

RIVER EDGE BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

River Edge, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

River Edge Board of Education

River Edge, New Jersey

For The Fiscal Year Ended June 30, 2019

Prepared by:

Business Office

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INTRODUCTORY SECTION

River Edge Elementary Schools

410 Bogert Road, River Edge, New Jersey 07661

201-261-3408 201-261-3404

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"Building Bright Futures Together"

Dr. Tova Ben-Dov
Superintendent of Schools

Louise A. Napolitano
Board Secretary/Business Administration

November 14, 2019

Honorable President and
Members of the Board of Education
River Edge School District
River Edge, NJ 07661

Dear Board Members:

The comprehensive annual financial report of the River Edge School District for the fiscal year ended June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board. 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 result of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the Districts' financial activities have been included.

Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the "Independent Auditor's Report".

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 "Independent Auditor's Report", management's discussion and analysis (MD&A), the basic financial statements including the district-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual fund financial statements, notes to the financial statements and required supplementary information (RSI). 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 the New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to the State 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: River Edge School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds of the District are included in this report. The River Edge Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 6. These include regular, as well as special education for handicapped youngsters. The District completed the 2018-2019 fiscal year with an enrollment of 1242 students, which is 37 additional students than the previous year's enrollment. The following details show the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2018/2019	1,242	2.9
2017/2018	1,205	1.8
2016/17	1,183	1.1
2015/16	1,170	(2.9)
2014/15	1,205	3.5
2013/14	1,164	(3.2)
2012/13	1,202	2.0
2011/12	1,179	(1.5)
2010/11	1,197	(.7)
2009/10	1,206	4.1

2.) **ECONOMIC CONDITION AND OUTLOOK:** The River Edge area is a stable community with a growing number of new residences each year. In anticipation of increased enrollment due to new development in town the BOE engaged in a new demographic study and commissioned the architects to evaluate the current use of facilities and make recommendations for optimal use of space. While no action was taken to change grade configurations, school enrollment lines, or initiate a referendum the district remains vigilant about the enrollment situation. For the 2019-20 school year the CHS Media Center was modified to allow space for one additional classroom. The Mayor and Council are actively engaged in developing plans for the redevelopment of the business district which will include additional housing. A new luxury apartment complex was slated for completion in September 2019. It has 69 units including 7 senior living spaces and 26-1 bedroom and 36-2 bedroom. As of September 1, 2019, this project is partially completed and has increased enrollment by 7 students. At this time we do not have a valid prediction of the total number of students that this development will yield when fully occupied.

3.) MAJOR INITIATIVES:

The River Edge Public School District continues to strive to educate all children within the district. Beginning in September 2007 when New Bridge Center was opened, the building has housed the Early Childhood wing and several special education classes. 2011-2012 brought the creation of a third special education class that serves a slightly different student population. These classes are educationally appropriate for the students and have provided the district with cost savings. In addition, the classes are a source of revenue by accepting students from other districts to join the classes on a tuition basis. In 2012-2013 River Edge implemented a full day Kindergarten that has been very successful and is currently serving 173 students in 9 classes. Due to the increase in K enrollment starting in the 2014-15 school year the Kindergarten classes were transferred to their home schools (RS and CHS) thus relieving some classroom space for the growing enrollment in CHS.

Our community continues to attract new residents seeking an excellent school system. Curriculum and staff development are guided by a district administration and the Supervisor of Curriculum and Instruction. The River Edge Schools have also included the position of a Literacy Coach/Supervisor to guide the implementation of Reading/Writing Workshop programs and implement the NJ Student Learning Standards as well as a Math and Science Coach/Supervisor to increase rigor in these subject areas. During the 2012-13 school year River Edge updated its technology Infra Structure and added technological devices to better prepare students for the 21st Century. Since the 2013-14 School year and on, every year the River Edge School

District has also upgraded its safety provisions and protocols for students, including the addition of new and replacement of old safety cameras in school buildings. A new telephone system was installed for classrooms as

well as an updated paging system with additional speakers, an alarm and blue light warning system. To comply with Alyssa's Law we are also connected to the police department enabling them to view the output of our cameras and receive school alarms.

We also continued our one-on-one technology initiatives that were begun a few years ago to provide technological devices for students and staff. For the 2019-20 school year all students and staff have access to one-on-one devices that include chromebooks, Mac laptops, and ipads which are used for meaningful technology. The Board of Education continues to support professional development efforts in order to maintain instructional excellence in the district. To this end we added a position of a second technology coach to help guide teachers and students.

We updated and improved our curriculum to include 21st Century and Technology skills and financial Literacy standards and integrated them into the curriculum. Math and Social Studies online resources were added. Our staff worked hard over the summer to prepare differentiation resources for all students in English Language Arts and Math to add rigor to the curriculum, enhance students' higher-order thinking in all areas of the curriculum. As recipients of the three year NJTSS grant (Tiered Systems of Support) in Literacy, starting in 2018-19 all students in grades K-3 received the support of a State Coach and Literacy coaches to establish a universal assessment and implemented interventions in targeted skills.

The River Edge School district is committed to a philosophy and practice of differentiation. During the 2015-16 school year the Post-dismissal Instructional Academy was added to help struggling students to reach their academic potential. This program was improved and continued to serve students during 2018-2019 with increased rigor and benchmark assessments being administered to better monitor growth.

Students in River Edge enjoy a wide variety of educational experiences that extend and broaden the curriculum. During the 2016-17 school year we began to develop and implement our STEAM program. To this end we started the conversion of two Discovery Labs to STEAM Labs and provided PD for teachers to support the development of the program in grades K-6. The project was completed during the 2017-18 school year and enhanced during the 2018-19 school year. We have also formed an active partnership with Liberty Science Center to pursue STEAM Goals. The collaboration with Liberty Science was expanded in 2018-19 to include all grade levels on a rotating schedule.

Students enjoy an excellent fine arts program that includes general music instruction for all and instrumental music opportunities for older students. Several performance opportunities for Chorus and Band groups are offered each year. Musically talented and art talented students are given special opportunities to develop their skills through club programs that meet at lunchtime. The physical education program develops students' physical skills and introduces them to lifelong activities that will contribute to their physical well-being in the future. Developmental physical education is offered to students who need extra time and attention to demonstrate good skill development.

Character development is an important part of the school program. Pupil Assistance Counselors provide social/emotional support to students in crisis and design proactive programs for building students' self-confidence and resiliency. The school nurses and principals work closely with the counselors to identify students and design intervention and Anti-bullying programs that are proactive, meaningful, and appropriate. Mindfulness and flexible seating also became part of our program supporting the mind and body connection during the 2018-2019 school year. Multiculturalism became an important staple of our program. It was integrated and pursued through literature, lessons, and activities. Special programs were held for students and families new to the district in September 2018 and they continued to receive support throughout the year.

Teachers and students from the River Edge Schools are often recognized for excellence by national, state and local educational agencies. During multiple years from 2009-19 students were recognized for achievements in the New Jersey Stock Market Game and the County Poster Contest. In subsequent years students ranked very high in the NJ Math Olympics. Student art work is often displayed at local cultural centers and musical groups perform for local community groups. Teachers lead staff development courses, teach at universities in the area and serve as consultants to other districts on science and authentic assessment topics. In addition, our administrators serve on the executive boards of their local professional organizations.

Parents are actively involved in our schools; Parent Teacher Organizations take an active role in supporting

instructional decisions and activities by communicating school goals and programs to parents and by fundraising to help finance field trips, assemblies, and the purchase of additional instructional, enrichment materials and technological devices. In addition, parents serve on committees to consider new programs or initiatives for the district, to establish school goals, and to provide valuable input for technology decisions, Wellness, School Climate, and the development of security procedures for the schools.

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 are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal control 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 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 each 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, Special Revenue and Debt Service Funds. Project-length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

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 "Notes to the Financial Statements".

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

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

9.) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci and Higgins, LLP, CPAs, was selected by the Board's finance committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of a single audit in accordance with New Jersey OMB Circular 15-08. The auditor's report on the basic financial statements and individual fund financial statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

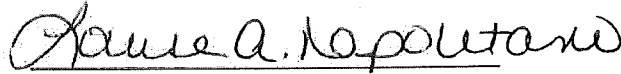
11.) ACKNOWLEDGMENTS:

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

Respectfully submitted,



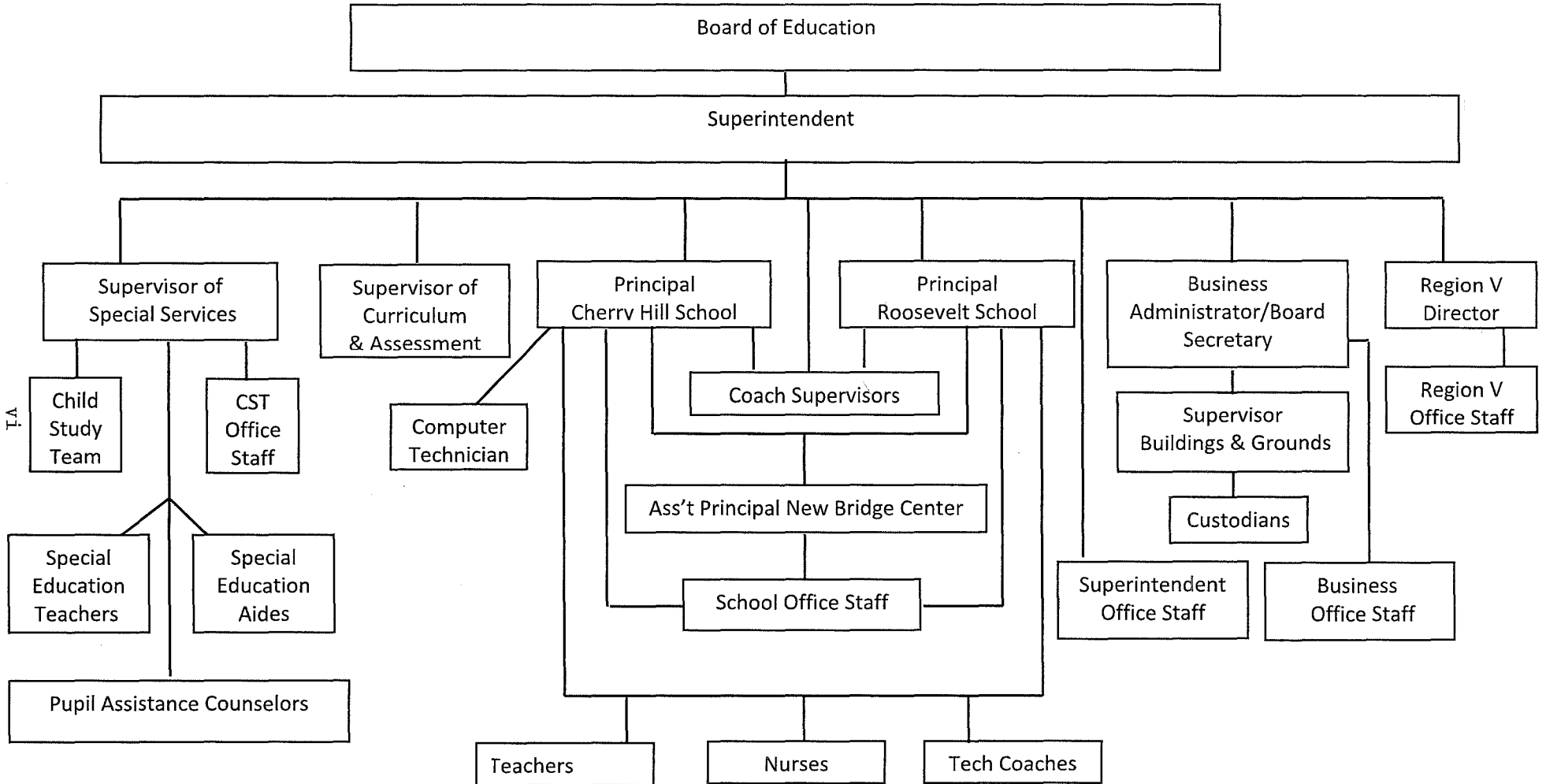
Dr. Tova Ben-Dov
Superintendent of Schools



Louise A. Napolitano
Board Secretary/Business Administrator

RIVER EDGE BOARD OF EDUCATION

ORGANIZATIONAL CHART



RIVER EDGE BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2019

<u>Members of the Board of Education</u>	<u>Terms Expires January</u>
Caleb Herbst – President	2023
Sheli Dansky – Vice President	2021
Paris Myers	2020
Gyuchang Sim	2022
Elizabeth Brown	2021
Adrienne Doyle	2022
Eun Kang	2022

Other Officials

Dr. Tova Ben-Dov – Superintendent

Louise Napolitano – Business Administrator

Antoinette Kelly - Treasurer

**RIVER EDGE BOARD OF EDUCATION
Consultants and Advisors**

Audit Firm

Lerch, Vinci & Higgins, LLP
17-17 Route 208 N
Fair Lawn, NJ 07410

Attorney

Stephen Fogarty, Esq.
Fogarty & Hara
16-00 Route 208 S
Fair Lawn, NJ 07410

Official Depository

Columbia Bank
5-22 Saddle River Road
Fair Lawn, NJ 07410

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
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the River Edge Board of Education, as of and for the fiscal year ended June 30, 2019 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 River Edge Board of Education as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, 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 River Edge 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 River Edge 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.

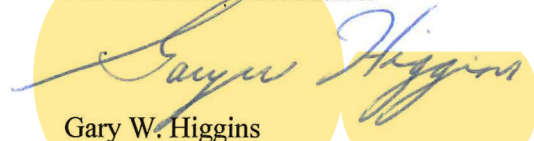
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 14, 2019 on our consideration of the River Edge 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 River Edge 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 River Edge Board of Education's internal control over financial reporting and compliance.



