,314)	\$ 220	\$ (30,094)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation Expense	3,494		3,494
Non-Cash Federal Assistance-Food Distribution Program	9,310		9,310
Change in Assets, Liabilities and Deferred Inflows of Resources			
(Increase)/Decrease in Prepaid Expense	1,811		1,811
Increase/(Decrease) in Accounts Payable	272		272
(Increase)/Decrease in Inventory	1,027		1,027
Increase/(Decrease) in Unearned Revenue	8		8
(Increase)/Decrease in Accounts Receivable	(193)		(193)
Increase/(Decrease) in Deferred Commodities Revenue	(362)	-	(362)
Total Adjustments	15,367	-	15,367
Net Cash Provided (Used) by Operating Activities	\$ (14,947)	\$ 220	\$ (14,727)
Non-Cash Investing, Capital and Financing Activities			
Value Received - Food Distribution Program	\$ 8,948		\$ 8,948

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

**RIVERDALE BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2018**

	Unemployment Compensation <u>Trust Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 42,359	\$ 21,473
Due from Other Funds	<u>-</u>	<u>1,499</u>
Total Assets	<u>42,359</u>	<u>\$ 22,972</u>
LIABILITIES		
Due to Student Groups		\$ 14,365
Due to Other Funds	1,499	25
Payroll Deductions Payable	<u>-</u>	<u>8,582</u>
Total Liabilities	<u>1,499</u>	<u>\$ 22,972</u>
NET POSITION		
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 40,860</u>	

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

**RIVERDALE BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Unemployment Compensation <u>Trust Fund</u>
ADDITIONS	
Contributions	
Employees	\$ 5,928
District	<u>-</u>
Total Contributions	5,928
Investment Earnings	
Interest	<u>57</u>
Total Additions	<u>5,985</u>
DEDUCTIONS	
Unemployment Claims and Contributions	<u>1,376</u>
Total Deductions	<u>1,376</u>
Change in Net Position	4,609
Net Position, Beginning of Year	<u>36,251</u>
Net Position, End of Year	<u>\$ 40,860</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

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

- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits (OPEB)).
- GASB No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB No. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.
- GASB No. 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.
- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, will be effective beginning with the year ending 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. This Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistency provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms association with debt will be disclosed.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, will be effective beginning with the year ending June 30, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. 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. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

C. Basis of Presentation - Financial Statements

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

RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

The *technology initiative fund* accounts for the non-refundable deposits charged to repair and replenish the District's Chromebooks which are provided to middle school students.

Additionally, the government reports the following fund types:

The *fiduciary trust fund* is used to account for resources legally held in trust for state unemployment insurance claims. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

The *fiduciary agency funds* account for assets held by the District as an agent for student activities and for payroll deductions and withholdings. The funds for the student activities fund are solely for noninstructional student activities that are supported and controlled by student organizations and clubs for which school administration does not have management involvement. The payroll funds are held to remit employee withholdings to respective state, federal and other agencies.

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

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

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital Assets

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

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

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

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

5. Deferred Outflows/Inflows of Resources

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

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

7. Pensions

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

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

8. Long-Term Obligations

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

9. Net Position/Fund Balance

District-Wide Statements

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

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Net Position/Fund Balance (Continued)

Governmental Fund Statements

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

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

Excess Surplus – This restriction was created in accordance with NJSA 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.

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

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 3).

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2018/2019 District budget certified for taxes.

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 3).

Maintenance Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2018/2019 District budget certified for taxes

Tuition Adjustment – Designated for Subsequent Year's Expenditures – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2016/2017 contract year that is appropriated in the 2018/2019 original budget certified for taxes.

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

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

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

In the general operating fund and other governmental funds (capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

10. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2016-2017 and 2017-2018 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

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

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position– governmental activities as reported in the district-wide statement of net position. One element of that reconciliation explains that “deferred outflows and inflows are amortized over future years and therefore are not reported in the funds.” The details of this (\$71,173) difference are as follows:

Deferred Outflows on Net	
Pension Liability	\$ 358,400
Deferred Inflows on Net	
Pension Liability	<u>(429,573)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (71,173)</u>

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position– governmental activities as reported in the district-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including capital leases payable, net pension liability and compensated absences are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(1,177,470) difference are as follows:

Capital Leases Payable	\$ (101,539)
Net Pension Liability	(1,060,527)
Compensated Absences	<u>(15,404)</u>
 Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	 <u>\$ (1,177,470)</u>

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

Budget adoptions and amendments are recorded in the District’s board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2017/2018. Also, during 2017/2018 the Board increased the original budget by \$143,793. The increase was funded by additional state aid appropriated, grant awards and the reappropriation of prior year general fund encumbrances.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

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

B. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2018 is as follows:

Balance, July 1, 2017		\$ 596,654
Increased by		
Deposits Approved by Board Resolution	\$ 100,000	
Interest Earnings	<u>722</u>	
		<u>100,722</u>
		697,376
Withdrawals		
Approved in District Budget		<u>19,645</u>
Balance, June 30, 2018		<u>\$ 677,731</u>

\$48,000 of the capital reserve balance at June 30, 2018 was designated and appropriated for use in the 2018/2019 original budget certified for taxes.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve

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

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

The activity of the maintenance reserve for the fiscal year ended June 30, 2018 is as follows:

Balance, July 1, 2017		\$ 418,761
Increased by		
Deposit Approved by Board Resolution	\$ 5,431	
Interest earnings	<u>569</u>	
		<u>6,000</u>
		424,761
Withdrawals		
Approved in District Budget		<u>6,000</u>
Balance, June 30, 2018		<u>\$ 418,761</u>

The June 30, 2018 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$418,761. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities. \$12,000 of the maintenance reserve balance at June 30, 2018 was designated and appropriated for use in the 2018/2019 original budget certified for taxes.

D. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2018 is \$591,852. Of this amount, \$199,004 was designated and appropriated in the 2018/2019 original budget certified for taxes and the remaining amount of \$392,848 will be appropriated in the 2019/2020 original budget certified for taxes.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2018, the book value of the Board's deposits were \$2,014,183 and bank and brokerage firm balances of the Board's deposits amounted to \$2,878,831. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ <u>2,878,831</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2018 none of the Board's bank balances were exposed to custodial credit risk.

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2018, the Board had no outstanding investments.

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

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

Concentration of Credit Risk – The Board places no limit in the amount the District may invest in any one issuer.

B. Receivables

Receivables as of June 30, 2018 for the district’s individual major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise Fund</u>	<u>Total</u>
Receivables:				
Intergovernmental				
Federal		\$ 69,195	\$ 1,993	\$ 71,188
State	\$ 7,540		82	7,622
Other	-		419	419
Gross Receivables	<u>7,540</u>	<u>69,195</u>	<u>2,494</u>	<u>79,229</u>
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 7,540</u>	<u>\$ 69,195</u>	<u>\$ 2,494</u>	<u>\$ 79,229</u>

C. Unearned Revenue

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

	<u>Unearned</u>
General Fund	
Tuition	\$ 1,800
Special Revenue Fund	
Unencumbered grant draw downs	1,662
Grant Drawdowns Reserved for Encumbrances	<u>497</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 3,959</u>

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

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

	Balance, <u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2018</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 11,800			\$ 11,800
Construction in Progress	-	-	-	-
Total capital assets, not being depreciated	<u>11,800</u>	<u>-</u>	<u>-</u>	<u>11,800</u>
Capital assets, being depreciated:				
Buildings and Building Improvements	7,151,988	\$ 19,645		7,171,633
Machinery and equipment	387,317	-	-	387,317
Total capital assets being depreciated	<u>7,539,305</u>	<u>19,645</u>	<u>-</u>	<u>7,558,950</u>
Less accumulated depreciation for:				
Buildings and Building Improvements	(2,854,889)	(182,789)		(3,037,678)
Machinery and equipment	(312,048)	(19,004)	-	(331,052)
Total accumulated depreciation	<u>(3,166,937)</u>	<u>(201,793)</u>	<u>-</u>	<u>(3,368,730)</u>
Total capital assets, being depreciated, net	<u>4,372,368</u>	<u>(182,148)</u>	<u>-</u>	<u>4,190,220</u>
Governmental activities capital assets, net	<u>\$ 4,384,168</u>	<u>\$ (182,148)</u>	<u>\$ -</u>	<u>\$ 4,202,020</u>

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, July 1, 2017	Increases	Decreases	Balance, June 30, 2018
Business-type activities:				
Capital assets, being depreciated:				
Machinery and equipment	\$ 30,712	\$ 17,392	-	\$ 48,104
Total capital assets being depreciated	<u>30,712</u>	<u>17,392</u>	<u>-</u>	<u>48,104</u>
Less accumulated depreciation for:				
Machinery and equipment	(17,939)	(3,494)	-	(21,433)
Total accumulated depreciation	<u>(17,939)</u>	<u>(3,494)</u>	<u>-</u>	<u>(21,433)</u>
Total capital assets, being depreciated, net	<u>12,773</u>	<u>13,898</u>	<u>-</u>	<u>26,671</u>
Business-type activities capital assets, net	<u>\$ 12,773</u>	<u>\$ 13,898</u>	<u>\$ -</u>	<u>\$ 26,671</u>

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

Governmental Activities:	
Instruction	
Regular	\$ <u>15,212</u>
Total Instruction	<u>15,212</u>
Support Services	
Student and Instruction Related Services	672
Plant Operations and Maintenance of Plant	<u>185,909</u>
Total Support Services	<u>186,581</u>
Total depreciation expense - governmental activities	<u>\$ 201,793</u>
Business-Type Activities:	
Food Service	\$ <u>3,494</u>

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2018, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Payroll Agency Fund	\$ 25
General Fund	Special Revenue Fund	65,149
Payroll Agency Fund	Unemployment Compensation Trust Fund	<u>1,499</u>
		<u>\$ 66,673</u>

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

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

F. Leases

Capital Leases

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

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

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

Capital Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2019	\$ 34,992
2020	27,461
2021	27,460
2022	<u>18,480</u>
Total minimum lease payments	108,393
Less: amount representing interest	<u>(6,854)</u>
Present value of minimum lease payments	<u>\$ 101,539</u>

G. Long-Term Debt

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2018 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 26,384,581
Less: Net Debt	<u>-</u>
Remaining Borrowing Power	<u>\$ 26,384,581</u>

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2018, was as follows:

	Balance, <u>July 1, 2017</u>	<u>Increases</u>	<u>Reductions</u>	Balance, <u>June 30, 2018</u>	Due Within <u>One Year</u>
Governmental activities:					
Capital Leases	\$ 133,090		\$ 31,551	\$ 101,539	\$ 31,654
Net Pension Liability	1,647,171		586,644	1,060,527	
Compensated absences payable	<u>35,673</u>	<u>-</u>	<u>20,269</u>	<u>15,404</u>	<u>-</u>
Governmental activity					
Long-term liabilities	<u>\$ 1,815,934</u>	<u>\$ -</u>	<u>\$ 638,464</u>	<u>\$ 1,177,470</u>	<u>\$ 31,654</u>

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

NOTE 5 OTHER INFORMATION

A. Risk Management

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

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

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

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

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

Fiscal Year Ended <u>June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018		\$ 5,928	\$ 1,376	\$ 40,860
2017		5,918	-	36,251
2016	\$ 105	9,491	9,271	30,302

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2018, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

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

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

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple employer defined benefit pension plan with a special funding situation, by which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions.