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



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
November 14, 2019

REQUIRED SUPPLEMENTARY INFORMATION - PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

**RIVER EDGE BOARD OF EDUCATION
RIVER EDGE, NEW JERSEY**

Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2019

This discussion and analysis of the River Edge School District's financial performance provides an overall review of its financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements including the notes to the financial statements to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Certain comparative information between the current year (2018-2019) and the prior year (2017-2018) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2019 is as follows:

- General revenues accounted for \$17,742,574 or 68 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$8,526,540 or 32 percent of total revenues of \$26,269,114.
- The School District had \$25,479,217 in expenses; only \$8,526,540 of these expenses are offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$17,742,574 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$21,200,853 in revenues and other financing sources \$20,876,460 in expenditures and other financing uses. The General Fund's fund balance (modified accrual) increased by \$324,393 from the fiscal year ended June 30, 2018.

**RIVER EDGE BOARD OF EDUCATION
RIVER EDGE, NEW JERSEY**

Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2019

Using this Comprehensive Annual Financial Report (CAFR)

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

The Statement of Net Position and Statement of Activities provides information about the activities of the entire District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements show how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at significant funds with all other non-major funds presented in one total column. The General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document reports on all funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and ask the question, "How did we do financially during the fiscal year ended June 30, 2019?" The Statement of Net Position and the Statement of Activities answer that question. These statements include all assets, liabilities and deferred outflows/inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in those positions. This change is important because it tells the reader that, for the school district as a whole, its financial position improved or diminished. The causes of this change may be the result of many factors. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

**RIVER EDGE BOARD OF EDUCATION
RIVER EDGE, NEW JERSEY**

Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2019

Reporting the School District as a Whole (Continued)

Statement of Net Position and the Statement of Activities (Continued)

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

- Governmental activities – All programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-Type activities – These services are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service and Summer Enrichment Program enterprise funds are reported as business-type activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's funds. The District's governmental funds include the General, Special Revenue, Capital Projects and Debt Service Funds. The District's Enterprise Funds include the Food Service Fund and Summer Enrichment Program Fund.

Governmental Funds

The District's activities are reported in governmental funds. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Funds

The enterprise funds use the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

**RIVER EDGE BOARD OF EDUCATION
RIVER EDGE, NEW JERSEY**

Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2019

The District as a Whole

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

Table 1 provides a summary of the District's net position as of June 30, 2019 and 2018.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current and other assets	\$ 2,554,700	\$ 2,513,062	\$ 98,266	\$ 94,595	\$ 2,652,966	\$ 2,607,657
Capital assets, net	<u>18,817,828</u>	<u>18,934,463</u>	<u>-</u>	<u>-</u>	<u>18,817,828</u>	<u>18,934,463</u>
Total assets	<u>21,372,528</u>	<u>21,447,525</u>	<u>98,266</u>	<u>94,595</u>	<u>21,470,794</u>	<u>21,542,120</u>
Deferred Outflow of Resources						
Deferred Amount on Refunding of Debt	781,580	885,137			781,580	885,137
Deferred Amounts on Net Pension Liability	<u>1,954,480</u>	<u>2,852,393</u>	<u>-</u>	<u>-</u>	<u>1,954,480</u>	<u>2,852,393</u>
Total Deferred Outflow of Resources	<u>2,736,060</u>	<u>3,737,530</u>	<u>-</u>	<u>-</u>	<u>2,736,060</u>	<u>3,737,530</u>
Total Assets and Deferred Outflow of Resources	<u>24,108,588</u>	<u>25,185,055</u>	<u>98,266</u>	<u>94,595</u>	<u>24,206,854</u>	<u>25,279,650</u>
Liabilities						
Long-term liabilities	22,667,464	24,975,148			22,667,464	24,975,148
Other liabilities	<u>368,195</u>	<u>640,981</u>	<u>55,145</u>	<u>60,882</u>	<u>423,340</u>	<u>701,863</u>
Total liabilities	<u>23,035,659</u>	<u>25,616,129</u>	<u>55,145</u>	<u>60,882</u>	<u>23,090,804</u>	<u>25,677,011</u>
Deferred Inflow of Resources						
Deferred Amounts on Net Pension Liability	<u>2,480,807</u>	<u>1,757,293</u>	<u>-</u>	<u>-</u>	<u>2,480,807</u>	<u>1,757,293</u>
Total Deferred Inflow of Resources	<u>2,480,807</u>	<u>1,757,293</u>	<u>-</u>	<u>-</u>	<u>2,480,807</u>	<u>1,757,293</u>
Total Liabilities and Deferred Inflow of Resources	<u>25,516,466</u>	<u>27,373,422</u>	<u>55,145</u>	<u>60,882</u>	<u>25,571,611</u>	<u>27,434,304</u>
Net Position						
Net Investment in Capital Assets	\$ 4,353,219	\$ 3,599,095			\$ 4,353,219	\$ 3,599,095
Restricted	1,267,722	862,532			1,267,722	862,532
Unrestricted	<u>(7,028,819)</u>	<u>(6,649,994)</u>	<u>\$ 43,121</u>	<u>\$ 33,713</u>	<u>(6,985,698)</u>	<u>(6,616,281)</u>
Total net position	<u>\$ (1,407,878)</u>	<u>\$ (2,188,367)</u>	<u>\$ 43,121</u>	<u>\$ 33,713</u>	<u>\$ (1,364,757)</u>	<u>\$ (2,154,654)</u>

The District's combined net position were \$(1,364,757) and \$(2,154,654) as of June 30, 2019 and 2018, respectively.

**RIVER EDGE BOARD OF EDUCATION
RIVER EDGE, NEW JERSEY**

Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2019

Table 2 shows changes in net position for fiscal years ended June 30, 2019 and 2018.

**Table 2
Changes in Net Position**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues						
Program revenues						
Charges for services	\$ 660,774	\$ 769,231	\$ 76,959	\$ 63,688	\$ 737,733	\$ 832,919
Operating grants and contributions	7,782,269	8,545,044			7,782,269	8,545,044
Capital grants and contributions	6,538				6,538	-
General revenues						
Property Taxes	16,609,231	16,303,874			16,609,231	16,303,874
Other revenues	1,132,971	627,330	372	42	1,133,343	627,372
Total revenues	<u>26,191,783</u>	<u>26,245,479</u>	<u>77,331</u>	<u>63,730</u>	<u>26,269,114</u>	<u>26,309,209</u>
Program Expenses						
Instruction	16,091,565	17,131,468			16,091,565	17,131,468
Support services						
Student and Instructional Related Services	3,488,444	3,564,459			3,488,444	3,564,459
General administration, school administration, business/central	2,742,373	2,875,346			2,742,373	2,875,346
Plant Operation and Maintenance	2,415,012	2,531,844			2,415,012	2,531,844
Pupil Transportation	141,268	153,042			141,268	153,042
Interest on debt	532,632	566,638			532,632	566,638
Food service and summer enrichment	-	-	67,923	59,368	67,923	59,368
Total expenses	<u>25,411,294</u>	<u>26,822,797</u>	<u>67,923</u>	<u>59,368</u>	<u>25,479,217</u>	<u>26,882,165</u>
Change in net position	780,489	(577,318)	9,408	4,362	789,897	(572,956)
Net Position Beginning of Year	<u>(2,188,367)</u>	<u>(1,611,049)</u>	<u>33,713</u>	<u>29,351</u>	<u>(2,154,654)</u>	<u>(1,581,698)</u>
Net Position End of Year	<u>\$ (1,407,878)</u>	<u>\$ (2,188,367)</u>	<u>\$ 43,121</u>	<u>\$ 33,713</u>	<u>\$ (1,364,757)</u>	<u>\$ (2,154,654)</u>

Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirement to annually seek voter approval for District operations. Property taxes made up 63 and 62 percent of revenues for governmental activities for the River Edge School District in fiscal years 2019 and 2018, respectively. The District's total revenues were \$26,191,783 and \$26,245,479 for the fiscal years ended June 30, 2019 and 2018, respectively. Federal, state, and local grants accounted for 33 and 34 percent of revenue for 2019 and 2018, respectively. The total cost of all programs and services was \$25,411,294 and \$26,822,797 for the fiscal years ended June 30, 2019 and 2018, respectively. Instruction comprises 63 and 64 percent of District expenses for the fiscal years ended June 30, 2019 and 2018, respectively.

**RIVER EDGE BOARD OF EDUCATION
RIVER EDGE, NEW JERSEY**

Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2019

Business-Type Activities

Revenues for the District's business-type activities (Food Service Fund and Summer Enrichment Program Fund) were comprised of charges for services.

- Total business-type activities revenues exceeded expenses by \$9,408 in fiscal year 2018/2019.
- Charges for services of \$76,959 represent 99 percent of revenue. This represents amounts paid for daily milk service and for summer enrichment program services.

Governmental Activities

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

Table 3

Total Cost and Net Cost of Services

	<u>Total Cost of</u> <u>Services</u>		<u>Net Cost of</u> <u>Services</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Instruction	\$ 16,091,565	\$ 17,131,468	\$ 9,022,809	\$ 9,298,669
Support services				
Student and Instructional Related Services	3,488,444	3,564,459	2,787,106	2,880,736
General administration, school				
administration, Business/Central	2,742,373	2,875,346	2,241,616	2,219,283
Plant Operation and Maintenance	2,415,012	2,531,844	2,261,094	2,403,126
Pupil Transportation	141,268	153,042	116,456	140,070
Interest and fiscal charges	<u>532,632</u>	<u>566,638</u>	<u>532,632</u>	<u>566,638</u>
 Total Expenses	 <u>\$ 25,411,294</u>	 <u>\$ 26,822,797</u>	 <u>\$ 16,961,713</u>	 <u>\$ 17,508,522</u>

**RIVER EDGE BOARD OF EDUCATION
RIVER EDGE, NEW JERSEY**

Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2019

Governmental Activities (Continued)

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

Student and instructional related services include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and business/central services include expenses associated with administration and financial supervision of the District.

Plant operation and maintenance involve keeping the school grounds, buildings, and equipment in an effective working condition.

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

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

The District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues and other-financing sources amounted to \$24,119,859 and \$21,973,602 and expenditures and other financing uses were \$23,814,844 and \$22,324,629 during the fiscal years ended June 30, 2019 and 2018, respectively.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the governmental fund revenues for the fiscal years ended June 30, 2019 and 2018.

	<u>Year Ended June 30,</u>		Amount of	Percent
	<u>2019</u>	<u>2018</u>	Increase (Decrease)	Increase (Decrease)
Local Sources	\$ 17,446,291	\$ 17,219,726	\$ 226,565	1.32%
State Sources	5,842,824	4,284,684	1,558,140	36.37%
Federal Sources	<u>475,824</u>	<u>469,192</u>	<u>6,632</u>	1.41%
Total Revenues	<u>\$ 23,764,939</u>	<u>\$ 21,973,602</u>	<u>\$ 1,791,337</u>	8.15%

**RIVER EDGE BOARD OF EDUCATION
RIVER EDGE, NEW JERSEY**

Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2019

The District's Funds (Continued)

The following schedule represents a summary of governmental fund expenditures for the fiscal years ended June 30, 2019 and 2018.

	<u>Year Ended June 30,</u>		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2019</u>	<u>2018</u>		
Current:				
Instruction	\$ 14,148,612	\$ 13,686,295	\$ 462,317	3.38%
Undistributed Expenditures	7,243,199	6,990,054	253,145	3.62%
Capital Outlay	655,313	238,967	416,346	174.23%
Debt Service:				
Principal	900,000	865,000	35,000	4.05%
Interest and Other Charges	512,800	544,313	(31,513)	-5.79%
	<u>23,459,924</u>	<u>22,324,629</u>	<u>1,135,295</u>	5.09%
Total Expenditures				

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey law, 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. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over expenditures in specific line item accounts.

**RIVER EDGE BOARD OF EDUCATION
RIVER EDGE, NEW JERSEY**

Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2019

Capital Assets

At the end of fiscal years 2019 and 2018, the District had \$18,817,828 and \$18,934,463 (net of depreciation), respectively, in land, construction in progress, buildings, furniture, equipment and vehicles. Table 4 shows the capital assets balances, net of depreciation at June 30, 2019 and 2018.

Table 4
Capital Assets at June 30, 2019 and 2018

	Governmental		Business-Type		Totals	
	<u>Activities</u>		<u>Activities</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 28,106	\$ 28,106			\$ 28,106	\$ 28,106
Construction in Progress	29,419				29,419	-
Improvements Other Than Buildings	21,000	21,000			21,000	21,000
Buildings and Building Improvements	28,772,798	28,347,943			28,772,798	28,347,943
Machinery and Equipment	<u>647,176</u>	<u>446,137</u>	<u>\$ 2,589</u>	<u>\$ 2,589</u>	<u>649,765</u>	<u>448,726</u>
	29,498,499	28,843,186	2,589	2,589	29,501,088	28,845,775
Less Accumulated Depreciation	<u>(10,680,671)</u>	<u>(9,908,723)</u>	<u>(2,589)</u>	<u>(2,589)</u>	<u>(10,683,260)</u>	<u>(9,911,312)</u>
Capital Assets, Net	<u>\$ 18,817,828</u>	<u>\$ 18,934,463</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,817,828</u>	<u>\$ 18,934,463</u>

Additional information relating to the District's capital assets can be found in Note 3 to the financial statements.

Debt Administration

At June 30, 2019 and 2018, the District had \$22,667,464 and \$24,975,148 of outstanding long-term liabilities, respectively.

Table 5 shows an analysis of the outstanding liabilities.

	<u>2019</u>	<u>2018</u>
Bonds Payable (Including Unamortized Premium)	\$ 15,246,189	\$ 16,220,505
Net Pension Liability	<u>7,421,275</u>	<u>8,754,643</u>
	<u>\$ 22,667,464</u>	<u>\$ 24,975,148</u>

At June 30, 2019, the District's overall legal remaining debt margin was \$29,474,580.

Additional information pertaining to the District's long term debt can be found in Note 3 to the financial statements.

**RIVER EDGE BOARD OF EDUCATION
RIVER EDGE, NEW JERSEY**

Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2019

For the Future

Currently, the District is in sound financial condition. Everyone associated with the River Edge School District is grateful for the community support of the schools. The District's major concerns are continued enrollment growth and the ability to maintain optimum class sizes and excellent services. This, in an environment of uncertain state aid support, means an ever-increasing reliance on local property taxes.

In conclusion, the River Edge School District has committed itself to financial excellence for many years. Its system for financial planning, budgeting, and internal financial controls is audited annually and it plans to continue to manage its finances in order to meet the many challenges ahead.

Contacting the District's Financial Management

If you have questions about this report or need additional information, contact the School Business Administrator at the River Edge Board of Education, 410 Bogert Road, River Edge, NJ 07661.

FINANCIAL STATEMENTS

RIVER EDGE BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2019

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,165,948	\$ 98,266	\$ 2,264,214
Receivables, net			
Receivables from Other Governments	356,307		356,307
Other	3,570		3,570
Due From Other Funds	28,875		28,875
Capital Assets, net			
Not Being Depreciated	57,525		57,525
Being Depreciated	<u>18,760,303</u>	<u>-</u>	<u>18,760,303</u>
Total Assets	<u>21,372,528</u>	<u>98,266</u>	<u>21,470,794</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Amount on Refunding of Debt	781,580		781,580
Deferred Amounts on Net Pension Liability	<u>1,954,480</u>	<u>-</u>	<u>1,954,480</u>
Total Deferred Outflow of Resources	<u>2,736,060</u>	<u>-</u>	<u>2,736,060</u>
Total Assets and Deferred Outflows of Resources	<u>24,108,588</u>	<u>98,266</u>	<u>24,206,854</u>
LIABILITIES			
Accounts Payable and Accrued Salaries	92,638		92,638
Payable to State Government	104,820		104,820
Accrued Interest Payable	140,710		140,710
Unearned Revenue	30,027	55,145	85,172
Noncurrent Liabilities			
Due within one year	940,000		940,000
Due beyond one year	<u>21,727,464</u>	<u>-</u>	<u>21,727,464</u>
Total Liabilities	<u>23,035,659</u>	<u>55,145</u>	<u>23,090,804</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>2,480,807</u>	<u>-</u>	<u>2,480,807</u>
Total Deferred Inflows of Resources	<u>2,480,807</u>	<u>-</u>	<u>2,480,807</u>
Total Liabilities and Deferred Inflows of Resources	<u>25,516,466</u>	<u>55,145</u>	<u>25,571,611</u>
NET POSITION			
Net Investment in Capital Assets	4,353,219		4,353,219
Restricted for			
Capital Projects	1,191,759		1,191,759
Other Purposes	75,963		75,963
Unrestricted	<u>(7,028,819)</u>	<u>43,121</u>	<u>(6,985,698)</u>
Total Net Position	<u>\$ (1,407,878)</u>	<u>\$ 43,121</u>	<u>\$ (1,364,757)</u>

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

**RIVER EDGE BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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	\$ 9,815,683	\$ 51,965	\$ 2,878,873		\$ (6,884,845)		\$ (6,884,845)
Special Education	4,842,425	608,809	2,801,417		(1,432,199)		(1,432,199)
Other Instruction	1,433,457		727,692		(705,765)		(705,765)
Support Services							
Student and Instruction Related Services	3,488,444		701,338		(2,787,106)		(2,787,106)
General Administration Services	771,999		183,057		(588,942)		(588,942)
School Administration Services	1,347,533		218,437		(1,129,096)		(1,129,096)
Business/Central Services	622,841		99,263		(523,578)		(523,578)
Plant Operations and Maintenance	2,415,012		147,380	\$ 6,538	(2,261,094)		(2,261,094)
Pupil Transportation	141,268		24,812		(116,456)		(116,456)
Interest and Other Charges on Debt	532,632	-	-		(532,632)		(532,632)
Total Governmental Activities	<u>25,411,294</u>	<u>660,774</u>	<u>7,782,269</u>	<u>6,538</u>	<u>(16,961,713)</u>	<u>-</u>	<u>(16,961,713)</u>
Business-Type Activities							
Food Service	9,989	11,352				\$ 1,363	1,363
Summer Enrichment Program	57,934	65,607				7,673	7,673
Total Business-Type Activities	<u>67,923</u>	<u>76,959</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,036</u>	<u>9,036</u>
Total Primary Government	<u>\$ 25,479,217</u>	<u>\$ 737,733</u>	<u>\$ 7,782,269</u>	<u>\$ 6,538</u>	<u>(16,961,713)</u>	<u>9,036</u>	<u>(16,952,677)</u>
General Revenues							
Property Taxes, levied for General Purposes					15,408,873		15,408,873
Property Taxes, levied for Debt Service					1,200,358		1,200,358
State Aid Restricted for Debt Service					212,442		212,442
State Aid - Unrestricted					762,964		762,964
Interest on Deposits					23,888	372	24,260
Miscellaneous Income					133,677	-	133,677
Total General Revenues					<u>17,742,202</u>	<u>372</u>	<u>17,742,574</u>
Change in Net Position					780,489	9,408	789,897
Net Position, Beginning of Year					(2,188,367)	33,713	(2,154,654)
Net Position, End of Year					<u>\$ (1,407,878)</u>	<u>\$ 43,121</u>	<u>\$ (1,364,757)</u>

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

FUND FINANCIAL STATEMENTS

**RIVER EDGE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 2,165,948				\$ 2,165,948
Receivables, Net					
Due from Other Funds	156,913				156,913
Receivables from Other Governments	90,279	266,028			356,307
Other Receivables	-	3,570	-	-	3,570
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 2,413,140</u>	<u>\$ 269,598</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,682,738</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable and Accrued Salaries	\$ 80,710	\$ 11,928			\$ 92,638
Due to Other Funds		128,038			128,038
Payable to State Government		104,820			104,820
Unearned Revenue	5,215	24,812	-	-	30,027
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>85,925</u>	<u>269,598</u>	<u>-</u>	<u>-</u>	<u>355,523</u>
Fund Balances					
Restricted:					
Capital Reserve	827,684				827,684
Capital Reserve - Designated for Subsequent Year's Expenditures	364,075				364,075
Maintenance Reserve	75,963				75,963
Excess Surplus - Designated for Subsequent Year's Expenditures	500,000				500,000
Excess Surplus	500,000				500,000
Committed:					
Year-end Encumbrances	9,218				9,218
Unassigned					
General Fund	50,275	-	-	-	50,275
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>2,327,215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,327,215</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 2,413,140</u>	<u>\$ 269,598</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,682,738</u>

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

**RIVER EDGE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2019**

Total Fund Balances (Exhibit B-1) \$ 2,327,215

Amounts reported for governmental activities in the statement of net assets (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 \$29,498,499 and the accumulated depreciation is \$10,680,671. 18,817,828

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (140,710)

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt. 781,580

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.

Deferred Outflows of Resources	\$	1,954,480	
Deferred Inflows of Resources		(2,480,807)	
			(526,327)

Long-term liabilities, including bonds payable, compensated absences and net pension liability are not due and payable in the current period and therefore are not reported as liabilities in the funds. These items are as follows:

Bonds Payable		(14,660,000)	
Add: Unamortized Premium		(586,189)	
Net Pension Liability		(7,421,275)	
			(22,667,464)

Net Position of Governmental Activities (Exhibit A-1) \$ (1,407,878)

**RIVER EDGE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Taxes	\$ 15,408,873			\$ 1,200,358	\$ 16,609,231
Tuition	660,774				660,774
Interest	23,888				23,888
Miscellaneous	133,677	\$ 18,721	-	-	152,398
Total - Local Sources	<u>16,227,212</u>	<u>18,721</u>	<u>-</u>	<u>1,200,358</u>	<u>17,446,291</u>
State Sources	4,970,721	659,661		212,442	5,842,824
Federal Sources	-	475,824	-	-	475,824
Total Revenues	<u>21,197,933</u>	<u>1,154,206</u>	<u>-</u>	<u>1,412,800</u>	<u>23,764,939</u>
EXPENDITURES					
Current					
Regular Instruction	8,538,591	60,767			8,599,358
Special Education Instruction	4,086,570	161,059			4,247,629
Other Instruction	879,426	422,199			1,301,625
Support Services and Undistributed Costs					
Student and Instruction Related Services	2,658,923	503,643			3,162,566
General Administration Services	693,003				693,003
School Administration Services	1,160,251				1,160,251
Business/Central Services	550,721				550,721
Plant Operations and Maintenance	1,548,901				1,548,901
Pupil Transportation	127,757				127,757
Debt Service					
Principal				900,000	900,000
Interest				512,800	512,800
Capital Outlay	280,317	6,538	\$ 368,458	-	655,313
Total Expenditures	<u>20,524,460</u>	<u>1,154,206</u>	<u>368,458</u>	<u>1,412,800</u>	<u>23,459,924</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>673,473</u>	<u>-</u>	<u>(368,458)</u>	<u>-</u>	<u>305,015</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	2,920		352,000		354,920
Transfers Out	(352,000)	-	(2,920)	-	(354,920)
Total Other Financing Sources (Uses)	<u>(349,080)</u>	<u>-</u>	<u>349,080</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	324,393	-	(19,378)	-	305,015
Fund Balance, Beginning of Year	<u>2,002,822</u>	<u>-</u>	<u>19,378</u>	<u>-</u>	<u>2,022,200</u>
Fund Balance, End of Year	<u>\$ 2,327,215</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,327,215</u>

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

**RIVER EDGE 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, 2019**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 305,015

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 expense exceeds capital outlays in the current period.

Capital Outlays	\$ 655,313	
Depreciation Expense	<u>(771,948)</u>	(116,635)

The Issuance of Long Term Debt (e.g. bonds, leases) provides current financial resources to governmental funds while the repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.

Principal Repayments		
Bonds Payable		900,000

Governmental Funds report the effect of issuance costs, premiums and deferred amounts on refundings pertaining to bonds issued when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of Premium	74,316	
Amortization of Deferred Amount on Refunding of Debt	<u>(103,557)</u>	(29,241)

In the statement of activities, certain operating expenses - pension expense is measured by the amounts accrued during the year. In the governmental funds, however, expenditures for this item is measured by the amount of financial resources used (paid):

Increase in Pension Expense		(288,059)
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Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Decrease in accrued interest		<u>9,409</u>
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Change in net position of governmental activities (Exhibit A-2) **\$ 780,489**

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

**RIVER EDGE BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2019**

	Non-Major Enterprise Funds <u>Totals</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ <u>98,266</u>
Total Current Assets	<u>98,266</u>
Capital Assets	
Machinery and Equipment	2,589
Less: Accumulated Depreciation	<u>(2,589)</u>
Total Capital Assets	<u>-</u>
Total Assets	<u>98,266</u>
LIABILITIES	
Unearned Revenue	<u>55,145</u>
Total Liabilities	<u>55,145</u>
NET POSITION	
Unrestricted	<u>43,121</u>
Total Net Position	<u>\$ <u>43,121</u></u>

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

**RIVER EDGE BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Non-Major Enterprise Funds <u>Totals</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales/Program Fees	\$ 75,335
Miscellaneous	<u>1,624</u>
 Total Operating Revenues	 <u>76,959</u>
OPERATING EXPENSES	
Salaries and Wages	49,150
Cost of Sales	<u>18,773</u>
 Total Operating Expenses	 <u>67,923</u>
 Operating Income	 <u>9,036</u>
NON-OPERATING REVENUES	
Interest on Deposits	<u>372</u>
 Total Non-Operating Revenues	 <u>372</u>
 Change in Net Position	 9,408
Net Position Beginning of Year	<u>33,713</u>
Net Position End of Year	<u>\$ 43,121</u>

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

**RIVER EDGE BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Non-Major Enterprise Funds <u>Totals</u>
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 71,222
Cash Payments for Employees Salaries and Benefits	(49,150)
Cash Payments to Suppliers for Goods and Services	<u>(18,773)</u>
 Net Cash Provided by Operating Activities	 <u>3,299</u>
Cash Flows from Investing Activities	
Interest on Deposits	<u>372</u>
 Net Cash Provided by Investing Activities	 <u>372</u>
 Net Increase in Cash and Cash Equivalents	 3,671
Cash and Cash Equivalents, Beginning of Year	<u>94,595</u>
 Cash and Cash Equivalents, End of Year	 <u>\$ 98,266</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$ <u>9,036</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Change in Assets and Liabilities	
(Decrease) in Unearned Revenue	<u>(5,737)</u>
 Total Adjustments	 <u>(5,737)</u>
 Net Cash Provided by Operating Activities	 <u>\$ 3,299</u>

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

**RIVER EDGE BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2019**

	<u>Private Purpose Trust Fund</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Trust and Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 184,920	\$ 205,360	\$ 11,899
Intergovernmental Receivable - Other Governments	<u>1,510,841</u>	<u>-</u>	<u>-</u>
Total Assets	<u>1,695,761</u>	<u>205,360</u>	<u>\$ 11,899</u>
LIABILITIES			
Payroll Deductions and Withholdings			\$ 3,318
Accrued Salaries and Wages			1,681
Due to Student Groups			6,900
Other Current Liabilities	1,350,126	5,101	
Due to Other Funds	<u>28,875</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>1,379,001</u>	<u>5,101</u>	<u>\$ 11,899</u>
NET POSITION			
Held in Trust for:			
Other Purposes	<u>\$ 316,760</u>		
Unemployment Claims		<u>\$ 200,259</u>	

**RIVER EDGE BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Private Purpose Trust Fund	Unemployment Compensation Trust Fund
ADDITIONS		
Contributions		
Employees		\$ 37,574
Other Governments	\$ 12,677,999	
Interest on Deposits	11,413	1,538
Other	<u>25,067</u>	<u>-</u>
 Total Additions	 <u>12,714,479</u>	 <u>39,112</u>
DEDUCTIONS		
Transportation and Special Education	12,713,200	
Unemployment Claims and Contributions		34,447
Miscellaneous	<u>35,341</u>	<u>-</u>
 Total Deductions	 <u>12,748,541</u>	 <u>34,447</u>
 Change in Net Position	 (34,062)	 4,665
Net Position Beginning of Year	<u>350,822</u>	<u>195,594</u>
Net Position End of Year	<u>\$ 316,760</u>	<u>\$ 200,259</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The River Edge 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 River Edge Board of Education this includes general operations, food service, summer enrichment 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 2019, the District adopted the following GASB statement as required:

- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement*. 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.