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

The following represent the membership tiers for TPAF:

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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

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

Other Pension Funds

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

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

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

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

The authority to amend the provisions of the above plans rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Investments are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Funding Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 33 percent with an unfunded actuarial accrued liability of 90.90 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 25.41 percent and \$67.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 48.10 percent and \$23.3 billion, respectively.

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

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

Actuarial Methods and Assumptions

In the July 1, 2016 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.00 percent and (b) projected salary increases applied through the year 2026 of 1.65-5.15 percent based on age for the PERS and varying percentages based on experience for TPAF.

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, 7.34% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2018.

Annual Pension Costs (APC)

For the fiscal year ended June 30, 2018 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC) (Continued)

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

Fiscal Year Ended June 30,	<u>PERS</u>	On-Behalf <u>TPAF</u>	<u>DCRP</u>
2018	\$ 42,205	\$ 286,146	\$ 12,614
2017	49,408	231,300	11,133
2016	41,674	153,633	10,594

In addition for fiscal years 2017/2018 and 2016/2017 the District contributed \$786 and \$311, respectively for PERS and the State contributed \$317 and \$353, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (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 \$165,963 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.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the fiscal year ended June 30, 2017. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits (“Division”) administers one cost-sharing multiple employer defined benefit pension plan, separate actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups of the plan.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

To facilitate the separate actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2017 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2017.

At June 30, 2018, the District reported in the statement of net position (accrual basis) a liability of \$1,060,527 for its proportionate share of the PERS 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 as of that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2017, the District's proportionate share was .00456 percent, which was a decrease of .001 percent from its proportionate share measured as of June 30, 2016 of .00556 percent.

For the fiscal year ended June 30, 2018, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$57,045 for PERS. The pension contribution made by the District during the current 2017/2018 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2018 with a measurement date of the prior fiscal year end of June 30, 2017. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2018 for contributions made subsequent to the current fiscal year end. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 24,972	
Changes of Assumptions	213,660	\$ 212,876
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	7,221	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>112,547</u>	<u>216,697</u>
Total	<u>\$ 358,400</u>	<u>\$ 429,573</u>

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

At June 30, 2018, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2019	\$ 8,348
2020	23,009
2021	6,808
2022	(62,373)
2023	(46,965)
Thereafter	<u>-</u>
	<u>\$ (71,173)</u>

Actuarial Assumptions

The District's 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 actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 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%
US Equities	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%
Emerging Market Equities	6.50%	11.64%
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 Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2017	5.00%
2017	June 30, 2016	3.98%

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2040
Municipal Bond Rate *	From July 1, 2040 and Thereafter

* The municipal bond return rate used is 3.58% as of the measurement date of June 30, 2017. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 5.00%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00 percent) or 1-percentage-point higher (6.00 percent) than the current rate:

	1% Decrease <u>(4.00%)</u>	Current Discount Rate <u>(5.00%)</u>	1% Increase <u>(6.00%)</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 1,315,656</u>	<u>\$ 1,060,527</u>	<u>\$ 847,973</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2017. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as a non-employer toward the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2017. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2017, the State's pension contribution was less than the actuarial determined amount.

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

For the fiscal year ended June 30, 2018, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$960,476 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2018 the State's proportionate share of the net pension liability attributable to the District is \$13,864,693. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2017. At June 30, 2017, the state's share of the net pension liability attributable to the District was .02056 percent, which was an increase of .00137 percent from its proportionate share measured as of June 30, 2016 of .01919 percent.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

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 actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.25%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.00%

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

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 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 Estate	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	8.25%	13.08%

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

Fiscal Year	Measurement Date	Discount Rate
2018	June 30, 2017	4.25%
2017	June 30, 2016	3.22%

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

Period of Projected Benefit

Payments for which the Following Rates were Applied:

Long-Term Expected Rate of Return Through June 30, 2036

Municipal Bond Rate * From July 1, 2036
and Thereafter

* The municipal bond return rate used is 3.58% as of the measurement date of June 30, 2017. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.25%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.25 percent) or 1-percentage-point higher (5.25 percent) than the current rate:

	1% Decrease (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 16,471,690</u>	<u>\$ 13,864,693</u>	<u>\$ 11,717,037</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2017. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2017 was not provided by the pension system.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

D. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report effective for the fiscal year ended June 30, 2017. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage and prescription drug benefits to qualified retired education participants. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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	<u>-</u>
Total	<u>366,078</u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Funded Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the State had a \$69.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$25.5 billion for state active and retired members and \$43.8 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

Funded Status and Funding Progress (Continued)

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

Actuarial Methods and Assumptions

In the July 1, 2016, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2017, there were 112,966, retirees receiving post-retirement medical benefits and the State contributed \$1.39 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (ABP) who retired from a board of education or county college with 25 years of service. The State paid \$238.9 million toward Chapter 126 benefits for 20,913 eligible retired members in Fiscal Year 2017.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2018, 2017 and 2016 were \$184,815, \$192,726 and \$182,934, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions. The nonemployer allocation percentages presented are based on the ratio of the State’s contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal year ended June 30, 2017. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District’s proportionate share percentage determined under Statement No. 75 is zero percent and the State’s proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2018, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$585,526. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2018 the State’s proportionate share of the OPEB liability attributable to the District is \$8,260,611. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2017 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2017. At June 30, 2017, the state’s share of the OPEB liability attributable to the District was .01540 percent, which was an increase of .00003 percent from its proportionate share measured as of June 30, 2016 of .01537 percent.

Actuarial Assumptions

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

Inflation Rate	2.50%
Salary Increases *	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.55%
Rate Thereafter	2.00% to 5.45%
Mortality	RP-2014 Headcount-Weighted Healthy Employee, Healthy Annuitant and Disabled Male/Female Mortality Table with Fully Generational Mortality Improvement Projections from the Central Year Using Scale MP-2017
Long-Term Rate of Return	1.00%

*Salary increases are based on the defined benefit plan that the individual is enrolled in and his or her year of service for TPAF or his or her age for PERS.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5 percent. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5 percent and decreases to a 5.0 percent long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent. This reflects the known underlying cost of the Part B premium. The Medicare Advantage trend rate is 4.5 percent and will continue in all future years.

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

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 1.00% as of June 30, 2017.

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2017	3.58%
2017	June 30, 2016	2.85%

The discount rate represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2018 (measurement date June 30, 2017) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2016 Measurement Date	\$ <u>8,889,276</u>
Changes Recognized for the Fiscal Year:	
Service Cost	\$ 438,703
Interest on the Total OPEB Liability	261,220
Changes of Assumptions	(1,091,346)
Gross Benefit Payments	(246,312)
Contributions from the Member	9,070
Net Changes	<u>\$ (628,665)</u>
Balance, June 30, 2017 Measurement Date	\$ <u>8,260,611</u>

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.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2017. A change in the total OPEB liability specific to the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2017 was not provided by the pension system.

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.58%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current rate:

	1% Decrease <u>(2.58%)</u>	Current Discount Rate <u>(3.58%)</u>	1% Increase <u>(4.58%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>9,805,941</u>	\$ <u>8,260,611</u>	\$ <u>7,034,840</u>

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of OPEB Liability (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability (School Retirees)	\$ <u>6,793,554</u>	\$ <u>8,260,611</u>	\$ <u>10,208,845</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2017. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2017 were not provided by the pension system.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 7,916,902		\$ 7,916,902	\$ 7,916,902	
Tuition from Individuals	30,000		30,000	45,000	\$ 15,000
Interest	200		200	4,106	3,906
Unrestricted Miscellaneous Revenue	18,000	-	18,000	1,513	(16,487)
Total Local Sources	<u>7,965,102</u>	<u>-</u>	<u>7,965,102</u>	<u>7,967,521</u>	<u>2,419</u>
State Sources					
Special Education Aid	206,232	\$ 18,038	224,270	224,270	
Transportation Aid	23,437		23,437	23,437	
Security Aid	11,114		11,114	11,114	
PARCC Readiness Aid	4,430		4,430	4,430	
Per Pupil Growth Aid	4,430		4,430	4,430	
Professional Learning Comm Aid	4,680		4,680	4,680	
Extraordinary Aid	82,000		82,000	126,154	44,154
Non Public Transportation				7,540	7,540
Lead Testing for Schools Aid				2,650	2,650
On-behalf TPAF Pension Benefit Contribution (Non-Budget)				279,366	279,366
On-behalf TPAF Pension NCGI Premium (Non-Budget)				6,780	6,780
On-behalf TPAF Post Retirement Medical Contribution (Non-Budget)				184,815	184,815
On-behalf TPAF Long-Term Disability Insurance (Non-Budget)				317	317
TPAF Social Security Contribution (Non-Budget)	-	-	-	165,963	165,963
Total State Sources	<u>336,323</u>	<u>18,038</u>	<u>354,361</u>	<u>1,045,946</u>	<u>691,585</u>
Total Revenues	<u>8,301,425</u>	<u>18,038</u>	<u>8,319,463</u>	<u>9,013,467</u>	<u>694,004</u>
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction					
Regular Programs					
Salaries of Teachers					
Preschool	78,558	\$ (467)	78,091	77,613	478
Kindergarten	139,522	(467)	139,055	137,141	1,914
Grades 1-5	698,951	4,628	703,579	703,579	-
Grades 6-8	496,769	478	497,247	497,247	-
Regular Program - Home Instruction					
Other Salaries for Instruction	4,000	(1,747)	2,253	1,190	1,063
Purchased Professional-Educational Services	5,000	(5,000)			-
Regular Program - Undistributed Instruction					
Other Salaries for Instruction	15,027	4,568	19,595	19,595	-
Other Purchased Services	77,710	(17,089)	60,621	60,620	1
General Supplies	60,006	31,966	91,972	69,608	22,364
Textbooks	10,719	(909)	9,810	9,389	421
Miscellaneous Expenditures	550	25	575	575	-
Total Regular Programs	<u>1,586,812</u>	<u>15,986</u>	<u>1,602,798</u>	<u>1,576,557</u>	<u>26,241</u>

**RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 136,044		\$ 136,044	\$ 136,044	
Other Salaries for Instruction	28,313	\$ 17,465	45,778	45,139	\$ 639
General Supplies	887	367	1,254	903	351
Total Learning and/or Language Disabilities	<u>165,244</u>	<u>17,832</u>	<u>183,076</u>	<u>182,086</u>	<u>990</u>
Multiple Disabilities					
Salaries of Teachers	-	80,536	80,536	80,536	-
Other Salaries for Instruction	-	27,227	27,227	23,582	3,645
Purchased Professional-Educational Services		31,800	31,800	25,865	5,935
Other Purchased Services		5,000	5,000	-	5,000
General Supplies	-	820	820	779	41
Other Objects	-	5,000	5,000	387	4,613
Total Multiple Disabilities	<u>-</u>	<u>150,383</u>	<u>150,383</u>	<u>131,149</u>	<u>19,234</u>
Resource Room/Resource Center					
Salaries of Teachers	239,532	870	240,402	240,402	-
Other Salaries for Instruction	68,421	(25,211)	43,210	42,959	251
General Supplies	810	-	810	794	16
Textbooks	130	-	130	115	15
Total Resource Room/Resource Center	<u>308,893</u>	<u>(24,341)</u>	<u>284,552</u>	<u>284,270</u>	<u>282</u>
Autism					
Salaries of Teachers	86,136	(86,136)			-
Other Salaries for Instruction	34,054	(34,054)			-
Purchased Professional-Educational Services	31,800	(31,800)			-
Other Purchased Services	5,000	(5,000)			-
General Supplies	820	(820)			-
Other Objects	5,000	(5,000)			-
Total Autism	<u>162,810</u>	<u>(162,810)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Special Education - Instruction	<u>636,947</u>	<u>(18,936)</u>	<u>618,011</u>	<u>597,505</u>	<u>20,506</u>
Basic Skills/Remedial Instruction					
Salaries of Teachers	91,692	18,280	109,972	109,972	-
General Supplies	315	117	432	430	2
Total Basic Skills/Remedial Instruction	<u>92,007</u>	<u>18,397</u>	<u>110,404</u>	<u>110,402</u>	<u>2</u>
School Sponsored Cocurricular Activities					
Salaries	25,100	1,176	26,276	26,276	-
Supplies and Materials	1,200	-	1,200	132	1,068
Other Objects	400	105	505	505	-
Total School Sponsored Cocurricular Activities	<u>26,700</u>	<u>1,281</u>	<u>27,981</u>	<u>26,913</u>	<u>1,068</u>
School Sponsored Athletics					
Salaries	13,500	(1,091)	12,409	9,594	2,815
Supplies and Materials	1,901	66	1,967	1,826	141
Other Objects	4,535	-	4,535	3,835	700
Total School Sponsored Athletics	<u>19,936</u>	<u>(1,025)</u>	<u>18,911</u>	<u>15,255</u>	<u>3,656</u>

**RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Other Instructional Programs					
Salaries	\$ 11,331		\$ 11,331	\$ 11,331	
Supplies and Materials		\$ 50	50	50	
Other Objects	-	135	135	135	-
Total Other Instructional Programs	<u>11,331</u>	<u>185</u>	<u>11,516</u>	<u>11,516</u>	<u>-</u>
Total Instruction	<u>2,373,733</u>	<u>15,888</u>	<u>2,389,621</u>	<u>2,338,148</u>	<u>\$ 51,473</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Regular	1,540,180	(18,400)	1,521,780	1,443,255	78,525
Tuition to Other LEAs Within the State-Special	384,461	2,455	386,916	347,775	39,141
Tuition to County Voc. School Dist-Regular	39,064	18,400	57,464	57,464	-
Tuition to Private Schools - Disabled - W/I State	759,068	16,956	776,024	745,938	30,086
Total Undistributed Expenditures - Instruction	<u>2,722,773</u>	<u>19,411</u>	<u>2,742,184</u>	<u>2,594,432</u>	<u>147,752</u>
Attendance and Social Work Services					
Salaries	8,907	-	8,907	7,987	920
Total Attendance and Social Work Services	<u>8,907</u>	<u>-</u>	<u>8,907</u>	<u>7,987</u>	<u>920</u>
Health Services					
Salaries	55,454	(461)	54,993	54,993	-
Purchased Professional and Technical Services	2,000	-	2,000	1,183	817
Other Purchased Services	765	562	1,327	1,121	206
Supplies and Materials	2,100	-	2,100	2,085	15
Other Objects	380	-	380	377	3
Total Health Services	<u>60,699</u>	<u>101</u>	<u>60,800</u>	<u>59,759</u>	<u>1,041</u>
Speech, OT, PT & Related Services					
Salaries	50,283	141	50,424	50,424	-
Purchased Professional - Educational Services	87,990	(3,000)	84,990	74,588	10,402
Supplies and Materials	500	-	500	500	-
Total Speech, OT, PT & Related Services	<u>138,773</u>	<u>(2,859)</u>	<u>135,914</u>	<u>125,512</u>	<u>10,402</u>
Other Support Serv. Students - Extra. Svcs.					
Salaries	54,352	(7,896)	46,456	43,125	3,331
Purchased Professional-Educational Services	90,260	(44,658)	45,602	18,256	27,346
Total Other Support Serv. Students - Extra. Svcs.	<u>144,612</u>	<u>(52,554)</u>	<u>92,058</u>	<u>61,381</u>	<u>30,677</u>
Guidance					
Salaries of Secretarial and Clerical Assistants	9,157	400	9,557	8,307	1,250
Other Purchased Professional & Technical Services	5,900	-	5,900	5,900	-
Supplies and Materials	2,000	432	2,432	2,167	265
Total Guidance	<u>17,057</u>	<u>832</u>	<u>17,889</u>	<u>16,374</u>	<u>1,515</u>

**RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures(Continued)					
Child Study Teams					
Salaries of Other Professional Staff	\$ 173,088	\$ (22,177)	\$ 150,911	\$ 143,782	\$ 7,129
Salaries of Secretarial and Clerical Assistants	19,786	(316)	19,470	17,827	1,643
Other Purchased Professional and Tech. Services	6,200	11,261	17,461	16,936	525
Supplies and Materials	2,571	-	2,571	2,511	60
Other Objects	275	-	275	275	-
Total Child Study Teams	201,920	(11,232)	190,688	181,331	9,357
Improvement of Inst. Serv.					
Salaries of Supervisors of Instruction	26,138	-	26,138	22,693	3,445
Other Purchased Professional and Technical Services	4,783	-	4,783	4,779	4
Total Improvement of Inst. Serv.	30,921	-	30,921	27,472	3,449
Educational Media Services/School Library					
Salaries	50,620	-	50,620	50,620	-
Purchased Professional and Technical Services	35,775	(1)	35,774	35,414	360
Supplies and Materials	2,960	1,230	4,190	3,059	1,131
Total Educational Media Serv./School Library	89,355	1,229	90,584	89,093	1,491
Instructional Staff Training Services					
Other Salaries	4,718	-	4,718	2,359	2,359
Purchased Professional/Educational Services	15,250	-	15,250	15,250	-
Other Purchased Services	6,690	-	6,690	3,168	3,522
Total Instructional Staff Training Services	26,658	-	26,658	5,527	21,131
Support Services General Administration					
Salaries	209,230	20,839	230,069	229,819	250
Legal Services	16,000	-	16,000	14,747	1,253
Audit Fees	19,670	572	20,242	20,242	-
Architectural/Engineering Services	3,000	(297)	2,703	-	2,703
Other Purchased Professional Services	3,979	331	4,310	4,310	-
Communications/Telephone	13,000	(200)	12,800	10,245	2,555
Miscellaneous Purchased Services	12,425	(2,681)	9,744	6,622	3,122
General Supplies	2,000	-	2,000	553	1,447
Miscellaneous Expenditures	2,500	-	2,500	2,291	209
BOE Membership Dues and Fees	4,000	(17)	3,983	3,889	94
Total Support Services General Administration	285,804	18,547	304,351	292,718	11,633
Support Services School Administration					
Salaries of Principal/Asst. Principals	78,413	-	78,413	76,480	1,933
Salaries of Secretarial and Clerical Assistants	23,722	-	23,722	23,722	-
Supplies and Materials	6,900	(167)	6,733	5,805	928
Other Objects	1,625	-	1,625	860	765
Total Support Services School Administration	110,660	(167)	110,493	106,867	3,626

**RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Central Services					
Salaries	\$ 143,333	\$ 3,001	\$ 146,334	\$ 144,006	\$ 2,328
Purchased Professional Services	13,455	-	13,455	11,853	1,602
Miscellaneous Purchased Services	1,500	-	1,500	914	586
Supplies and Materials	4,000	635	4,635	4,041	594
Miscellaneous Expenditures	2,000	-	2,000	627	1,373
Total Central Services	164,288	3,636	167,924	161,441	6,483
Admin. Info. Technology					
Purchased Technical Services	23,720	2,045	25,765	18,355	7,410
Supplies and Materials	2,250	-	2,250	645	1,605
Total Admin. Info. Technology	25,970	2,045	28,015	19,000	9,015
Required Maintenance for School Facilities					
Salaries	46,883	(10)	46,873	46,453	420
Cleaning, Repair and Maintenance Services	37,500	40,301	77,801	75,545	2,256
General Supplies	12,000	14,245	26,245	7,179	19,066
Total Required Maintenance for School Fac.	96,383	54,536	150,919	129,177	21,742
Custodial Services					
Salaries	116,218	2,810	119,028	118,155	873
Salaries of Non-Instructional Aides	18,358	(951)	17,407	17,407	-
Purchased, Professional and Technical Services	1,750	-	1,750	1,740	10
Cleaning, Repair and Maintenance Service	9,000	14,929	23,929	16,351	7,578
Insurance	59,250	(6,120)	53,130	53,130	-
Miscellaneous Purchased Services	1,650	-	1,650	708	942
General Supplies	25,000	(400)	24,600	23,730	870
Energy (Natural)	26,000	-	26,000	24,909	1,091
Energy (Electricity)	68,000	(242)	67,758	57,751	10,007
Other Objects	1,000	-	1,000	315	685
Interest - Energy Savings Impr Prog Bonds	605	-	605	603	2
Principal - Energy Impr Prog Bonds	16,081	-	16,081	16,081	-
Total Custodial Services	342,912	10,026	352,938	330,880	22,058
Student Transportation Services					
Salaries for Pupil Transportation					
(Between Home and School) - Regular	20,615	(67)	20,548	20,548	-
Contracted Serv (Bet. Home and Sch)-Vendors	165,139	7,841	172,980	172,980	-
Contracted Serv (Other than Bet Home & Sch) - Vendors	11,445	-	11,445	7,303	4,142
Contracted Serv.-Aid in Lieu of Payments-Non Public	22,984	12,400	35,384	35,384	-
Contracted Serv. (Reg. Students)-ESCs & CTSA's	31,610	(3,100)	28,510	27,338	1,172
Contracted Serv. (Spl.Ed.Students)-ESCs & CTSA's	315,285	(37,341)	277,944	262,557	15,387
General Supplies	3,000	-	3,000	2,150	850
Other Objects	2,000	-	2,000	1,975	25
Total Student Transportation Services	572,078	(20,267)	551,811	530,235	21,576

**RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Unallocated Benefits-Employee Benefits					
Social Security Contributions	\$ 83,050		\$ 83,050	\$ 68,776	\$ 14,274
Other Retirement Contributions - PERS	52,500	\$ (9,509)	42,991	42,991	-
Other Retirement Contributions - Regular	12,400	213	12,613	12,613	-
Unemployment Compensation	5,000	-	5,000		5,000
Workmen's Compensation	33,330	(7,001)	26,329	26,329	-
Health Benefits	840,194	72,189	912,383	874,195	38,188
Tuition Reimbursement	20,060	-	20,060	11,388	8,672
Other Employee Benefits	27,735	-	27,735	25,360	2,375
	<u>1,074,269</u>	<u>55,892</u>	<u>1,130,161</u>	<u>1,061,652</u>	<u>68,509</u>
On-behalf TPAF Pension Benefit Contribution (Non-Budget)				279,366	(279,366)
On-behalf TPAF Pension NCGI Premium (Non-Budget)				6,780	(6,780)
On-behalf TPAF Post Retirement Medical Contribution (Non-Budget)				184,815	(184,815)
On-behalf TPAF Long-Term Disability Insurance (Non-Budget)				317	(317)
On-behalf TPAF Social Security Contributions (Non-Budget)	-	-	-	165,963	(165,963)
	<u>6,114,039</u>	<u>79,176</u>	<u>6,193,215</u>	<u>6,438,079</u>	<u>(244,864)</u>
Total Undistributed Expenditures					
Total Expenditures - Current Expenditures	<u>8,487,772</u>	<u>95,064</u>	<u>8,582,836</u>	<u>8,776,227</u>	<u>(193,391)</u>
CAPITAL OUTLAY					
Facilities and Acquisition and Construction Services					
Construction Services	19,645	-	19,645	19,645	-
Assessment for Debt Service on SDA Funding	16,125	-	16,125	16,125	-
Total Facilities Acquis. and Const. Services	<u>35,770</u>	<u>-</u>	<u>35,770</u>	<u>35,770</u>	<u>-</u>

**RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CAPITAL OUTLAY (CONTINUED)					
Interest to Capital Reserve	\$ 200	-	\$ 200	-	\$ 200
Total Capital Outlay	35,970	-	35,970	\$ 35,770	200
Total Expenditures	8,523,742	\$ 95,064	8,618,806	8,811,997	(193,191)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(222,317)	(77,026)	(299,343)	201,470	500,813
Fund Balance, Beginning of Year	1,945,784	-	1,945,784	1,945,784	-
Fund Balance, End of Year	\$ 1,723,467	\$ (77,026)	\$ 1,646,441	\$ 2,147,254	\$ 500,813
Restricted Fund Balance:					
Excess Surplus				\$ 392,848	
Excess Surplus - Designated for Subsequent Year's Expenditures				199,004	
Capital Reserve				629,731	
Capital Reserve - Designated for Subsequent Year's Expenditures				48,000	
Maintenance Reserve				406,761	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				12,000	
Tuition Adjustments - Designated for Subsequent Year's Expenditures				100,000	
Assigned Fund Balance:					
Year-end Encumbrances				57,216	
Unassigned Fund Balance:				301,694	
				2,147,254	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: State Aid Payments Not Recognized on GAAP Basis					
Delayed State Aid Payments			\$ (25,620)		
Extraordinary Aid			(126,154)		
				(151,774)	
Fund Balance Per Governmental Funds (GAAP)				\$ 1,995,480	

**RIVERDALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
Federal	\$ 93,925	\$ 43,687	\$ 137,612	\$ 91,729	\$ (45,883)
Other	-	5,042	5,042	3,381	(1,661)
Total Revenues	<u>93,925</u>	<u>48,729</u>	<u>142,654</u>	<u>95,110</u>	<u>(47,544)</u>
EXPENDITURES					
Instruction					
Salaries	25,500	(14,500)	11,000	1,000	10,000
Tuition	64,600	11,646	76,246	59,275	16,971
General Supplies		39,614	39,614	23,925	15,689
Miscellaneous Expenditures	-	1,523	1,523	1,466	57
Total Instruction	<u>90,100</u>	<u>38,283</u>	<u>128,383</u>	<u>85,666</u>	<u>42,717</u>
Support Services					
Purchased Professional/Educational Services		5,500	5,500	4,340	1,160
Other Purchased Services	3,825	2,924	6,749	4,583	2,166
General Supplies	-	2,022	2,022	521	1,501
Total Support Services	<u>3,825</u>	<u>10,446</u>	<u>14,271</u>	<u>9,444</u>	<u>4,827</u>
Total Expenditures	<u>93,925</u>	<u>48,729</u>	<u>142,654</u>	<u>95,110</u>	<u>47,544</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

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

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

	<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1) \$ 9,013,467		(C-2) \$ 95,110
Difference - Budget to GAAP:			
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (prior year)	209,135		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (current year)	(151,774)		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Encumbrances, Prior Year			1,740
Encumbrances, Current Year	<u>-</u>		<u>(497)</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) \$ <u>9,070,828</u>		(B-2) \$ <u>96,353</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ 8,811,997		(C-2) \$ 95,110
Differences - Budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.			
Encumbrances, June 30, 2017			1,740
Encumbrances, June 30, 2018	<u>-</u>		<u>(497)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>8,811,997</u>		(B-2) \$ <u>96,353</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION
AND
POST-EMPLOYMENT BENEFITS INFORMATION

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

PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Five Fiscal Years *

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.00456 %	0.00556 %	0.00485 %	0.00526 %	0.00496 %
District's Proportionate Share of the Net Pension Liability (Asset)	1,060,527	1,647,171	1,088,127	984,142	947,534
District's Covered-Employee Payroll	300,757	276,965	317,879	311,078	310,024
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	353%	595%	342%	316%	306%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

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

PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Five Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 42,205	\$ 49,408	\$ 41,674	\$ 43,333	\$ 41,595
Contributions in Relation to the Contractually Required Contributions	<u>42,205</u>	<u>49,408</u>	<u>41,674</u>	<u>43,333</u>	<u>41,595</u>
Contribution Deficiency (Excess)	-	-	-	-	-
District's Covered- Employee Payroll	300,757	276,965	317,879	311,078	310,024
Contributions as a Percentage of Covered-Employee Payroll	14.03%	17.84%	13.11%	13.93%	13.42%

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

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

TEACHERS PENSION AND ANNUITY FUND
Last Five Fiscal Years *

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0 %	0 %	0 %	0 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>13,864,693</u>	<u>15,095,090</u>	<u>14,296,105</u>	<u>11,971,862</u>	<u>11,605,771</u>
Total	\$ 13,864,693	\$15,095,090	\$14,296,105	\$11,971,862	\$11,605,771
District's Covered-Employee Payroll	2,162,491	1,917,997	1,933,044	1,946,722	2,087,474
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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.

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

**RIVERDALE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Change of Benefit Terms: None.

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

**RIVERDALE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

Postemployment Health Benefit Plan

Last One Fiscal Year*

	2018
Total OPEB Liability	
Service Cost	\$ 438,703
Interest on Total OPEB Liability	261,220
Changes of Assumptions	(1,091,346)
Gross Benefit Payments	(246,312)
Contribution from the Member	9,070
Net Change in Total OPEB Liability	(628,665)
Total OPEB Liability - Beginning	8,889,276
Total OPEB Liability - Ending	\$ 8,260,611
District's Proportionate Share of OPEB Liability	\$ -
State's Proportionate Share of OPEB Liability	8,260,611
Total OPEB Liability - Ending	\$ 8,260,611
District's Covered-Employee Payroll	\$ 2,463,248
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll	0%

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

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

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**RIVERDALE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 5.

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

**RIVERDALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	IDEA Part B Basic	IDEA Part B Preschool	NCLB Title I	NCLB Title II-A	NCLB Title IV	Local	Total 2018
REVENUES							
Intergovernmental							
Federal	\$ 56,130	\$ 3,145	\$ 17,156	\$ 5,298	\$ 10,000		\$ 91,729
Other	-	-	-	-	-	\$ 3,381	3,381
Total Revenues	<u>\$ 56,130</u>	<u>\$ 3,145</u>	<u>\$ 17,156</u>	<u>\$ 5,298</u>	<u>\$ 10,000</u>	<u>\$ 3,381</u>	<u>\$ 95,110</u>
EXPENDITURES							
Instruction							
Salaries for Instruction					\$ 1,000		\$ 1,000
Tuition	\$ 56,130	\$ 3,145					59,275
General Supplies			\$ 14,106		8,425	\$ 1,394	23,925
Miscellaneous Expenditures	-	-	-	-	-	1,466	1,466
Total Instruction	<u>56,130</u>	<u>3,145</u>	<u>14,106</u>	<u>-</u>	<u>9,425</u>	<u>2,860</u>	<u>85,666</u>
Support Services							
Purchased Professional/Educational Services			1,840	\$ 2,500			4,340
Other Purchased Services			1,210	2,798	575		4,583
General Supplies	-	-	-	-	-	521	521
Total Support Services	<u>-</u>	<u>-</u>	<u>3,050</u>	<u>5,298</u>	<u>575</u>	<u>521</u>	<u>9,444</u>
Total Expenditures	<u>\$ 56,130</u>	<u>\$ 3,145</u>	<u>\$ 17,156</u>	<u>\$ 5,298</u>	<u>\$ 10,000</u>	<u>\$ 3,381</u>	<u>\$ 95,110</u>

**RIVERDALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES
PRESCHOOL ALL PROGRAMS - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**RIVERDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOT APPLICABLE

**RIVERDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOT APPLICABLE

ENTERPRISE FUND

EXHIBIT G-1

**RIVERDALE BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2018**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

**RIVERDALE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES
AS OF JUNE 30, 2018**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 14,365	\$ 7,108	\$ 21,473
Due from Other Funds	<u>-</u>	<u>1,499</u>	<u>1,499</u>
Total Assets	<u>\$ 14,365</u>	<u>\$ 8,607</u>	<u>\$ 22,972</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 8,582	\$ 8,582
Due to Other Funds		25	25
Due to Student Groups	<u>\$ 14,365</u>	<u>-</u>	<u>14,365</u>
Total Liabilities	<u>\$ 14,365</u>	<u>\$ 8,607</u>	<u>\$ 22,972</u>

**RIVERDALE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

THIS STATEMENT IS NOT APPLICABLE

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Balance, July 1, 2017</u>	<u>Receipts</u>	<u>Decreases</u>	<u>Balance, June 30, 2018</u>
Elementary School				
Programs and Activities	\$ 15,073	\$ 54,236	\$ 54,944	\$ 14,365
Athletics	-	3,060	3,060	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total All Schools	<u>\$ 15,073</u>	<u>\$ 57,296</u>	<u>\$ 58,004</u>	<u>\$ 14,365</u>

**RIVERDALE BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Balance, July 1, <u>2017</u>	<u>Additions</u>	<u>Decreases</u>	Balance, June 30, <u>2018</u>
ASSETS				
Cash	\$ 15,579	\$ 3,568,106	\$ 3,576,577	\$ 7,108
Due From Other Funds	<u>1,604</u>	<u>5,823</u>	<u>5,928</u>	<u>1,499</u>
	<u>\$ 17,183</u>	<u>\$ 3,573,929</u>	<u>\$ 3,582,505</u>	<u>\$ 8,607</u>
 LIABILITIES				
Payroll Deductions and Withholdings	\$ 17,156	\$ 1,553,127	\$ 1,561,701	\$ 8,582
Accrued Salaries and Wages	-	2,020,736	2,020,736	-
Due To Other Funds - General Fund	<u>27</u>	<u>66</u>	<u>68</u>	<u>25</u>
Total	<u>\$ 17,183</u>	<u>\$ 3,573,929</u>	<u>\$ 3,582,505</u>	<u>\$ 8,607</u>

LONG-TERM DEBT

**RIVERDALE BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOT APPLICABLE

**RIVERDALE PARK BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2017</u>	<u>Increased</u>	<u>Matured</u>	<u>Balance, June 30, 2018</u>
Copiers-3	\$ 47,196	0.45%	\$ 40,177		\$ 8,845	\$ 31,332
Chromebooks-70	17,958	7.60%	11,513		5,539	5,974
Chromebooks-10	3,260	0.00%	2,173		1,087	1,086
LED Retrofit Equipment	94,088	2.24%	<u>79,227</u>	<u>-</u>	<u>16,080</u>	<u>63,147</u>
			<u>\$ 133,090</u>	<u>\$ -</u>	<u>\$ 31,551</u>	<u>\$ 101,539</u>

**RIVERDALE BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOT APPLICABLE

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

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

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014 (Restated)	2015	2016	2017	2018
Governmental activities										
Invested in capital assets, net of related debt	\$ 3,948,130	\$ 4,104,235	\$ 4,454,224	\$ 4,593,297	\$ 4,937,669	\$ 4,800,412	\$ 4,612,005	\$ 4,423,483	\$ 4,264,764	\$ 4,107,541
Restricted	212,492	132,548	173,243	471,703	761,897	962,090	962,172	875,956	1,115,415	1,196,492
Unrestricted	344,773	578,464	804,054	879,909	775,471	(190,381)	(230,720)	(418,641)	(544,985)	(355,176)
Total governmental activities net position	<u>\$ 4,505,395</u>	<u>\$ 4,815,247</u>	<u>\$ 5,431,521</u>	<u>\$ 5,944,909</u>	<u>\$ 6,475,037</u>	<u>\$ 5,572,121</u>	<u>\$ 5,343,457</u>	<u>\$ 4,880,798</u>	<u>\$ 4,835,194</u>	<u>\$ 4,948,857</u>
Business-type activities										
Invested in capital assets, net of related debt				\$ 2,316	\$ 1,737	\$ 9,370	\$ 7,879	\$ 9,119	\$ 12,773	\$ 26,671
Restricted										
Unrestricted	\$ 13,399	\$ 12,268	\$ 12,042	16,004	22,031	12,642	20,198	21,188	30,752	26,963
Total business-type activities net position	<u>\$ 13,399</u>	<u>\$ 12,268</u>	<u>\$ 12,042</u>	<u>\$ 18,320</u>	<u>\$ 23,768</u>	<u>\$ 22,012</u>	<u>\$ 28,077</u>	<u>\$ 30,307</u>	<u>\$ 43,525</u>	<u>\$ 53,634</u>
District-wide										
Invested in capital assets, net of related debt	\$ 3,948,130	\$ 4,104,235	\$ 4,454,224	\$ 4,595,613	\$ 4,939,406	\$ 4,809,782	\$ 4,619,884	\$ 4,432,602	\$ 4,277,537	\$ 4,134,212
Restricted	212,492	132,548	173,243	471,703	761,897	962,090	962,172	875,956	1,115,415	1,196,492
Unrestricted	358,172	590,732	816,096	895,913	797,502	(177,739)	(210,522)	(397,453)	(514,233)	(328,213)
Total district net position	<u>\$ 4,518,794</u>	<u>\$ 4,827,515</u>	<u>\$ 5,443,563</u>	<u>\$ 5,963,229</u>	<u>\$ 6,498,805</u>	<u>\$ 5,594,133</u>	<u>\$ 5,371,534</u>	<u>\$ 4,911,105</u>	<u>\$ 4,878,719</u>	<u>\$ 5,002,491</u>

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,242,150	\$ 3,177,713	\$ 3,109,283	\$ 3,285,868	\$ 3,520,307	\$ 3,553,560	\$ 4,288,907	\$ 4,269,838	\$ 4,334,901	\$ 4,509,295
Special education	891,369	1,039,953	1,083,073	1,324,189	1,324,401	1,619,403	1,747,281	2,094,539	2,286,141	2,268,424
Other instruction	95,526	78,805	77,082	64,166	95,630	107,595	133,987	118,468	140,511	240,515
School Sponsored Activities and Athletics	47,788	51,500	46,182	44,620	53,725	54,988	55,775	58,279	64,221	73,906
Support Services:										
Student & instruction related services	776,216	742,370	727,129	725,022	742,748	820,422	841,953	933,331	939,725	883,134
School Administrative services	147,913	143,618	155,359	158,062	160,922	168,892	197,204	170,633	193,458	196,383
General administration	289,811	357,519	377,459	377,719	401,219	354,101	346,971	392,220	461,031	418,131
Central Services	105,875	117,882	184,050	173,254	180,530	193,217	181,511	214,617	222,078	261,622
Plant operations and maintenance	732,641	633,581	617,942	594,606	586,531	640,255	626,950	678,014	756,127	731,890
Pupil transportation	327,890	344,832	330,178	345,811	321,239	432,568	525,741	530,445	531,828	541,819
Interest on long-term debt	42,176	39,587	23,744	14,363	7,989	1,999	1,561	1,101	3,525	3,441
Total governmental activities expenses	<u>6,699,355</u>	<u>6,727,360</u>	<u>6,731,481</u>	<u>7,107,680</u>	<u>7,395,241</u>	<u>7,947,000</u>	<u>8,947,841</u>	<u>9,461,485</u>	<u>9,933,546</u>	<u>10,128,560</u>
Business-type activities:										
Food Service	75,568	81,876	82,704	85,691	77,998	86,928	77,995	93,542	94,851	104,886
Technology Initiative	-	-	-	-	-	-	-	-	-	992
Total business-type activities expense	<u>75,568</u>	<u>81,876</u>	<u>82,704</u>	<u>85,691</u>	<u>77,998</u>	<u>86,928</u>	<u>77,995</u>	<u>93,542</u>	<u>94,851</u>	<u>105,878</u>
Total district expenses	<u>\$ 6,774,923</u>	<u>\$ 6,809,236</u>	<u>\$ 6,814,185</u>	<u>\$ 7,193,371</u>	<u>\$ 7,473,239</u>	<u>\$ 8,033,928</u>	<u>\$ 9,025,836</u>	<u>\$ 9,555,027</u>	<u>\$ 10,028,397</u>	<u>\$ 10,234,438</u>
Program Revenues										
Governmental activities:										
Charges for Services	\$ 14,900	\$ 25,000	\$ 28,680	\$ 25,200	\$ 86,068	\$ 51,493	\$ 99,986	\$ 37,480	\$ 58,848	\$ 45,000
Operating grants and contributions	602,589	785,816	569,945	755,121	935,149	909,178	1,445,832	1,654,938	2,009,248	2,265,596
Capital grants and contributions	53,363	10,393	84,859	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>670,852</u>	<u>821,209</u>	<u>683,484</u>	<u>780,321</u>	<u>1,021,217</u>	<u>960,671</u>	<u>1,545,818</u>	<u>1,692,418</u>	<u>2,068,096</u>	<u>2,310,596</u>
Business-type activities:										
Charges for services										
Food service	\$ 62,395	\$ 62,634	\$ 60,843	\$ 62,505	\$ 52,121	\$ 54,260	\$ 53,568	\$ 58,686	\$ 70,268	\$ 74,572
Technology Initiative	-	-	-	-	-	-	-	-	-	1,212
Operating grants and contributions	13,882	18,111	21,635	29,464	31,307	30,885	30,463	37,048	37,752	40,158
Total business type activities program revenues	<u>76,277</u>	<u>80,745</u>	<u>82,478</u>	<u>91,969</u>	<u>83,428</u>	<u>85,145</u>	<u>84,031</u>	<u>95,734</u>	<u>108,020</u>	<u>115,942</u>
Total district program revenues	<u>\$ 747,129</u>	<u>\$ 901,954</u>	<u>\$ 765,962</u>	<u>\$ 872,290</u>	<u>\$ 1,104,645</u>	<u>\$ 1,045,816</u>	<u>\$ 1,629,849</u>	<u>\$ 1,788,152</u>	<u>\$ 2,176,116</u>	<u>\$ 2,426,538</u>
Net (Expense)/Revenue										
Governmental activities	\$ (6,028,503)	\$ (5,906,151)	\$ (6,047,997)	\$ (6,327,359)	\$ (6,374,024)	\$ (6,986,329)	\$ (7,402,023)	\$ (7,769,067)	\$ (7,865,450)	\$ (7,817,964)
Business-type activities	709	(1,131)	(226)	6,278	5,430	(1,783)	6,036	2,192	13,169	10,064
Total district-wide net expense	<u>\$ (6,027,794)</u>	<u>\$ (5,907,282)</u>	<u>\$ (6,048,223)</u>	<u>\$ (6,321,081)</u>	<u>\$ (6,368,594)</u>	<u>\$ (6,988,112)</u>	<u>\$ (7,395,987)</u>	<u>\$ (7,766,875)</u>	<u>\$ (7,852,281)</u>	<u>\$ (7,807,900)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 6,037,484	\$ 6,251,522	\$ 6,611,738	\$ 6,816,628	\$ 6,888,062	\$ 7,004,522	\$ 7,144,612	\$ 7,280,360	\$ 7,761,669	\$ 7,916,902
Unrestricted state & federal aid	142,385	47,117	7,092	11,802	-	-	4,016	4,430	8,671	9,106
Investment earnings	13,875	384	-	-	-	-	-	-	-	-
Miscellaneous income	9,638	16,980	45,441	12,317	16,090	26,425	24,731	21,618	49,506	5,619
Cancellation of Accounts Receivable	-	(100,000)	-	-	-	-	-	-	-	-
Total governmental activities	<u>6,203,382</u>	<u>6,216,003</u>	<u>6,664,271</u>	<u>6,840,747</u>	<u>6,904,152</u>	<u>7,030,947</u>	<u>7,173,359</u>	<u>7,306,408</u>	<u>7,819,846</u>	<u>7,931,627</u>
Business-type activities:										
Miscellaneous Income	-	-	-	-	18	27	29	38	49	45
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18</u>	<u>27</u>	<u>29</u>	<u>38</u>	<u>49</u>	<u>45</u>
Total district-wide	<u>\$ 6,203,382</u>	<u>\$ 6,216,003</u>	<u>\$ 6,664,271</u>	<u>\$ 6,840,747</u>	<u>\$ 6,904,170</u>	<u>\$ 7,030,974</u>	<u>\$ 7,173,388</u>	<u>\$ 7,306,446</u>	<u>\$ 7,819,895</u>	<u>\$ 7,931,672</u>
Change in Net Position										
Governmental activities	\$ 174,879	\$ 309,852	\$ 616,274	\$ 513,388	\$ 530,128	\$ 44,618	\$ (228,664)	\$ (462,659)	\$ (45,604)	\$ 113,663
Business-type activities	709	(1,131)	(226)	6,278	5,448	(1,756)	6,065	2,230	13,218	10,109
Total district	<u>\$ 175,588</u>	<u>\$ 308,721</u>	<u>\$ 616,048</u>	<u>\$ 519,666</u>	<u>\$ 535,576</u>	<u>\$ 42,862</u>	<u>\$ (222,599)</u>	<u>\$ (460,429)</u>	<u>\$ (32,386)</u>	<u>\$ 123,772</u>