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.

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- 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. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, will be effective beginning with the fiscal 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.

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.

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

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 funds to be major funds and all of its enterprise funds to be nonmajor funds.

The District reports the following major governmental funds:

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

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

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

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

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

The *food service fund* accounts for the activities of the school cafeteria, which provides milk to students.

The *summer enrichment program fund* accounts for the activities of the District's summer enrichment program.

Additionally, the government reports the following fund types:

The *fiduciary trust funds* are used to account for resources legally held in trust for state unemployment insurance claims, for private donations and for Region V related activities. All resources of the funds, 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.

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

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

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

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

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.

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. *Inventories*

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

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>
Improvements Other than Buildings	20
Buildings and Building Improvements	20-45
Machinery and Equipment	5-20

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 a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other 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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type of 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 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.

RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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. Payments to employees based upon resignations and retirements are restricted to amounts available and established per contract and the current annual budget appropriation.

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. Losses resulting from debt refundings are classified as deferred outflows of resources. Bond premiums are deferred and amortized over the life of the bonds using the effective interest method. Losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported with the unamortized portion of the original issue bond premium.

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.

RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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.

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2B).

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 2019/2020 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 2C).

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2018 audited excess surplus that was appropriated in the 2019/2020 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2019 audited excess surplus that is required to be appropriated in the 2020/2021 original budget certified for taxes.

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

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

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

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.

RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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, restricted state aid for debt service, unrestricted state aid, deposit earnings and miscellaneous revenues.

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2017-2018 and 2018-2019 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.

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund and the summer enrichment program 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.

NOTE 2 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, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. 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 February 1, 2012, 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 2018/2019. Also, during 2018/2019 the Board increased the original General Fund budget by \$315,703 and the original Special Revenue Fund budget by \$354,652. The increase was funded by additional aid appropriated, a transfer of capital reserve funds, additional grant awards and the reappropriation of prior year general fund encumbrances.

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

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information (Continued)

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, 2019 is as follows:

Balance, July 1, 2018		\$ 767,241
Increased by:		
Interest Earnings	\$ 550	
Deposits of Unexpended Capital Projects	2,920	
Deposits Approved by Board Resolution	944,348	
Total Increases		<u>947,818</u>
Decreased by:		
Withdrawals Approved in District Budget	452,000	
Withdrawals Approved by Board Resolution	71,300	
Total Decreases		<u>523,300</u>
Balance, June 30, 2019		<u>\$ 1,191,759</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan. \$364,075 of the capital reserve balance at June 30, 2019 was designated and appropriated for use in the 2019/2020 original budget certified for taxes.

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 2 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, 2019 is as follows:

Balance, July 1, 2018	\$ 75,913
Increased by:	
Interest Earnings	<u>50</u>
Balance, June 30, 2019	<u>\$ 75,963</u>

The June 30, 2019 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$946,202.

D. Transfers to Capital Outlay

During the 2018/2019 school year, the district increased by \$183,388 non-equipment capital outlay accounts. Transfers totaling \$71,300 were made from the capital reserve account and \$112,088 of additional state aid was appropriated to capital outlay. Certain transfers were to supplement a capital project previously approved by the voters in the budget certified for taxes, pursuant to N.J.A.C. 6A 23-8.4. The amounts were to fund projects that were approved in the District's Long Range Facilities Plan.

E. 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, 2019 is \$1,000,000. Of this amount, \$500,000 was designated and appropriated in the 2019/2020 original budget certified for taxes and the remaining amount of \$500,000 will be appropriated in the 2020/2021 original budget certified for taxes.

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 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, 2019, the book value of the Board's deposits were \$2,666,393 and bank and brokerage firm balances of the Board's deposits amounted to \$4,601,328. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	<u>\$ 4,601,328</u>
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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, 2019 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.

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2019, 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, 2019 for the district’s individual major funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Private Purpose Trust</u>	<u>Total</u>
Receivables:				
Intergovernmental				
Federal		\$ 266,028		\$ 266,028
State	\$ 60,945			60,945
Other	29,334		\$ 1,510,841	1,540,175
Other	-	3,570	-	3,570
Gross Receivables	90,279	269,598	1,510,841	1,870,718
Less: Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 90,279</u>	<u>\$ 269,598</u>	<u>\$ 1,510,841</u>	<u>\$ 1,870,718</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:

General Fund	
Tuition Charges Prepaid	\$ 5,215
Special Revenue	
Unencumbered Grant Draw Downs	<u>24,812</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 30,027</u>

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	Balance, July 1, 2018	Increases	Decreases	Balance, June 30, 2019
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 28,106			\$ 28,106
Construction in Progress	-	\$ 29,419	-	29,419
Total capital assets, not being depreciated	<u>28,106</u>	<u>29,419</u>	<u>-</u>	<u>57,525</u>
Capital assets, being depreciated:				
Improvements other than buildings	21,000			21,000
Buildings and Building Improvements	28,347,943	424,855		28,772,798
Machinery and equipment	446,137	201,039	-	647,176
Total capital assets being depreciated	<u>28,815,080</u>	<u>625,894</u>	<u>-</u>	<u>29,440,974</u>
Less accumulated depreciation for:				
Improvements other than buildings	(21,000)			(21,000)
Buildings and building improvements	(9,533,712)	(732,048)		(10,265,760)
Machinery and equipment	(354,011)	(39,900)	-	(393,911)
Total accumulated depreciation	<u>(9,908,723)</u>	<u>(771,948)</u>	<u>-</u>	<u>(10,680,671)</u>
Total capital assets, being depreciated, net	<u>18,906,357</u>	<u>(146,054)</u>	<u>\$ -</u>	<u>18,760,303</u>
Governmental activities capital assets, net	<u>\$ 18,934,463</u>	<u>\$ (116,635)</u>	<u>\$ -</u>	<u>\$ 18,817,828</u>
	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Business-type Activities:				
Capital assets, being depreciated:				
Machinery and equipment	\$ 2,589	-	-	\$ 2,589
Total capital assets being depreciated	<u>2,589</u>	<u>-</u>	<u>-</u>	<u>2,589</u>
Less accumulated depreciation for:				
Machinery and equipment	(2,589)	-	-	(2,589)
Total accumulated depreciation	<u>(2,589)</u>	<u>-</u>	<u>-</u>	<u>(2,589)</u>
Total capital assets, being depreciated, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental activities:

Instruction	
Regular	\$ 632
Total Instruction	<u>632</u>
Support Services	
School Administration Services	28,625
Plant Operations and Maintenance	737,174
Pupil Transportation	5,517
Total Support Services	<u>771,316</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 771,948</u>

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2019:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Media Center Upgrade at Cherry Hill School	\$	<u>38,800</u>
Total	\$	<u>38,800</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2019, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 128,038
General Fund	Private Purpose Trust Fund	<u>28,875</u>
Total		<u>\$ 156,913</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.

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers

	<u>Transfer In:</u>		
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Transfer Out:			
General Fund		\$ 352,000	\$ 352,000
Capital Projects Fund	\$ 2,920	-	2,920
 Total Transfers	<u>\$ 2,920</u>	<u>\$ 352,000</u>	<u>\$ 354,920</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

F. Leases

Operating Leases

The District leases copiers under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2019 were \$44,160. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2020	\$ <u>3,680</u>
Total	\$ <u>3,680</u>

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets and other purposes permitted by statute. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2019 are comprised of the following issues:

\$2,820,000, 2011 Refunding Bonds, due in annual installments of \$275,000 to \$280,000 through December 1, 2021, interest at 4.00%	\$835,000
\$8,515,000, 2012 Refunding Bonds, due in annual installments of \$435,000 to \$635,000 through February 1, 2031, interest at 3.00%	6,955,000
\$7,325,000, 2014 Redunding Bonds, due in annual installments of \$225,000 to \$905,000 through October 15, 2031, interest at 3.00% to 4.500%	<u>6,870,000</u>
Total	<u>\$14,660,000</u>

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Bonds Payable</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2020	\$ 940,000	\$ 476,700	\$ 1,416,700
2021	975,000	444,425	1,419,425
2022	1,005,000	411,100	1,416,100
2023	1,045,000	377,850	1,422,850
2024	1,080,000	343,825	1,423,825
2025-2029	6,005,000	1,156,850	7,161,850
2030-2032	<u>3,610,000</u>	<u>186,675</u>	<u>3,796,675</u>
Total	<u>\$ 14,660,000</u>	<u>\$ 3,397,425</u>	<u>\$ 18,057,425</u>

RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2019 was as follows:

2.5% of Equalized Valuation Basis (Municipal)	\$ 44,134,580
Less: Net Debt	<u>14,660,000</u>
Remaining Borrowing Power	<u>\$ 29,474,580</u>

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2019, was as follows:

	<u>Balance,</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>June 30, 2019</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Governmental activities:					
Bonds payable	\$ 15,560,000		\$ 900,000	\$ 14,660,000	\$ 940,000
Add: Unamortized Premium	<u>660,505</u>	-	<u>74,316</u>	<u>586,189</u>	-
Net Bonds Payable	<u>16,220,505</u>	-	<u>974,316</u>	<u>15,246,189</u>	<u>940,000</u>
Net Pension Liability	<u>8,754,643</u>	-	<u>1,333,368</u>	<u>7,421,275</u>	-
Governmental activity Long-term liabilities	<u>\$ 24,975,148</u>	<u>\$ -</u>	<u>\$ 2,307,684</u>	<u>\$ 22,667,464</u>	<u>\$ 940,000</u>

For the governmental activities, the liability for the net pension liability is generally liquidated by the general fund.

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 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 Northeast Bergen County School Board Insurance Group (NESBIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against various risks.

The relationship between the Board and the 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 Group, to report claims on a timely basis, cooperate with the management of the Group, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Group. Members have a contractual obligation to fund any deficit of the Group attributable to a membership year during which they were a member.

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

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

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

<u>Fiscal</u> <u>Year Ended</u> <u>June 30,</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2019	\$ 37,574	\$ 34,447	\$ 200,259
2018	36,509	39,062	195,594
2017	36,614	33,927	198,139

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2019, 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. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2019, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. 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 who are eligible for pension coverage:

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, 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. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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.

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. 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 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, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. 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 and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. 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.

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. 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. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

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

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2018 is \$19.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 53.60%. The collective net pension liability of the State funded TPAF at June 30, 2018 is \$63.81 billion and the plan fiduciary net position as a percentage of total pension liability is 26.49%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2017 which were rolled forward to June 30, 2018.

Actuarial Methods and Assumptions

In the July 1, 2017 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

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 members 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 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2019.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2019 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than this actuarial determined amount. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer 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. All PERS and DCRP contributions made by the Board for fiscal years 2019, 2018 and 2017 were equal to the required contributions.

During the fiscal years ended June 30, 2019, 2018 and 2017 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2019	\$ 374,909	\$ 1,543,673	\$ 21,230
2018	348,402	1,152,984	21,749
2017	317,431	841,981	18,220

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2019, 2018 and 2017 the District contributed \$1,829, \$6,023 and \$2,609, respectively for PERS and the State contributed \$2,058, \$2,159 and \$2,178, respectively for TPAF for Long Term Disability Insurance Premium (LTDD).

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 \$592,146 during the fiscal year ended June 30, 2019 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. 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 measurement period July 1, 2017 through June 30, 2018. 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 (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) 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, 2018 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2018.

At June 30, 2019, the District reported in the statement of net position (accrual basis) a liability of \$7,421,275 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018 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 the District's share of contributions to the pension plan relative to the contributions of all participating governmental entities, actuarially determined. At June 30, 2018, the District's proportionate share was .03769 percent, which was an increase of .0009 percent from its proportionate share measured as of June 30, 2017 of .03760 percent.

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. 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)

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$662,968 for PERS. The pension contribution made by the District during the current 2018/2019 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, 2019 with a measurement date of the prior fiscal year end of June 30, 2018. 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, 2019 for contributions made subsequent to the measurement date. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>2018</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 141,525	\$ 38,266
Changes of Assumptions	1,222,903	2,372,929
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		69,612
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>590,052</u>	<u>-</u>
Total	<u>\$ 1,954,480</u>	<u>\$ 2,480,807</u>

At June 30, 2019, 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>
2020	\$ 282,197
2021	117,976
2022	(390,673)
2023	(394,576)
2024	(141,251)
Thereafter	<u>-</u>
	<u>\$ (526,327)</u>

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. 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

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2018 are summarized in the following table:

<u>Asset Class</u>	2018	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	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 Equity	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
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>
2019	June 30, 2018	5.66%
2018	June 30, 2017	5.00%

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. 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:

	<u>2018</u>
Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2046
Municipal Bond Rate *	From July 1, 2046 and Thereafter

* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. 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 5.66%, 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 (4.66 percent) or 1-percentage-point higher (6.66 percent) than the current rate:

	1% Decrease <u>(4.66%)</u>	Current Discount Rate <u>(5.66%)</u>	1% Increase <u>(6.66%)</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 9,331,398</u>	<u>\$ 7,421,275</u>	<u>\$ 5,818,804</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2018. A sensitivity analysis specific to the District's net pension liability at June 30, 2018 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.

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. 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. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2018. 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, 2018, 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, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$2,834,867 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2019 the State's proportionate share of the net pension liability attributable to the District is \$48,628,419. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2018. At June 30, 2018, the State's share of the net pension liability attributable to the District was .07643 percent, which was an increase of .00158 percent from its proportionate share measured as of June 30, 2017 of .07485 percent.

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. 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, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55-4.55%
Thereafter	2.00-5.45%
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2006

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, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. 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

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	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%

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. 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
2019	June 30, 2018	4.86%
2018	June 30, 2017	4.25%

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, 2040
Municipal Bond Rate *	From July 1, 2040 and Thereafter

* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. 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 4.86%, 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 (3.86 percent) or 1-percentage-point higher (5.86 percent) than the current rate:

	1% Decrease (3.86%)	Current Discount Rate (4.86%)	1% Increase (5.86%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 57,477,868</u>	<u>\$ 48,628,419</u>	<u>\$ 41,292,442</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2018. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2018 was not provided by the pension system.

RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 4 OTHER INFORMATION (Continued)

D. 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.

E. 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 for the fiscal year ended June 30, 2018. 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 Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. 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.

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2017:

Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>-</u>
Total	<u>362,181</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.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2018 is \$46.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2017 which were rolled forward to June 30, 2018.

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2017 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2018.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2019, 2018 and 2017 were \$700,207, \$744,688 and \$701,563, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan 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.

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 Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. 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 measurement period July 1, 2017 through June 30, 2018. 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.

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$1,835,857. 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, 2019 the State's proportionate share of the OPEB liability attributable to the District is \$30,045,672. 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, 2018 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2018. At June 30, 2018, the state's share of the OPEB liability attributable to the District was .06516 percent, which was an increase of .0006 percent from its proportionate share measured as of June 30, 2017 of .06456 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. 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	Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disable Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.
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.

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight 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 5.8 percent and decreases to a 8.0 percent long-term trend rate after eight years. For prescription drug benefits, the initial trend rate is 8.0 percent and decreases to a 5.0 percent long-term trend rate after seven 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, 2017 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.

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

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, 2018.

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>
2019	June 30, 2018	3.87%
2018	June 30, 2017	3.58%

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.

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, 2019 (measurement date June 30, 2018) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2017 Measurement Date	\$ 34,630,468
Changes Recognized for the Fiscal Year:	
Service Cost	1,682,711
Interest on the Total OPEB Liability	1,286,250
Differences Between Expected and Actual Experience	(3,330,222)
Changes of Assumptions	(3,447,891)
Gross Benefit Payments	(803,411)
Contributions from the Member	27,767
Net Changes	\$ (4,584,796)
Balance, June 30, 2018 Measurement Date	\$ 30,045,672

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58 percent in 2017 to 3.87 percent in 2018.

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, 2018. 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, 2018 was not provided by the pension system.

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. 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

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 3.87% 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 (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

	1% Decrease <u>(2.87%)</u>	Current Discount Rate <u>(3.87%)</u>	1% Increase <u>(4.87%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 35,520,101	\$ 30,045,672	\$ 25,694,067

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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 24,834,498	\$ 30,045,672	\$ 36,937,649

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018 were not provided by the pension system.

F. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential school tax revenue must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For River Edge Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**RIVER EDGE BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	\$ 15,691,844	\$ (282,971)	\$ 15,408,873	\$ 15,408,873	
Tuition from Individuals				51,965	\$ 51,965
Tuition from Other LEAs Within the State	619,836		619,836	608,809	(11,027)
Interest - Maintenance Reserve Fund	50		50	50	
Interest - Capital Reserve Fund	550		550	550	
Unrestricted Miscellaneous	166,962	-	166,962	156,965	(9,997)
Total Local Sources	<u>16,479,242</u>	<u>(282,971)</u>	<u>16,196,271</u>	<u>16,227,212</u>	<u>30,941</u>
State Sources					
Categorical Transportation Aid	19,622		19,622	19,622	
Extraordinary Aid	130,000		130,000	515,538	385,538
Categorical Special Education Aid	413,307	235,678	648,985	1,011,024	362,039
Categorical Equalization Aid	265,812	282,971	548,783	813,663	264,880
Categorical Security Aid	91,647		91,647	91,647	
Non Public Transportation Aid Reimbursement				2,900	2,900
On-behalf TPAF Pension System Payments Normal Cost (Non-Budget)				1,512,022	1,512,022
On-behalf TPAF Pension System Payments NCGI Premium (Non-Budget)				31,651	31,651
On-behalf TPAF Post-Retirement Medical (Non-Budget)				700,207	700,207
On-behalf TPAF Long-Term Disability Insurance (Non-Budget)				2,058	2,058
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	592,146	592,146
Total State Sources	<u>920,388</u>	<u>518,649</u>	<u>1,439,037</u>	<u>5,292,478</u>	<u>3,853,441</u>
Total Revenues	<u>17,399,630</u>	<u>235,678</u>	<u>17,635,308</u>	<u>21,519,690</u>	<u>3,884,382</u>
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	65,085	3,477	68,562	68,562	
Kindergarten	535,843	(18,385)	517,458	517,458	
Grades 1-5	3,559,519	51,871	3,611,390	3,611,390	
Grades 6-8	710,276	15,437	725,713	725,713	
Regular Program - Home Instruction					
Salaries of Teachers	1,500	(195)	1,305	315	990
Other Salaries for Instruction	52,111	6,689	58,800	58,800	
Purchased Professional - Educational Services	18,758	(13,366)	5,392	770	4,622
General Supplies	1,500	59	1,559	1,540	19
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	29,059	70,479	99,538	99,538	
Other Purchased Services	140,015	(8,511)	131,504	131,503	1
General Supplies	126,049	109,180	235,229	235,228	1
Textbooks	101,277	(76,388)	24,889	24,889	
Other Objects	89,955	7,289	97,244	92,840	4,404
Total Regular Programs	<u>5,430,947</u>	<u>147,636</u>	<u>5,578,583</u>	<u>5,568,546</u>	<u>10,037</u>

**RIVER EDGE BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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					
Multiple Disabilities					
Salaries of Teachers	\$ 290,811	\$ 5,818	\$ 296,629	\$ 295,502	\$ 1,127
Other Salaries for Instruction	1,288,337	45,572	1,333,909	1,169,529	164,380
Purchased Technical Services	41,000	600	41,600	41,600	-
General Supplies	7,500	1,062	8,562	8,443	119
Other Objects	3,000	3,866	6,866	5,983	883
Total Multiple Disabilities	1,630,648	56,918	1,687,566	1,521,057	166,509
Resource Room/Resource Center					
Salaries of Teachers	537,859	36,775	574,634	574,633	1
General Supplies	5,000	1,081	6,081	5,959	122
Textbooks	-	190	190	190	-
Total Resource Room/Resource Center	542,859	38,046	580,905	580,782	123
Autism					
Salaries of Teachers	81,376	2,272	83,648	83,648	
Other Salaries for Instruction	389,689	(22,725)	366,964	363,025	3,939
Purchased Professional - Educational Services	4,304	(2,536)	1,768	1,120	648
General Supplies	2,510	-	2,510	2,433	77
Total Autism	477,879	(22,989)	454,890	450,226	4,664
Home Instruction					
Salaries of Teachers	500	-	500	-	500
Total Home Instruction	500	-	500	-	500
Total Special Education	2,651,886	71,975	2,723,861	2,552,065	171,796
Basic Skills/Remedial					
Salaries of Teachers	405,164	(29,337)	375,827	367,972	7,855
General Supplies	3,000	273	3,273	3,272	1
Textbooks	520	(400)	120	-	120
Total Basic Skills/Remedial	408,684	(29,464)	379,220	371,244	7,976
Bilingual Education					
Salaries of Teachers	174,317	9,108	183,425	183,104	321
General Supplies	3,000	130	3,130	3,001	129
Total Bilingual Education	177,317	9,238	186,555	186,105	450
School Spon. Co/Extra Curr. Actvts-Inst					
Salaries	24,600	(1,409)	23,191	-	23,191
Total School Spon. Co/Extra Curr. Actvts-Inst	24,600	(1,409)	23,191	-	23,191
Total Instruction	8,693,434	197,976	8,891,410	8,677,960	213,450
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Special		8,890	8,890	8,890	
Tuition to CSSD & Reg Day Schools		44,040	44,040	43,801	239
Tuition to Priv. Sch. For Disabled - W.I. State		18,981	18,981	18,981	
Tuition to Priv. Sch. For the Disabled & Oth LEAs - Spl, O/S St	144,810	(79,122)	65,688	9,693	55,995
Total Undistributed Expenditures - Instruction	144,810	(7,211)	137,599	81,365	56,234

**RIVER EDGE BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Attendance and Social Work Services					
Salaries	\$ 500		\$ 500	\$ 500	
Purchased Professional and Technical Services	12,500	\$ 1,755	14,255	14,255	-
Total Attendance and Social Work Services	13,000	1,755	14,755	14,755	-
Health Services					
Salaries	193,411	(8,023)	185,388	185,388	
Supplies and Materials	4,500	1,672	6,172	6,158	\$ 14
Total Health Services	197,911	(6,351)	191,560	191,546	14
Speech, OT, PT & Related Services					
Salaries	171,651	4,011	175,662	175,661	1
Purchased Professional - Educational Services	30,000	26,539	56,539	55,173	1,366
Supplies and Materials	4,000	(1)	3,999	2,804	1,195
Other Objects	5,000	31,734	36,734	32,878	3,856
Total Speech, OT, PT & Related Services	210,651	62,283	272,934	266,516	6,418
Other Support Services-Extra Services					
Salaries	274,283	(37,505)	236,778	234,040	2,738
Total Other Support Services - Students - Extra Services	274,283	(37,505)	236,778	234,040	2,738
Other Support Services-Students-Guidance					
Salaries of Other Professional Staff	156,641	933	157,574	157,574	
Other Salaries	5,432	(532)	4,900	4,900	
Supplies and Materials	1,200	-	1,200	969	231
Total Other Support Services - Students - Guidance	163,273	401	163,674	163,443	231
Other Support Services-Students-Child Study Team					
Salaries of Other Professional Staff	422,587	1,219	423,806	423,806	
Salaries of Secretarial and Clerical Assistants	53,000	(2,969)	50,031	50,031	-
Purchased Professional - Educational Services	15,077		15,077	15,077	
Supplies and Materials	23,500		23,500	15,568	7,932
Other Objects	-	250	250	250	-
Total Other Support Services - Students - Child Study Team	514,164	(1,500)	512,664	504,732	7,932
Improvement of Instructional Services					
Salaries of Supervisor of Instruction	87,125	340	87,465	87,465	
Salaries of Other Professional Staff		13,850	13,850	13,850	
Purchased Professional - Educational Services		4,029	4,029	4,029	
Other Purchased Svcs	2,000	(1,685)	315	315	-
Total Improvement of Instructional Services	89,125	16,534	105,659	105,659	-

**RIVER EDGE BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Educational Media Services/School Library					
Salaries	\$ 130,649	\$ (2,440)	\$ 128,209	\$ 128,209	
Salaries of Technology Coordinators	124,958	(1,796)	123,162	123,162	
Supplies and Materials	5,000	6,971	11,971	11,749	\$ 222
Total Educational Media Serv./School Library	260,607	2,735	263,342	263,120	222
Staff Training Services					
Salaries of Other Professional Staff	46,000	3,019	49,019	49,019	
Purchased Professional - Educational Services	34,000	(18,733)	15,267	13,686	1,581
Total Staff Training Services	80,000	(15,714)	64,286	62,705	1,581
Support Services General Administration					
Salaries	328,657	1,558	330,215	330,215	
Legal Services	25,000	(6,369)	18,631	11,976	6,655
Audit Fees	23,000	6,506	29,506	29,506	
Architectural/Engineering Services	6,000	9,350	15,350	9,149	6,201
Other Purchased Professional Services	5,700	45	5,745	5,745	
Purchased Technical Services	3,000	(2,150)	850	850	
Communications/Telephone	23,000	(472)	22,528	20,409	2,119
Miscellaneous Purchased Services	31,200	(1,340)	29,860	29,174	686
General Supplies	16,000	9,435	25,435	25,283	152
Miscellaneous Expenditures	13,000	5,355	18,355	18,219	136
BOE Membership Dues and Fees	6,000	(5,628)	372	-	372
Total Support Services General Administration	480,557	16,290	496,847	480,526	16,321
Support Services School Administration					
Salaries of Principal/Asst. Principals	321,347	1,254	322,601	322,601	
Salaries of Other Professional Staff	168,770	(7,303)	161,467	161,467	
Salaries of Secretarial and Clerical Assistants	169,305	259	169,564	169,564	
Other Salaries	68,637	13,457	82,094	82,094	
Other Purchased Services (400-500)	-	4,126	4,126	4,126	
Supplies and Materials	20,700	(2,774)	17,926	15,677	2,249
Other Objects	3,000	-	3,000	2,075	925
Total Support Services School Administration	751,759	9,019	760,778	757,604	3,174
Support Services Central Services					
Salaries	328,340	6,112	334,452	334,451	1
Misc. Purchased Services	3,000	(1,424)	1,576	1,022	554
Supplies and Materials	15,846	938	16,784	15,453	1,331
Total Support Services Central Services	347,186	5,626	352,812	350,926	1,886
Admin. Info. Technology					
Other Purchased Services	16,479	1,995	18,474	16,762	1,712
Total Admin. Info. Technology	16,479	1,995	18,474	16,762	1,712