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 273,122	\$ 372,156								
Unreserved	341,585	247,859								
Restricted			\$ 711,422	\$ 1,071,340	\$ 1,242,195	\$ 1,445,070	\$ 1,448,630	\$ 1,294,524	\$ 1,491,892	\$ 1,788,344
Committed								16,305	15,290	-
Assigned			67,258	48,169	64,957	44,739	25,887	5,751	80,935	57,216
Unassigned			248,564	236,112	231,816	231,035	230,248	148,355	148,532	149,920
Total general fund	<u>\$ 614,707</u>	<u>\$ 620,015</u>	<u>\$ 1,027,244</u>	<u>\$ 1,355,621</u>	<u>\$ 1,538,968</u>	<u>\$ 1,720,844</u>	<u>\$ 1,704,765</u>	<u>\$ 1,464,935</u>	<u>\$ 1,736,649</u>	<u>\$ 1,995,480</u>
All Other Governmental Funds										
Reserved/Restricted		\$ 194,160	\$ (6,597)	\$ 14,547	\$ 14,547	\$ 14,546	\$ 14,546	\$ 14,546		
Unreserved	\$ 4,102	(48,223)	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 4,102</u>	<u>\$ 145,937</u>	<u>\$ (6,597)</u>	<u>\$ 14,547</u>	<u>\$ 14,547</u>	<u>\$ 14,546</u>	<u>\$ 14,546</u>	<u>\$ 14,546</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Tax levy	\$ 6,037,484	\$ 6,251,522	\$ 6,611,738	\$ 6,816,628	\$ 6,888,062	\$ 7,004,522	\$ 7,144,612	\$ 7,280,360	\$ 7,761,669	\$ 7,916,902
Interest earnings	13,875	384		991	2,017	3,682	3,876	3,249	3,403	4,106
Tuition			28,680	25,200	86,068	51,493	99,986	37,480	58,848	45,000
Miscellaneous	29,538	41,980	45,441	11,349	14,073	22,743	20,855	18,369	46,103	1,513
State sources	700,177	671,580	559,144	643,792	821,653	786,964	814,670	835,559	989,812	1,103,307
Federal sources	93,161	171,746	102,752	123,108	113,496	122,214	113,265	100,694	118,724	91,729
Other sources								3,842	6,497	4,624
Total revenue	6,874,235	7,137,212	7,347,755	7,621,068	7,925,369	7,991,618	8,197,264	8,279,553	8,985,056	9,167,181
Expenditures										
Instruction										
Regular instruction	3,233,389	3,166,942	3,098,042	3,282,837	3,503,483	3,536,948	3,893,919	3,766,221	3,747,118	3,887,200
Special education instruction	891,369	1,039,953	1,083,073	1,326,361	1,324,401	1,619,403	1,671,679	1,971,182	2,090,704	2,058,108
Other instruction	99,369	78,805	77,085	64,427	95,630	107,595	118,205	96,625	113,113	191,928
School sponsored activities and athletics	47,788	51,500	46,182	44,821	55,725	54,988	55,775	58,279	64,221	68,947
Support Services:										
Student & inst. related services	770,610	737,590	722,349	727,153	741,984	819,658	807,908	878,262	859,323	778,896
General administration	289,811	357,519	385,710	379,279	401,219	354,101	338,919	370,315	394,872	406,631
School administrative services	146,524	142,230	153,971	158,852	160,922	168,892	170,260	141,232	157,995	160,490
Central services	105,875	117,882	184,050	174,131	180,530	193,217	181,511	214,617	222,078	241,715
Plant operations and maintenance	560,320	465,606	449,967	416,571	401,569	452,109	429,792	481,615	504,485	520,820
Pupil transportation	324,462	341,405	326,751	345,944	321,239	432,568	525,741	530,445	531,828	538,978
Other Support Services										
Capital outlay	76,252	68,159	242,942	27,231	274,932	59,675	9,045	-	170,087	19,645
Debt service:										
Principal	270,000	280,000	295,000	305,000	318,770	8,590	9,028	9,489	31,041	31,551
Interest and other charges	44,713	42,478	27,938	18,940	10,398	1,999	1,561	1,101	3,525	3,441
Total expenditures	6,860,482	6,890,069	7,093,060	7,271,547	7,788,802	7,809,743	8,213,343	8,519,383	8,890,390	8,908,350
Excess (Deficiency) of revenues over (under) expenditures	13,753	247,143	254,695	349,521	136,567	181,875	(16,079)	(239,830)	94,666	258,831
Other Financing sources (uses)										
Transfers in	764	261,910		21,143		1	-	-	14,546	-
Transfers out	(764)	(261,910)		(21,143)		(1)	-	-	(14,546)	-
Capital Lease Proceeds					46,780	-	-	-	162,502	-
Cancellation of Accounts Receivable	-	(100,000)								
Total other financing sources (uses)	-	(100,000)	-	-	46,780	-	-	-	162,502	-
Net change in fund balances	\$ 13,753	\$ 147,143	\$ 254,695	\$ 349,521	\$ 183,347	\$ 181,875	\$ (16,079)	\$ (239,830)	\$ 257,168	\$ 258,831
Debt service as a percentage of noncapital expenditures	4.64%	4.73%	4.71%	4.47%	4.38%	0.14%	0.13%	0.12%	0.40%	0.39%

* Noncapital expenditures are total expenditures less capital outlay.

EXHIBIT J-5

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

<u>Fiscal Year Ended June 30</u>	<u>Tuition</u>	<u>Other</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 45,000	\$ 1,513	\$ 4,106	\$ 50,619
2017	58,848	46,103	3,403	108,354
2016	37,480	18,369	3,249	59,098
2015	99,986	20,855	3,876	124,717
2014	51,493	22,743	3,682	77,918
2013	86,068	14,073	2,017	102,158
2012	25,200	11,326	991	37,517
2011	28,680	45,441		74,121
2010	25,000	16,980	384	42,364
2009	14,900	14,638	13,875	43,413

* Source: School District's Financial Statements

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate *
2009	\$ 30,846,100	\$ 552,982,300	\$ 624,200	\$ 5,600	\$ 215,911,400	\$ 45,667,000	\$ 1,646,700	\$ 847,683,300	\$ 7,152,016	\$ 854,835,316	N/A	\$ 0.715
2010	30,432,000	601,005,670	624,200	5,600	218,057,760	43,401,400	1,452,800	894,979,430	6,858,306	901,837,736	958,019,399	0.713
2011	25,297,000	574,725,450	624,200	1,700	218,808,300	43,401,400	1,460,800	864,318,850	7,430,677	871,749,527	894,021,098	0.734
2012	24,519,800	574,056,730	624,200	5,600	259,597,000	43,301,400	1,452,800	903,557,530	7,245,200	910,802,730	854,563,669	0.749
2013	18,334,400	481,793,800	465,400	5,600	209,935,500	42,536,200	40,794,000	793,864,900	7,430,677	801,295,577	882,433,241	0.864
2014	18,334,400	481,745,500	465,400	5,600	208,547,800	42,536,200	40,794,000	792,428,900	7,245,200	799,674,100	868,202,233	0.881
2015	18,334,400	481,688,400	465,400	5,600	205,831,900	41,226,600	40,794,000	788,346,300	7,245,200	795,591,500	856,801,548	0.904
2016	18,192,800	471,545,300	465,400	5,600	192,456,200	41,226,600	40,794,000	764,685,900	7,245,200	771,931,100	836,741,274	0.969
2017	18,553,400	478,727,300	465,400	5,600	190,231,300	41,234,100	40,792,600	770,009,700	7,245,200	777,254,900	876,544,767	1.006
* 2018	20,161,900	523,199,500	502,200	4,300	210,538,000	45,123,700	46,132,400	845,662,000	7,255,500	852,917,500	943,477,908	0.935

Source: County Abstract of Ratables

a Tax rates are per \$100

* The Borough underwent a revaluation effective for the calendar year 2018.