**RIVER EDGE BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Required Maintenance for School Facilities					
Salaries	\$ 82,000	\$ 3,000	\$ 85,000	\$ 85,000	
Cleaning, Repair and Maintenance	150,000	7,843	157,843	156,893	\$ 950
General Supplies	1,000	-	1,000	825	175
	<u>233,000</u>	<u>10,843</u>	<u>243,843</u>	<u>242,718</u>	<u>1,125</u>
Total Required Maintenance for School Fac.					
Custodial Services					
Salaries	540,936	(4,112)	536,824	536,823	1
Salaries for Non-Instructional Aides	43,409	(1,130)	42,279	31,896	10,383
Cleaning, Repair and Maintenance	22,530	7,597	30,127	30,126	1
Other Purchased Property Services	12,000	2,935	14,935	14,935	
Insurance	64,293	5,153	69,446	69,446	
Miscellaneous Purchased Services	4,000	(3,713)	287	287	
General Supplies	50,000	4,800	54,800	40,434	14,366
Energy (Natural Gas)	210,000	(700)	209,300	162,939	46,361
Energy (Electricity)	105,150	(18,990)	86,160	75,459	10,701
Other Objects	6,000	-	6,000	5,058	942
	<u>1,058,318</u>	<u>(8,160)</u>	<u>1,050,158</u>	<u>967,403</u>	<u>82,755</u>
Total Custodial Services					
Student Transportation Services					
Salaries for Non-Instructional Aides	17,527	571	18,098	14,585	3,513
Salaries for Pupil Transportation (Bet Home & Sch) Sp Ed	22,066	3,877	25,943	25,943	
Contracted Services-Aid in Lieu Pymts - Non Pub	12,000	(3,000)	9,000	9,000	
Contracted Services (Spl. Ed. Students) - Vendors	45,000	(45,000)			
Contracted Services (Spl. Ed. Students) - Joint Agreements		49,761	49,761	49,761	
Other Objects	5,000	2,464	7,464	7,464	-
	<u>101,593</u>	<u>8,673</u>	<u>110,266</u>	<u>106,753</u>	<u>3,513</u>
Total Student Transportation Services					
Unallocated Benefits - Employee Benefits					
Social Security Contributions	302,000	27,449	329,449	329,418	31
Other Retirement Contributions - PERS	359,220	20,518	379,738	379,715	23
Other Retirement Contributions - Regular	21,500		21,500	21,230	270
Workmen's Compensation	96,840		96,840	95,743	1,097
Health Benefits	3,318,754	(133,254)	3,185,500	3,031,172	154,328
Tuition Reimbursement	12,000	(366)	11,634	5,775	5,859
Other Employee Benefits	30,000	-	30,000	30,000	30,000
Unused Sick Payment to Terminated/Retired Staff	100,000	(39,721)	60,279	35,000	25,279
	<u>4,240,314</u>	<u>(125,374)</u>	<u>4,114,940</u>	<u>3,898,053</u>	<u>216,887</u>
Total Unallocated Benefits - Employee Benefits					
Interest Earned on Maintenance Reserve	50	-	50	-	50
On-behalf TPAF Pension System Payments					
Normal Cost (Non-Budget)				1,512,022	(1,512,022)
On-behalf TPAF Pension System Payments NCGI Premium (Non-Budget)				31,651	(31,651)
On-behalf TPAF Post-Retirement Medical (Non-Budget)				700,207	(700,207)
On-behalf TPAF Long-Term Disability Insurance (Non-Budget)				2,058	(2,058)
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	592,146	(592,146)
	<u>9,177,080</u>	<u>(65,661)</u>	<u>9,111,419</u>	<u>11,546,710</u>	<u>(2,435,291)</u>
Total Undistributed Expenditures					
Total Expenditures - Current Expenditures	17,870,514	132,315	18,002,829	20,224,670	(2,221,841)

**RIVER EDGE BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services					
Architectural/Engineering Services		\$ 32,500	\$ 32,500	\$ 29,419	\$ 3,081
Construction Services	\$ -	250,888	250,888	250,888	
Other Objects	100,000	(100,000)			
Assessment for Debt Service on SDA Funding	19,483	-	19,483	19,483	-
Total Facilities Acquis. and Const. Services	119,483	183,388	302,871	299,790	3,081
Interest Deposit on Capital Reserve	550	-	550	-	550
Total Capital Outlay	120,033	183,388	303,421	299,790	3,631
Transfer of Funds to Charter School	9,083	-	9,083	-	9,083
Total Expenditures	17,999,630	315,703	18,315,333	20,524,460	(2,209,127)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(600,000)	(80,025)	(680,025)	995,230	1,675,255
OTHER FINANCING SOURCES (USES)					
Transfers In				2,920	2,920
Transfers Out - Capital Reserve to Capital Projects	(352,000)	-	(352,000)	(352,000)	-
Total Transfers	(352,000)	-	(352,000)	(349,080)	2,920
Fund Balance, Beginning of Year	2,379,996	-	2,379,996	2,379,996	-
Fund Balance, End of Year	\$ 1,427,996	\$ (80,025)	\$ 1,347,971	\$ 3,026,146	\$ 1,678,175
Recapitulation of Fund Balance					
Restricted:					
Capital Reserve				\$ 827,684	
Capital Reserve - Designated in Subsequent Year's Expenditures				364,075	
Maintenance Reserve				75,963	
Excess Surplus- Designated in Subsequent Year's Expenditures				500,000	
Excess Surplus				500,000	
Committed:					
Year-End Encumbrances				9,218	
Unassigned				749,206	
Reconciliation to Governmental Funds Statements (GAAP):				3,026,146	
Less: State Aid Payments not Recognized on Budgetary Basis:					
Deferred State Aid Payments				(183,393)	
Extraordinary Aid				(515,538)	
Fund Balance Per Governmental Funds (GAAP)				\$ 2,327,215	

**RIVER EDGE BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 615,855	\$ 148,626	\$ 764,481	\$ 659,661	\$ (104,820)
Federal	412,104	162,493	574,597	475,824	(98,773)
Other	-	43,533	43,533	18,721	(24,812)
Total Revenues	<u>1,027,959</u>	<u>354,652</u>	<u>1,382,611</u>	<u>1,154,206</u>	<u>(228,405)</u>
EXPENDITURES					
Instruction					
Salaries	60,000	(6,475)	53,525	50,683	2,842
Purchased Prof./Technical Services	16,418	10,623	27,041	21,020	6,021
Other Purchased Services	471,760	82,017	553,777	452,384	101,393
General Supplies	62,170	39,888	102,058	75,706	26,352
Textbooks	45,960	(3,240)	42,720	41,372	1,348
Other Objects	-	25,080	25,080	9,398	15,682
Total Instruction	<u>656,308</u>	<u>147,893</u>	<u>804,201</u>	<u>650,563</u>	<u>153,638</u>
Support Services					
Salaries		11,900	11,900	7,854	4,046
Purchased Prof./Technical Services	78,406	4,315	82,721	75,024	7,697
Other Purchased Services	203,544	194,812	398,356	336,326	62,030
Miscellaneous Purchased Services	88,367	(6,790)	81,577	81,191	386
Other Objects	1,334	2,522	3,856	3,248	608
Total Support Services	<u>371,651</u>	<u>206,759</u>	<u>578,410</u>	<u>503,643</u>	<u>74,767</u>
Total Expenditures	<u>1,027,959</u>	<u>354,652</u>	<u>1,382,611</u>	<u>1,154,206</u>	<u>228,405</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

**RIVER EDGE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibit C-1 and C-2)	\$ 21,519,690	\$ 1,154,206
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that State Aid payments recognized for GAAP statements, not recognized for GAAP statements (Current Year)	(698,931)	
State Aid payments recognized for GAAP statements, not recognized for budgetary statements (prior year)	<u>377,174</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2).	<u>\$ 21,197,933</u>	<u>\$ 1,154,206</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (Exhibits C-1 and C-2)	<u>\$ 20,524,460</u>	<u>\$ 1,154,206</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 20,524,460</u>	<u>\$ 1,154,206</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION
AND
OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Six Fiscal Years *

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportionate Share of the Net Position Liability (Asset)	0.03769 %	0.03760 %	0.03573 %	0.03456 %	0.03268 %	0.03037 %
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 7,421,275</u>	<u>\$ 8,754,643</u>	<u>\$ 10,582,561</u>	<u>\$ 7,758,672</u>	<u>\$ 6,118,767</u>	<u>\$ 5,804,444</u>
District's Covered Payroll	<u>\$ 2,656,870</u>	<u>\$ 2,633,343</u>	<u>\$ 2,563,059</u>	<u>\$ 2,406,632</u>	<u>\$ 2,275,030</u>	<u>\$ 2,203,935</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	279%	332%	413%	322%	269%	263%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	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.

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

PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Six Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 374,909	\$ 348,402	\$ 317,431	\$ 260,627	\$ 269,417	\$ 228,837
Contributions in Relation to the Contractually Required Contributions	<u>374,909</u>	<u>348,402</u>	<u>317,431</u>	<u>260,627</u>	<u>269,417</u>	<u>228,837</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 2,698,289</u>	<u>\$ 2,656,870</u>	<u>\$ 2,633,343</u>	<u>\$ 2,563,059</u>	<u>\$ 2,406,632</u>	<u>\$ 2,275,030</u>
Contributions as a Percentage of Covered Payroll	13.89%	13.11%	12.05%	10.17%	11.19%	10.06%

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.

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

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

	<u>2019</u>	<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 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 48,628,419</u>	<u>\$ 50,470,552</u>	<u>\$ 61,819,569</u>	<u>\$ 50,399,597</u>	<u>\$ 38,293,955</u>	<u>\$ 38,852,868</u>
Total	<u>\$ 48,628,419</u>	<u>\$ 50,470,552</u>	<u>\$ 61,819,569</u>	<u>\$ 50,399,597</u>	<u>\$ 38,293,955</u>	<u>\$ 38,852,868</u>
District's Covered Payroll	<u>\$ 7,844,903</u>	<u>\$ 7,951,060</u>	<u>\$ 7,601,792</u>	<u>\$ 7,641,947</u>	<u>\$ 7,722,649</u>	<u>\$ 7,576,844</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	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.

**RIVER EDGE 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, 2019**

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 4D.

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

POSTEMPLOYMENT HEALTH BENEFIT PLAN

Last Two Fiscal Years*

	2019	2018
Total OPEB Liability		
Service Cost	\$ 1,682,711	\$ 2,062,243
Interest on Total OPEB Liability	1,286,250	1,090,541
Differences Between Expected and Actual Experience	(3,330,222)	-
Changes of Assumptions	(3,447,891)	(4,575,186)
Gross Benefit Payments	(803,411)	(1,098,557)
Contribution from the Member	27,767	40,452
Net Change in Total OPEB Liability	(4,584,796)	(2,480,507)
Total OPEB Liability - Beginning	34,630,468	37,110,975
Total OPEB Liability - Ending	\$ 30,045,672	\$ 34,630,468
District's Proportionate Share of OPEB Liability	\$0	\$0
State's Proportionate Share of OPEB Liability	30,045,672	34,630,468
Total OPEB Liability - Ending	\$ 30,045,672	\$ 34,630,468
District's Covered Payroll	\$ 10,501,773	\$ 10,584,403
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	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.

**RIVER EDGE 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, 2019**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 4E.

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

**RIVER EDGE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Title IA</u>	<u>Title IIA</u>	<u>Title III</u>	<u>Title III Immigrant</u>	<u>Title IV</u>	<u>IDEA Part B Basic</u>	<u>IDEA Part B Preschool</u>	<u>Local Donations</u>	<u>Total Exhibit E-1A</u>	<u>Total</u>
REVENUES										
Intergovernmental										
State									\$ 659,661	\$ 659,661
Federal	\$ 71,620	\$ 15,666	\$ 19,615	\$ 2,226	\$ 10,000	\$ 335,677	\$ 21,020		-	475,824
Other	-	-	-	-	-	-	-	\$ 18,721	-	18,721
Total Revenues	\$ 71,620	\$ 15,666	\$ 19,615	\$ 2,226	\$ 10,000	\$ 335,677	\$ 21,020	\$ 18,721	\$ 659,661	\$ 1,154,206
EXPENDITURES										
Instruction										
Salaries	\$ 50,683									\$ 50,683
Purchased Prof./Technical Services							\$ 21,020			21,020
Other Purchased Services						\$ 119,065			\$ 333,319	452,384
General Supplies	10,084		\$ 5,257	\$ 1,500		20,974		\$ 9,323	28,568	75,706
Textbooks									41,372	41,372
Other Objects	-	-	-	-	-	-	-	9,398	-	9,398
Total Instruction	60,767	-	5,257	1,500	-	140,039	21,020	18,721	403,259	650,563
Support Services										
Salaries	7,854									7,854
Purchased Prof./Technical Services		\$ 15,666	14,358		10,000	35,000				75,024
Other Purchased Services	2,999					160,638			172,689	336,326
Miscellaneous Purchased Services									81,191	81,191
Other Objects	-	-	-	726	-	-	-	-	2,522	3,248
Total Support Services	10,853	15,666	14,358	726	10,000	195,638	-	-	256,402	503,643
Total Expenditures	\$ 71,620	\$ 15,666	\$ 19,615	\$ 2,226	\$ 10,000	\$ 335,677	\$ 21,020	\$ 18,721	\$ 659,661	\$ 1,154,206

RIVER EDGE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Nonpublic Technology	Nonpublic Nursing	Nonpublic Textbooks	Nonpublic Security	Chapter 192		Chapter 193		Supplemental Instruction	Sub-Total
					Compensatory Education	ESL	Corrective Speech	Exam. & Classification		
REVENUES										
Intergovernmental										
State	\$ 28,568	\$ 83,713	\$ 41,372	\$ 172,689	\$ 39,086	\$ 12,597	\$ 87,941	\$ 109,941	\$ 83,754	\$ 659,661
Total Revenues	\$ 28,568	\$ 83,713	\$ 41,372	\$ 172,689	\$ 39,086	\$ 12,597	\$ 87,941	\$ 109,941	\$ 83,754	\$ 659,661
EXPENDITURES										
Instruction										
Other Purchased Services					\$ 39,086	\$ 12,597	\$ 87,941	\$ 109,941	\$ 83,754	\$ 333,319
General Supplies	\$ 28,568									28,568
Textbooks	-	-	\$ 41,372	-	-	-	-	-	-	41,372
Total Instruction	28,568	-	41,372	-	39,086	12,597	87,941	109,941	83,754	403,259
Support Services										
Other Purchased Services				\$ 172,689						172,689
Miscellaneous Purchased Services		\$ 81,191								81,191
Other Objects	-	2,522	-	-	-	-	-	-	-	2,522
Total Support Services	-	83,713	-	172,689	-	-	-	-	-	256,402
Total Expenditures	\$ 28,568	\$ 83,713	\$ 41,372	\$ 172,689	\$ 39,086	\$ 12,597	\$ 87,941	\$ 109,941	\$ 83,754	\$ 659,661

CAPITAL PROJECTS FUND

**RIVER EDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Issue/Project Title</u>	<u>Original Amount Authorized</u>	<u>Modified Authorization</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance Transferred</u>	<u>Unexpended Balance, June 30, 2019</u>
			<u>Prior Years</u>	<u>Current Year</u>		
STEM Lab for Cherry Hill School	\$ 90,000	\$ 90,000	\$ 79,466	\$ 10,398	\$ 136	
STEM Lab for Roosevelt School	110,000	110,000	101,156	8,810	34	
Roof Replacement at Roosevelt School	<u>352,000</u>	<u>352,000</u>	<u>-</u>	<u>349,250</u>	<u>2,750</u>	<u>\$ -</u>
	<u>\$ 552,000</u>	<u>\$ 552,000</u>	<u>\$ 180,622</u>	<u>\$ 368,458</u>	<u>\$ 2,920</u>	<u>\$ -</u>

**RIVER EDGE 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, 2019**

Revenues and Other Financing Sources	
Transfer from Capital Reserve	\$ <u>352,000</u>
Total Revenues and Other Financing Sources	<u>352,000</u>
Expenditures and Other Financing Uses	
Construction Services	\$ 350,282
Equipment	18,176
Transfers to General Fund - Capital Reserve	<u>2,920</u>
Total Expenditures and Other Financing Uses	<u>371,378</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources and Uses	(19,378)
Fund Balance, Beginning of Year	<u>19,378</u>
Fund Balance - End of Year	<u>\$ -</u>

RIVER EDGE BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
 BUDGETARY BASIS
 STEM LAB FOR CHERRY HILL SCHOOL
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Local Share - Transfer from Capital Reserve	\$ 90,000	-	\$ 90,000	\$ 90,000
Total Revenues	<u>90,000</u>	<u>-</u>	<u>90,000</u>	<u>90,000</u>
EXPENDITURES AND OTHER FINANCING SOURCES				
Architectural/Engineering Services	470		470	5,000
Other Purchased Professional and Technical Services	1,764		1,764	5,000
Construction Services	7,556	\$ 171	7,727	40,000
Equipment	69,676	10,227	79,903	40,000
Transfers Out	-	136	136	-
Total Expenditures and other Financing Sources	<u>79,466</u>	<u>10,534</u>	<u>90,000</u>	<u>90,000</u>
Excess (deficiency) of Revenues over (under) Expenditures	<u>\$ 10,534</u>	<u>\$ (10,534)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information:

Project Number	# 4410-030-16-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	90,000
Additional Authorized Cost/(Cancellation)	-
Revised Authorized Cost	90,000
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	6/30/2018
Revised Target Completion Date	6/30/2019

**RIVER EDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
STEM LAB FOR ROOSEVELT SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Local Share - Transfer from Capital Reserve	\$ 110,000	-	\$ 110,000	\$ 110,000
Total Revenues	110,000	-	110,000	110,000
EXPENDITURES AND OTHER FINANCING SOURCES				
Architectural/Engineering Services	471		471	5,000
Other Purchased Professional and Technical Services	1,764		1,764	5,000
Construction Services	17,787	\$ 861	18,648	60,000
Equipment	81,134	7,949	89,083	40,000
Transfers Out	-	34	34	-
Total Expenditures and other Financing Sources	101,156	8,844	110,000	110,000
Excess (deficiency) of Revenues over (under) Expenditures	\$ 8,844	\$ (8,844)	\$ -	\$ -

Additional Project Information:

Project Number	# 4410-050-16-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	110,000
Additional Authorized Cost/(Cancellation)	-
Revised Authorized Cost	110,000
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	6/30/2018
Revised Target Completion Date	6/30/2019

RIVER EDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
ROOF REPLACEMENT FOR ROOSEVELT SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Local Share - Transfer from Capital Reserve	\$ -	352,000	\$ 352,000	\$ 352,000
Total Revenues	-	352,000	352,000	352,000
EXPENDITURES AND OTHER FINANCING SOURCES				
Construction Services		\$ 349,250	349,250	352,000
Transfers Out	-	2,750	2,750	-
Total Expenditures and other Financing Sources	-	352,000	352,000	352,000
Excess (deficiency) of Revenues over (under) Expenditures	\$ -	\$ -	\$ -	\$ -

Additional Project Information:

Project Number	# 4410-050-18-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	352,000
Additional Authorized Cost/(Cancellation)	-
Revised Authorized Cost	352,000
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	6/30/2019
Revised Target Completion Date	6/30/2019

ENTERPRISE FUND

**RIVER EDGE BOARD OF EDUCATION
ENTERPRISE FUNDS - NON-MAJOR
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2019**

	<u>Food Service Fund</u>	<u>Summer Enrichment Program Fund</u>	<u>Non-Major Enterprise Funds Total</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 4,669	\$ 93,597	\$ 98,266
Total Current Assets	<u>4,669</u>	<u>93,597</u>	<u>98,266</u>
Capital Assets			
Machinery and Equipment	2,589		2,589
Less: Accumulated Depreciation	<u>(2,589)</u>	<u>-</u>	<u>(2,589)</u>
Total Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>4,669</u>	<u>93,597</u>	<u>98,266</u>
LIABILITIES			
Unearned Revenue	<u>-</u>	<u>55,145</u>	<u>55,145</u>
Total Liabilities	<u>-</u>	<u>55,145</u>	<u>55,145</u>
NET POSITION			
Unrestricted	<u>4,669</u>	<u>38,452</u>	<u>43,121</u>
Total Net Position	<u>\$ 4,669</u>	<u>\$ 38,452</u>	<u>\$ 43,121</u>

**RIVER EDGE BOARD OF EDUCATION
ENTERPRISE FUNDS - NON-MAJOR
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Food Service Fund</u>	<u>Summer Enrichment Program Fund</u>	<u>Non-Major Enterprise Funds Total</u>
OPERATING REVENUES			
Local Sources			
Daily Sales / Program Fees - Non-reimbursable	\$ 11,352	\$ 63,983	\$ 75,335
Miscellaneous	-	1,624	1,624
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	11,352	65,607	76,959
OPERATING EXPENSES			
Salaries and Wages		49,150	49,150
Cost of Sales - Non-reimbursable	9,989	8,784	18,773
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	9,989	57,934	67,923
Operating Income	<hr/>	<hr/>	<hr/>
	1,363	7,673	9,036
NON-OPERATING REVENUES			
Interest on Deposits	-	372	372
	<hr/>	<hr/>	<hr/>
Total Non-Operating Revenues	-	372	372
Change in Net Position		8,045	9,408
Total Net Position Beginning of Year	<hr/>	<hr/>	<hr/>
	3,306	30,407	33,713
Total Net Position End of Year	<hr/>	<hr/>	<hr/>
	\$ 4,669	\$ 38,452	\$ 43,121

**RIVER EDGE BOARD OF EDUCATION
ENTERPRISE FUNDS - NON-MAJOR
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Food Service Fund	Summer Enrichment Program Fund	Non-Major Enterprise Funds Total
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 11,352	\$ 59,870	\$ 71,222
Cash Payments for Employees			
Salaries and Benefits		(49,150)	(49,150)
Cash Payments to Suppliers for Goods and Services	<u>(9,989)</u>	<u>(8,784)</u>	<u>(18,773)</u>
Net Cash Provided by Operating Activities	<u>1,363</u>	<u>1,936</u>	<u>3,299</u>
Cash Flows from Investing Activities			
Interest on Deposits	<u>-</u>	<u>372</u>	<u>372</u>
Net Cash Provided by Investing Activities	<u>-</u>	<u>372</u>	<u>372</u>
Net Increase in Cash and Cash Equivalents	1,363	2,308	3,671
Cash and Cash Equivalents, Beginning of Year	<u>3,306</u>	<u>91,289</u>	<u>94,595</u>
Cash and Cash Equivalents, End of Year	<u>\$ 4,669</u>	<u>\$ 93,597</u>	<u>\$ 98,266</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income	<u>\$ 1,363</u>	<u>\$ 7,673</u>	<u>\$ 9,036</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Change in Liabilities (Decrease) in Unearned Revenue	<u>-</u>	<u>(5,737)</u>	<u>(5,737)</u>
Total Adjustments	<u>-</u>	<u>(5,737)</u>	<u>(5,737)</u>
Net Cash Provided by Operating Activities	<u>\$ 1,363</u>	<u>\$ 1,936</u>	<u>\$ 3,299</u>

FIDUCIARY FUNDS

**RIVER EDGE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AS OF JUNE 30, 2019**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 6,900	\$ 4,999	\$ 11,899
Total Assets	<u>\$ 6,900</u>	<u>\$ 4,999</u>	<u>\$ 11,899</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 3,318	\$ 3,318
Accrued Salaries and Wages		1,681	1,681
Due to Student Groups	<u>\$ 6,900</u>	<u>-</u>	<u>6,900</u>
Total Liabilities	<u>\$ 6,900</u>	<u>\$ 4,999</u>	<u>\$ 11,899</u>

**RIVER EDGE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-8

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Balance, July 1, 2018</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance, June 30, 2019</u>
Elementary Schools				
Cherry Hill	\$ 3,396	\$ 1,421	\$ 1,246	\$ 3,571
Roosevelt	<u>3,059</u>	<u>4,590</u>	<u>4,320</u>	<u>3,329</u>
 Total All Schools	 <u>\$ 6,455</u>	 <u>\$ 6,011</u>	 <u>\$ 5,566</u>	 <u>\$ 6,900</u>

**RIVER EDGE BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Balance, July 1, <u>2018</u>	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>2019</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 88,811	\$ 5,559,918	\$ 5,645,411	\$ 3,318
Accrued Salaries and Wages	<u>1,064</u>	<u>7,942,496</u>	<u>7,941,879</u>	<u>1,681</u>
Total	<u>\$ 89,875</u>	<u>\$ 13,502,414</u>	<u>\$ 13,587,290</u>	<u>\$ 4,999</u>

LONG-TERM DEBT

**RIVER EDGE BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2018</u>	<u>Matured</u>	<u>Balance, June 30, 2019</u>
Refunding School Issue	3/17/2011	\$ 2,820,000	12/1/2019-2020 12/1/2021	\$ 280,000 275,000	4.000% 4.000%	\$ 1,120,000	\$ 285,000	\$ 835,000
Refunding School Issue	9/27/2012	8,515,000	2/1/2020 2/1/2021 2/1/2022 2/1/2023 2/1/2024 2/1/2025 2/1/2026 2/1/2027 2/1/2028 2/1/2029 2/1/2030 2/1/2031	435,000 460,000 485,000 630,000 625,000 620,000 635,000 630,000 620,000 615,000 605,000 595,000	3.000% 3.000% 3.000% 3.000% 3.000% 3.000% 3.000% 3.000% 3.000% 3.000% 3.000% 3.000%	7,355,000	400,000	6,955,000
Refunding School Issue	11/25/2014	7,325,000	10/15/2019 10/15/2020 10/15/2021 10/15/2022 10/15/2023 10/15/2024 10/15/2025 10/15/2026 10/15/2027 10/15/2028 10/15/2029 10/15/2030 10/15/2031	225,000 235,000 245,000 415,000 455,000 500,000 520,000 570,000 620,000 675,000 725,000 780,000 905,000	4.000% 3.000% 4.000% 4.000% 3.000% 3.125% 4.500% 3.500% 3.500% 3.500% 3.500% 3.500% 3.500%	7,085,000	215,000	6,870,000
						<u>\$ 15,560,000</u>	<u>\$ 900,000</u>	<u>\$ 14,660,000</u>
						Budget Appropriation	<u>\$ 900,000</u>	

**RIVER EDGE BOARD OF EDUCATION
LONG-TERM DEBT
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	\$ 1,200,358		\$ 1,200,358	\$ 1,200,358	
Debt Service Aid	<u>212,442</u>	\$ -	<u>212,442</u>	<u>212,442</u>	<u>-</u>
Total Revenues	<u>1,412,800</u>	<u>-</u>	<u>1,412,800</u>	<u>1,412,800</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	900,000		900,000	900,000	
Interest	<u>512,800</u>	<u>-</u>	<u>512,800</u>	<u>512,800</u>	<u>-</u>
Total Expenditures	<u>1,412,800</u>	<u>-</u>	<u>1,412,800</u>	<u>1,412,800</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

This part of the River Edge 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.

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

	2010	2011	2012	2013	As of June 30, 2014	2015	2016	2017	2018	2019
		(Restated)			(Restated)					
Governmental Activities										
Net Investment in Capital Assets	\$ 2,494,727	\$ 2,287,210	\$ 2,299,398	\$ 2,248,154	\$ 2,706,552	\$ 3,085,602	\$ 3,171,066	\$ 3,302,158	\$ 3,599,095	\$ 4,353,219
Restricted	146,290	192,189	267,939	378,813	621,003	771,228	1,059,966	1,026,840	862,532	1,267,722
Unrestricted	<u>840,139</u>	<u>737,452</u>	<u>867,590</u>	<u>1,153,834</u>	<u>(4,790,997)</u>	<u>(4,795,691)</u>	<u>(5,168,198)</u>	<u>(5,940,047)</u>	<u>(6,649,994)</u>	<u>(7,028,819)</u>
Total Governmental Activities Net Position	<u>\$ 3,481,156</u>	<u>\$ 3,216,851</u>	<u>\$ 3,434,927</u>	<u>\$ 3,780,801</u>	<u>\$ (1,463,442)</u>	<u>\$ (938,861)</u>	<u>\$ (937,166)</u>	<u>\$ (1,611,049)</u>	<u>\$ (2,188,367)</u>	<u>\$ (1,407,878)</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 517									
Unrestricted	<u>6,731</u>	<u>\$ 7,876</u>	<u>\$ 9,547</u>	<u>\$ 6,439</u>	<u>\$ 11,473</u>	<u>\$ 23,401</u>	<u>\$ 24,432</u>	<u>\$ 29,351</u>	<u>\$ 33,713</u>	<u>\$ 43,121</u>
Total Business-Type Activities Net Position	<u>\$ 7,248</u>	<u>\$ 7,876</u>	<u>\$ 9,547</u>	<u>\$ 6,439</u>	<u>\$ 11,473</u>	<u>\$ 23,401</u>	<u>\$ 24,432</u>	<u>\$ 29,351</u>	<u>\$ 33,713</u>	<u>\$ 43,121</u>
District-Wide										
Net Investment in Capital Assets	\$ 2,495,244	\$ 2,287,210	\$ 2,299,398	\$ 2,248,154	\$ 2,706,552	\$ 3,085,602	\$ 3,171,066	\$ 3,302,158	\$ 3,599,095	\$ 4,353,219
Restricted	146,290	192,189	267,939	378,813	621,003	771,228	1,059,966	1,026,840	862,532	1,267,722
Unrestricted	<u>846,870</u>	<u>745,328</u>	<u>877,137</u>	<u>1,160,273</u>	<u>(4,779,524)</u>	<u>(4,772,290)</u>	<u>(5,143,766)</u>	<u>(5,910,696)</u>	<u>(6,616,281)</u>	<u>(6,985,698)</u>
Total District Net Position	<u>\$ 3,488,404</u>	<u>\$ 3,224,727</u>	<u>\$ 3,444,474</u>	<u>\$ 3,787,240</u>	<u>\$ (1,451,969)</u>	<u>\$ (915,460)</u>	<u>\$ (912,734)</u>	<u>\$ (1,581,698)</u>	<u>\$ (2,154,654)</u>	<u>\$ (1,364,757)</u>