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

<u>Calendar Year</u>	<u>Total</u>	<u>Local School District</u>	<u>Municipality</u>	<u>County</u>
*2018	\$1.883	\$0.935	\$0.661	\$0.287
2017	2.019	1.006	0.721	0.292
2016	1.960	0.969	0.722	0.269
2015	1.857	0.904	0.683	0.270
2014	1.843	0.881	0.685	0.277
2013	1.814	0.864	0.673	0.277
2012	1.517	0.749	0.539	0.229
2011	1.492	0.734	0.526	0.232
2010	1.467	0.713	0.510	0.244
2009	1.442	0.715	0.488	0.239

* The Borough underwent a revaluation effective for the calendar year 2018.

(1) Revaluation

Source: Tax Collector

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

Taxpayer	2018 *		2009	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Newark Metro Mutlifamily Exchange	\$ 44,722,500	5.29%		
Riverdale Crossing	43,130,400	5.10%	\$ 48,155,500	5.68%
Riverdale Quarry, LLC	21,286,100	2.52%	19,975,500	2.36%
Target Corp.	20,687,700	2.45%	22,045,500	2.60%
Cresskill Hills	16,994,700	2.01%	17,780,900	2.10%
Home Depot	14,870,700	1.76%	14,433,800	1.70%
Riverdale Square	10,254,600	1.21%	10,000,000	1.18%
Verizon	7,255,500	0.86%	7,152,016	0.84%
Filtra Corp	7,773,800	0.92%		
SSTI 112 SR23 LLC/PTA-STR #4032	6,899,500	0.82%		
D.R. Horton			23,192,700	2.74%
Cho & Nam			6,604,200	0.78%
Camfil Farr			7,666,300	0.90%
	<u>\$ 193,875,500</u>	<u>22.93%</u>	<u>\$177,006,416</u>	<u>20.88%</u>

Source: Municipal Tax Assessor

* The Borough underwent a revaluation effective for the calendar year 2018.

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2009	\$ 6,037,484	\$ 6,037,484	100.00%	-
2010	6,251,522	6,251,522	100.00%	-
2011	6,611,738	6,611,738	100.00%	-
2012	6,816,628	6,816,628	100.00%	-
2013	6,888,062	6,888,062	100.00%	-
2014	7,004,522	7,004,522	100.00%	-
2015	7,144,612	7,144,612	100.00%	-
2016	7,280,360	7,280,360	100.00%	-
2017	7,761,669	7,761,664	100.00%	-
2018	7,916,902	7,916,902	100.00%	-

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Population	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Project Anticipation Notes	Capital Leases	Total District		
2009	\$ 1,196,000	N/A	N/A	\$ 300,000	N/A	\$ 1,496,000	5,632	\$ 266
2010	916,000	N/A	N/A	-	N/A	916,000	3,573	256
2011	621,000	N/A	N/A	-	N/A	621,000	3,905	159
2012	316,000	N/A	N/A	-	N/A	316,000	4,091	77
2013	-	N/A	\$ 44,010	-	N/A	44,010	4,191	11
2014	-	N/A	35,420	-	N/A	35,420	4,271	8
2015	-	N/A	26,392	-	N/A	26,392	4,267	6
2016	-	N/A	16,903	-	N/A	16,903	4,257	4
2017	-	N/A	133,090	-	N/A	133,090	4,247	31
2018	-	N/A	101,539	-	N/A	101,539	4,247 *	24

Source: District records

* Estimate

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

Fiscal Year Ended June 30,	<u>General Bonded Debt Outstanding</u>		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2009	\$ 1,196,000		\$ 1,196,000	0.14%	\$ 212
2010	916,000		916,000	0.10%	256
2011	621,000		621,000	0.07%	159
2012	316,000		316,000	0.03%	77
2013	-		-	0.00%	-
2014	-		-	0.00%	-
2015	-		-	0.00%	-
2016	-		-	0.00%	-
2017	-		-	0.00%	-
2018	-		-	0.00%	-

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

RIVERDALE BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
AS OF DECEMBER 31, 2017
(Unaudited)

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt			
Borough of Riverdale (1)	\$ 11,788,209	\$ 6,625,322	\$ 5,162,887
Total Direct Debt	<u>\$ 11,788,209</u>	<u>\$ 6,625,322</u>	5,162,887
Net Overlapping Debt of School District:			
County of Morris - Borough's Share			<u>1,927,620</u>
Total Direct and Overlapping Debt			<u>\$ 7,090,507</u>

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

(1) Borough of Riverdale 2017 Annual Debt Statement

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

Legal Debt Margin Calculation for Fiscal Year 2017

	Equalized valuation basis
	2017 \$ 928,953,674
	2016 859,443,721
	2015 850,060,707
	<u>\$ 2,638,458,102</u>
Average Equalized Valuation of Taxable Property	\$ 879,486,034
Debt Limit 3% of Average Equalization Value	26,384,581
Total Net Debt Applicable to Limit	-
Legal Debt Margin	<u>\$ 26,384,581</u>

Fiscal Year June 30,

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 24,020,177	\$ 25,850,388	\$ 26,421,447	\$ 26,100,976	\$ 25,775,087	\$ 25,624,673	\$ 25,700,172	\$25,571,637	\$25,588,387	\$ 26,384,581
Total net debt applicable to limit	<u>1,198,432</u>	<u>916,000</u>	<u>621,000</u>	<u>316,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 22,821,745</u>	<u>\$ 24,934,388</u>	<u>\$ 25,800,447</u>	<u>\$ 25,784,976</u>	<u>\$ 25,775,087</u>	<u>\$ 25,624,673</u>	<u>\$ 25,700,172</u>	<u>\$25,571,637</u>	<u>\$25,588,387</u>	<u>\$ 26,384,581</u>
Total net debt applicable to the limit as a percentage of debt limit	4.99%	3.54%	2.35%	1.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income</u>	<u>Population</u>
2018	N/A	\$ 89,065 *	4,247 *
2017	3.5%	89,065 *	4,247
2016	3.7%	89,065	4,257
2015	4.7%	87,896	4,267
2014	5.2%	83,687	4,271
2013	7.6%	80,868	4,191
2012	9.9%	80,027	4,091
2011	9.5%	77,207	3,905
2010	9.8%	74,460	3,573
2009	9.7%	71,361	5,632

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

* Estimate

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

<u>Employer</u>	<u>2018</u>		<u>2009</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Instruction										
Regular	23.4	23.4	24.5	23.7	24.00	24.10	23.00	22.30	22.70	28.70
Special education	7.6	7.6	9.0	8.2	7.2	6.3	7.2	7.2	6	5.5
Support Services:										
Student & instruction related services	13.7	14.8	10.5	10.5	10.1	9.2	7.8	7.8	6.6	6
General administration	2.0	2.0	1.4	1.4	1.5	1.5	2	2	2	2
School administrative services	1.0	1.0	1.5	1.5	1	1	1	1	1	1
Other administrative services							0.09	0.09	0.5	1
Central services	3.3	3.3	1.3	1.3	1.3	1.3	1	1	0.5	0.5
Administrative Information Technology										0.5
Plant operations and maintenance	4.0	4.0	4.0	4.0	4.1	4.1	4.5	4.5	4.5	3.5
Pupil transportation	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	1	
Other support services										
Special Schools										
Food Service										
Child Care										
Total	<u>55.3</u>	<u>56.4</u>	<u>52.5</u>	<u>50.9</u>	<u>49.5</u>	<u>47.8</u>	<u>46.9</u>	<u>46.2</u>	<u>44.8</u>	<u>48.7</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2009	292.3	\$ 6,545,769	\$ 22,394	-4.74%	34.2	1:9	N/A	N/A	292.3	281.5	4.36%	96.31%
2010	312.0	6,499,432	20,832	-6.98%	28.7	1:11	N/A	N/A	308.8	297.4	5.64%	96.31%
2011	318.0	6,527,180	20,526	-1.47%	29.5	1:11	N/A	N/A	318.2	305.1	3.04%	95.88%
2012	341.5	6,920,376	20,265	-1.27%	27.7	1:12	N/A	N/A	341.5	329.9	7.32%	96.60%
2013	333.3	7,463,164	22,392	10.50%	30.0	1:11	N/A	N/A	333.3	318.9	-2.40%	95.68%
2014	330.5	7,739,479	23,417	4.58%	31.2	1:11	N/A	N/A	330.5	317.7	-0.84%	96.12%
2015	332.4	8,193,709	24,650	5.26%	31.8	1:11	N/A	N/A	332.4	318.3	0.57%	95.76%
2016	342.0	8,508,793	24,880	0.93%	33.5	1:10	N/A	N/A	336.4	323.0	1.20%	96.02%
2017	338.0	8,685,737	25,697	3.29%	31.0	1:11	N/A	N/A	341.0	327.1	1.37%	95.92%
2018	333.0	8,853,713	26,588	3.46%	31.0	1:11	N/A	N/A	335.3	323.8	-1.67%	96.57%

Sources: District records

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

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<u>District Building</u>										
<u>Elementary</u>										
Square Feet	73,120	73,120	73,120	73,120	73,120	73,120	73,120	73,210	73,210	73,210
Capacity (students)	520	520	520	520	520	520	520	520	520	520
Enrollment	333	338	342	332	330	333	342	318	280	280
Number of Schools at June 30										
Elementary =	1	1	1	1	1	1	1	1	1	1

Source: District Records

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

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

11-000-261-xxx

School Facilities	Project #	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Riverdale Public School	N/A	\$ 129,177	\$ 113,857	\$ 93,162	\$ 81,014	\$ 95,976	\$ 76,841	\$ 100,272	\$ 86,202	\$ 80,323	\$ 80,807

**RIVERDALE BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2018
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - General Security - Pooled Insurance Limit Blanket Building & Contents per Statement of Values	\$ 27,081,776	\$ 5,000
Flood/Earthquake Per Occurrence	5,000,000	50,000
Inland Marine:		
EDP Equipment	2,000,000	5,000
Contractors Equipment	250,000	1,000
Crime Coverage	500,000	5,000
Boiler & Machinery - Included in Property Value	27,081,776	1,000
Comprehensive/Commercial General Liability:		
Zurich Ins. Co.		
General Aggregate Limit	3,000,000	1,000
Comprehensive Auto Liability	1,000,000	1,000
Catastrophe Liability	9,000,000	
Excess Liability in Excess of \$10m as a Group Shared Limit	50,000,000	
Public Official Bonds -		
Western Surety Company		
Treasurer of School Monies	200,000	
Business Administrator/Board Secretary	100,000	

Source: Riverdale School District records.

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
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ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverdale Board of Education as of and for the fiscal year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Riverdale Board of Education's basic financial statements and have issued our report thereon dated January 24, 2019.

Internal Control Over Financial Reporting

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

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

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


Compliance and Other Matters

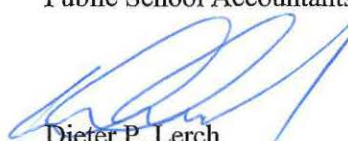
As part of obtaining reasonable assurance about whether the Riverdale Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Riverdale Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated January 24, 2019.

Purpose of this Report

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


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


Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
January 24, 2019



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER F. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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ROBERT LERCH, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major State Program

We have audited the Riverdale Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 State Aid/ Grant Compliance Supplement that could have a direct and material effect on each of Riverdale Board of Education's major state programs for the fiscal year ended June 30, 2018. The Riverdale Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major State Program

In our opinion, the Riverdale Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2018.

Report on Internal Control Over Compliance

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

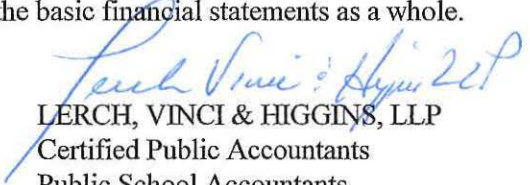
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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


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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverdale Board of Education as of and for the fiscal year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated January 24, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
January 24, 2019

**RIVERDALE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2017			Carryover/ (Walkover) A/R	Carryover/ (Walkover) Def. Rev.	Cash Received	Budgetary Expenditures	Balance, June 30, 2018			GAAP Receivable
						Unearned Revenue	(Accounts Receivable)	Due to Grantor					Unearned Revenue	(Accounts Receivable)	Due to Grantor	
U.S. Department of Agriculture																
Passed-through State Department of Education																
National School Lunch Program																
Cash Assistance	10.555	181NJ304N1099	N/A	7/1/17-6/30/18	\$ 29,637					\$ 27,644	\$ 29,637			\$ (1,993)	\$ (1,993)	
Cash Assistance	10.555	171NJ304N1099	N/A	7/1/16-6/30/17	27,499	\$ (2,090)				2,090						
Non-Cash Assistance	10.555	181NJ304N1099	N/A	7/1/17-6/30/18	8,948					8,948	8,031		\$ 917			
Non-Cash Assistance	10.555	171NJ304N1099	N/A	7/1/16-6/30/17	9,274	\$ 1,279	-	-	-	-	1,279	-	-	-	-	
Total U.S. Department of Agriculture/Child Nutrition Cluster						1,279	(2,090)	-	-	-	38,682	38,947	-	917	(1,993)	(1,993)
U.S. Department of Education																
Passed-through State Department of Education																
I.D.E.A. Part B, Basic	84.027A	H027A170100	NCLB444004	7/1/17-6/30/18	73,101					2,007	56,130		16,971	(71,094)	(54,123)	
I.D.E.A. Part B, Preschool	84.173A	H173A170114	NCLB444004	7/1/17-6/30/18	3,145	-	-	-	-	3,145	3,145	-	-	-	-	
Total Special Education Cluster (IDEA)						-	-	-	-	5,152	59,275	-	16,971	(71,094)	(54,123)	
NCLB Title I	84.010A	S010A170030	NCLB444004	7/1/17-6/30/18	34,342			\$ (8,757)	\$ 8,775	14,484	17,156		25,961	(28,615)	(2,654)	
NCLB Title I	84.010A	S010A160030	NCLB444004	7/1/16-6/30/17	32,571	8,775	(9,340)		8,757	(8,775)	583		-	-	-	
NCLB Title II A	84.367A	S367A170029	NCLB444004	7/1/17-6/30/18	8,069			(180)	180	180	5,298		2,951	(8,069)	(5,118)	
NCLB Title II A	84.367A	S367A160029	NCLB444004	7/1/16-6/30/17	4,080	180	(960)		180	(180)	780		-	-	-	
NCLB Title IV Part A	84.424	S424A170031	NCLB444004	7/1/17-6/30/18	10,000	-	-	-	-	2,700	10,000		-	(7,300)	(7,300)	
Total U.S. Department of Education						8,955	(10,300)	-	-	23,879	91,729	-	45,883	(115,078)	(69,195)	
Total Federal Financial Assistance						\$ 10,234	\$ (12,390)	\$ -	\$ -	\$ -	\$ 62,561	\$ 130,676	\$ -	\$ 46,800	\$ (117,071)	\$ (71,188)

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

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

**RIVERDALE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2017				Balance, June 30, 2018			MEMO		
				Accounts Receivable	Unearned Revenue	Due to Grantor	Cash Received	Budgetary Expenditures	Unearned Revenue	(Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education													
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	\$ 224,270				\$ 203,174	\$ 224,270		\$ (21,096)		\$ 224,270	
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	206,232	\$ (19,314)			19,314						
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	11,114				10,069	11,114		(1,045)		11,114	
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	11,114	(1,041)			1,041						
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	4,430				4,013	4,430		(417)		4,430	
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	4,430	(415)			415						
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	4,430				4,013	4,430		(417)		4,430	
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	4,430	(415)			415						
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	4,680				4,240	4,680		(440)		4,680	
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	4,680	(438)	-	-	438						
Total State Aid Public - Cluster					(21,623)	-	-	247,132	248,924	-	(23,415)	-	248,924
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	23,437				21,232	23,437		(2,205)		23,437	
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	23,437	(2,195)			2,195						
Additional Nonpublic Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	7,540					7,540		(7,540)	\$ (7,540)	7,540	
Additional Nonpublic Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	4,350	(4,350)	-	-	4,350						
Total Transportation Aid - Cluster					(6,545)	-	-	27,777	30,977	-	(9,745)	-	(7,540) 30,977
Extraordinary Aid	18-495-034-5120-044	7/1/17-6/30/18	126,154					126,154		(126,154)		126,154	
Extraordinary Aid	17-495-034-5120-044	7/1/16-6/30/17	185,317	(185,317)			185,317						
Lead Testing for School Aid	18-495-034-5120-104	7/1/17-6/30/18	2,650				2,650	2,650				2,650	
On-Behalf TPAF Pension - Normal Cost	18-495-034-5094-002	7/1/17-6/30/18	279,366				279,366	279,366				279,366	
On-Behalf TPAF Pension - NCGI Premium	18-495-034-5094-004	7/1/17-6/30/18	6,780				6,780	6,780				6,780	
On Behalf TPAF Post Retirement Medical Benefits	18-495-034-5094-001	7/1/17-6/30/18	184,815				184,815	184,815				184,815	
On Behalf TPAF Long Term Disability Insurance	18-495-034-5094-001	7/1/17-6/30/18	317				317	317				317	
Reimbursed TPAF Social Security Contributions	18-495-034-5094-003	7/1/17-6/30/18	165,963				165,963	165,963				165,963	
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	7/1/16-6/30/17	159,734	(7,958)	-	-	7,958						
Total General Fund State Aid					(221,443)	-	-	1,108,075	1,045,946	-	(159,314)	-	(7,540) 1,045,946
Enterprise Funds													
National School Lunch Program (State Share)	18-100-010-3350-023	7/1/17-6/30/18	1,211				1,129	1,211		(82)		(82) 1,211	
National School Lunch Program (State Share)	17-100-010-3350-023	7/1/16-6/30/17	1,026	(80)	-	-	80						
Total Enterprise Fund/Child Nutrition Cluster					(80)	-	-	1,209	1,211	-	(82)	-	(82) 1,211
Total State Financial Assistance Subject to Single Audit Determination					(221,523)	-	-	1,109,284	1,047,157	-	(159,396)	-	(7,622) 1,047,157
Less:													
State Financial Assistance Programs Not Subject to Major Program Determination													
On-Behalf TPAF Pension - Normal Cost	18-495-034-5094-002	7/1/17-6/30/18	279,366				(279,366)	(279,366)				(279,366)	
On-Behalf TPAF Pension - NCGI Premium	18-495-034-5094-004	7/1/17-6/30/18	6,780				(6,780)	(6,780)				(6,780)	
On Behalf TPAF Post Retirement Medical Benefits	18-495-034-5094-001	7/1/17-6/30/18	184,815				(184,815)	(184,815)				(184,815)	
On Behalf TPAF Long Term Disability Insurance	18-495-034-5094-001	7/1/17-6/30/18	317				(317)	(317)				(317)	
State Financial Assistance Amount Utilized for Calculation to Determine Single Audit and Major Programs.					\$ (221,523)	\$ -	\$ -	\$ 638,006	\$ 575,879	\$ -	\$ (159,396)	\$ -	\$ (7,622) \$ 575,879

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$57,361 for the general fund and \$1,243 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 1,103,307	\$ 1,103,307
Special Revenue Fund	\$ 91,729		91,729
Food Service Fund	<u>38,947</u>	<u>1,211</u>	<u>40,158</u>
Total Financial Assistance	<u>\$ 130,676</u>	<u>\$ 1,104,518</u>	<u>\$ 1,235,194</u>

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$165,963 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2018. The amount reported as TPAF Pension System Contributions in the amount of \$286,146, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$184,815 and TPAF Long-Term Disability Insurance in the amount of \$317 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2018.

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

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

NOTE 7 DE MINIMIS INDIRECT COST RATE

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

**RIVERDALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Part 1 – Summary of Auditor’s Results

Financial Statement Section

Description

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

Federal Awards

NOT APPLICABLE

State Awards

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

Type of auditors' report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08? _____ Yes X No

Identification of major state programs:

GMIS Number	Name of State Program or Cluster
<u>18-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>18-495-034-5120-084</u>	<u>Security Aid</u>
<u>18-495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>18-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>18-495-034-5120-101</u>	<u>Professional Learning Community Aid</u>

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

Auditee qualified as low-risk auditee? X Yes _____ No

**RIVERDALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Part 2 – Schedule of Financial Statement Findings

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

There are none.

**RIVERDALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

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

CURRENT YEAR FEDERAL AWARDS

Not Applicable

CURRENT YEAR STATE AWARDS

There are none.

**RIVERDALE BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

STATUS OF PRIOR YEAR FINDINGS

There were none.