Note 1 - Net Position at June 30, 2011 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

Note 2 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions"

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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 6,602,547	\$ 6,849,342	\$ 6,881,874	\$ 7,138,658	\$ 6,861,154	\$ 8,435,228	\$ 9,430,279	\$ 9,955,637	\$ 10,519,387	\$ 9,815,683
Special Education	2,108,586	2,600,471	2,840,848	3,189,561	3,355,024	3,738,680	4,062,713	4,963,621	5,047,628	4,842,425
Other Instruction	973,052	888,181	978,354	1,048,138	1,082,954	1,311,920	1,392,555	1,445,351	1,564,453	1,433,457
Support Services:										
Student and Instruction Related Services	2,367,205	2,367,895	2,206,225	2,286,215	2,341,688	2,529,563	2,681,295	3,174,664	3,564,459	3,488,444
General Administration Services	612,461	507,008	565,502	689,068	551,565	641,985	608,418	776,820	809,409	771,999
School Administration Services	791,451	745,602	832,329	908,472	886,780	1,047,441	1,156,852	1,356,528	1,419,337	1,347,533
Business/ Central Services	343,502	361,676	365,252	455,388	428,759	529,266	611,193	550,872	646,600	622,841
Plant Operations And Maintenance	1,949,954	1,982,410	1,967,932	1,955,808	1,966,031	2,009,615	2,191,767	2,427,827	2,531,844	2,415,012
Pupil Transportation	100,786	93,119	46,463	50,201	49,428	84,448	99,234	111,639	153,042	141,268
Interest On Long-Term Debt	902,494	833,366	831,774	680,039	725,695	632,909	625,235	596,212	566,638	532,632
Total Governmental Activities Expenses	16,752,038	17,229,070	17,536,553	18,401,548	18,249,078	20,961,055	22,859,541	25,359,171	26,822,797	25,411,294
Business-Type Activities:										
Food Service	15,312	16,445	15,273	16,848	16,452	14,222	19,509	11,428	10,135	9,989
Summer Enrichment Program	63,503	57,701	56,416	55,096	53,046	47,955	50,349	52,120	49,233	57,934
Total Business-Type Activities Expense	78,815	74,146	71,689	71,944	69,498	62,177	69,858	63,548	59,368	67,923
Total District Expenses	\$ 16,830,853	\$ 17,303,216	\$ 17,608,242	\$ 18,473,492	\$ 18,318,576	\$ 21,023,232	\$ 22,929,399	\$ 25,422,719	\$ 26,882,165	\$ 25,479,217
Program Revenues										
Governmental Activities:										
Charges For Services:										
Regular									\$ 46,095	\$ 51,965
Special Education	\$ 500,413	\$ 466,579	\$ 484,142	\$ 777,275	\$ 790,310	\$ 929,139	\$ 835,142	\$ 693,242	723,136	608,809
Operating Grants And Contributions	2,488,154	2,200,419	2,584,964	3,083,986	2,891,826	4,875,937	5,999,315	7,676,017	8,545,044	7,782,269
Capital Grants And Contributions	55,000	-	90,000	65,296	41,669	150,586	9,593	-	-	6,538
Total Governmental Activities Program Revenues	3,043,567	2,666,998	3,159,106	3,926,557	3,723,805	5,955,662	6,844,050	8,369,259	9,314,275	8,449,581
Business-Type Activities:										
Charges For Services:										
Food Service	\$ 16,079	\$ 16,445	\$ 16,519	\$ 15,602	\$ 16,452	\$ 14,222	\$ 20,240	\$ 12,167	\$ 11,971	\$ 11,352
Summer Enrichment Program	63,730	58,330	56,841	53,105	57,943	59,763	50,530	56,235	51,717	65,607
Total Business Type Activities Program Revenues	79,809	74,775	73,360	68,707	74,395	73,985	70,770	68,402	63,688	76,959
Total District Program Revenues	\$ 3,123,376	\$ 2,741,773	\$ 3,232,466	\$ 3,995,264	\$ 3,798,200	\$ 6,029,647	\$ 6,914,820	\$ 8,437,661	\$ 9,377,963	\$ 8,526,540
Net (Expense)/Revenue										
Governmental Activities	\$ (13,708,471)	\$ (14,562,072)	\$ (14,377,447)	\$ (14,474,991)	\$ (14,525,273)	\$ (15,005,393)	\$ (16,015,491)	\$ (16,989,912)	\$ (17,508,522)	\$ (16,961,713)
Business-Type Activities	994	629	1,671	(3,237)	4,897	11,808	912	4,854	4,320	9,036
Total District-Wide Net Expense	\$ (13,707,477)	\$ (14,561,443)	\$ (14,375,776)	\$ (14,478,228)	\$ (14,520,376)	\$ (14,993,585)	\$ (16,014,579)	\$ (16,985,058)	\$ (17,504,202)	\$ (16,952,677)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes	\$ 12,237,477	\$ 12,867,707	\$ 12,983,676	\$ 13,243,350	\$ 13,508,217	\$ 13,850,746	\$ 14,308,961	\$ 14,707,943	\$ 15,106,738	\$ 15,408,873
Property Taxes Levied For Debt Service	1,217,792	1,256,360	1,255,573	1,211,928	1,186,228	1,188,351	1,200,950	1,215,370	1,197,136	1,200,358
Federal and State Aid - Unrestricted									277,149	762,964
Federal and State Aid - Restricted	311,216	219,274	217,099	233,024	243,431	272,955	274,243	269,763	209,954	212,442
Interest on Deposits	28,352	25,860	10,334	9,626	8,556	5,046	4,595	6,387	15,131	23,888
Miscellaneous Income	65,511	76,730	128,841	122,937	139,042	202,276	228,437	116,566	125,096	133,677
Donated Capital Assets						10,600				
Accrued Interest on Sale of Bonds										
Loss on Disposition of Capital Assets	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	13,860,348	14,445,931	14,595,523	14,820,865	15,085,474	15,529,974	16,017,186	16,316,029	16,931,204	17,742,202
Total Business-Type Activities	-	-	-	129	137	120	119	65	42	372
Total District-Wide	\$ 13,860,348	\$ 14,445,931	\$ 14,595,523	\$ 14,820,994	\$ 15,085,611	\$ 15,530,094	\$ 16,017,305	\$ 16,316,094	\$ 16,931,246	\$ 17,742,574
Change in Net Position										
Governmental Activities	\$ 151,877	\$ (116,141)	\$ 218,076	\$ 345,874	\$ 560,201	\$ 524,581	\$ 1,695	\$ (673,883)	\$ (577,318)	\$ 780,489
Business-Type Activities	994	629	1,671	(3,108)	5,034	11,928	1,031	4,919	4,362	9,408
Total District	\$ 152,871	\$ (115,512)	\$ 219,747	\$ 342,766	\$ 565,235	\$ 536,509	\$ 2,726	\$ (668,964)	\$ (572,956)	\$ 789,897

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

	2010	2011	2012	2013	As of June 30, 2014	2015	2016	2017	2018	2019
General Fund										
Restricted		\$ 700,240	\$ 1,089,260	\$ 1,386,409	\$ 1,139,063	\$ 1,696,038	\$ 2,128,666	\$ 1,935,227	\$ 1,843,154	\$ 2,267,722
Assigned		279,046	191,156	125,808	213,100	154,208	42,540	113,777	8,725	
Committed										9,218
Unassigned		144,604	125,766	126,986	134,713	136,602	142,189	157,610	150,943	50,275
Reserved	\$ 875,666									
Unreserved	358,893	-	-	-	-	-	-	-	-	-
Total General Fund	\$ 1,234,559	\$ 1,123,890	\$ 1,406,182	\$ 1,639,203	\$ 1,486,876	\$ 1,986,848	\$ 2,313,395	\$ 2,206,614	\$ 2,002,822	\$ 2,327,215
All Other Governmental Funds										
Restricted		\$ 129,334	\$ 88,892	\$ 49,539	\$ 337,697	\$ 81,431	\$ 6,300	\$ 166,613	\$ 19,378	
Assigned			20,147	34,463						
Reserved										
Unreserved	\$ 84,610	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 84,610	\$ 129,334	\$ 109,039	\$ 84,002	\$ 337,697	\$ 81,431	\$ 6,300	\$ 166,613	\$ 19,378	\$ -

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.

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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Tax Levy	\$ 13,455,269	\$ 14,124,067	\$ 14,239,249	\$ 14,455,278	\$ 14,694,445	\$ 15,039,097	\$ 15,509,911	\$ 15,923,313	\$ 16,303,874	\$ 16,609,231
Tuition Charges	500,413	466,579	484,142	777,275	790,310	929,139	835,142	693,242	769,231	660,774
Interest Earnings	28,352	25,860	10,334	9,626	8,556	5,046	4,595	6,387	15,131	23,888
Miscellaneous	69,818	76,730	128,841	122,937	139,132	204,514	240,118	120,353	131,490	152,398
Other Local Sources										
State Sources	2,379,371	1,886,552	2,371,786	2,935,002	2,758,367	3,248,237	3,334,193	3,606,474	4,284,684	5,842,824
Federal Sources	474,999	533,141	520,277	447,304	418,469	419,537	489,106	532,620	469,192	475,824
Total Revenues	16,908,222	17,112,929	17,754,629	18,747,422	18,809,279	19,845,570	20,413,065	20,882,389	21,973,602	23,764,939
Expenditures										
Instruction										
Regular Instruction	6,602,097	6,849,342	6,964,044	7,138,658	6,861,154	7,276,076	7,688,490	7,760,867	8,335,373	8,599,358
Special Education Instruction	2,108,586	2,600,471	2,840,848	3,189,561	3,355,024	3,503,625	3,649,064	3,907,483	4,029,114	4,247,629
Other Instruction	973,052	888,181	978,354	1,048,138	1,082,954	1,181,662	1,202,944	1,213,206	1,321,808	1,301,625
Support Services:										
Student and Inst. Related Services	2,364,628	2,365,318	2,203,648	2,280,698	2,336,171	2,489,188	2,566,126	2,710,142	2,972,638	3,162,566
General Administration Services	612,461	507,008	565,502	572,140	551,565	523,122	585,023	638,475	669,832	693,003
School Administration Services	791,451	745,602	852,329	908,472	886,780	961,048	1,010,852	1,087,474	1,127,880	1,160,251
Business/ Central Services	343,502	361,676	365,252	455,388	428,759	458,049	495,774	448,738	521,206	550,721
Plant Operations And Maintenance	1,284,563	1,316,657	1,302,179	1,279,978	1,281,421	1,289,024	1,438,780	1,519,343	1,567,824	1,548,901
Pupil Transportation	100,786	93,119	46,463	50,201	49,428	77,859	90,116	91,978	130,674	127,757
Capital Outlay	343,112	22,672	149,138	108,713	380,509	412,049	22,002	38,770	238,967	655,313
Debt Service:										
Principal	570,000	595,000	620,000	797,467	804,317	770,000	815,000	840,000	865,000	900,000
Interest and Other Charges	903,259	833,828	813,839	710,014	689,829	615,162	597,478	572,381	544,313	512,800
Cost of Issuance of Refunding Bonds		69,079		116,928		111,175				
Payments to Refunding Escrow Agent	-	121,256	-	802,275	-	-	-	-	-	-
Total Expenditures	16,997,497	17,369,209	17,701,596	19,458,631	18,707,911	19,668,039	20,161,649	20,828,857	22,324,629	23,459,924
Excess (Deficiency) of Revenues Over (Under) Expenditures	(89,275)	(256,280)	53,033	(711,209)	101,368	177,531	251,416	53,532	(351,027)	305,015
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)			208,954							
Cancellation of Grant Receivable	(4,307)									
Accrued Interest on Sale of Bonds										
Bond Proceeds						7,325,000				
Payments to Refunding Escrow Agent		(2,698,000)		(8,085,000)		(7,746,275)				
Refunding Bond Proceeds		2,820,000		8,515,000						
Premium on Issuance of Refunding Bond		68,335		489,203		487,450				
Transfers In	880	472	5,593	113	301,245	-	86,947	200,000	-	354,920
Transfers Out	(880)	(472)	(5,593)	(113)	(301,245)	-	(86,947)	(200,000)	-	(354,920)
Total Other Financing Sources (Uses)	(4,307)	190,335	208,954	919,203	-	66,175	-	-	-	-
Net Change in Fund Balances	\$ (93,582)	\$ (65,945)	\$ 261,987	\$ 207,994	\$ 101,368	\$ 243,706	\$ 251,416	\$ 53,532	\$ (351,027)	\$ 305,015
Debt Service as a Percentage of Noncapital Expenditures	8.85%	9.33%	8.17%	8.18%	8.15%	7.77%	7.01%	6.79%	6.38%	6.20%

* Noncapital expenditures are total expenditures less capital outlay.

**RIVER EDGE BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Interest on Deposits</u>	<u>Misc.</u>	<u>Total</u>
2010	\$ 500,413	\$ 27,472	\$ 69,818	\$ 597,703
2011	466,579	25,388	76,730	568,697
2012	484,142	10,074	128,841	623,057
2013	777,275	9,513	122,937	909,725
2014	790,310	8,322	139,042	937,674
2015	929,139	5,046	202,276	1,136,461
2016	835,142	4,595	228,437	1,068,174
2017	693,242	6,387	116,566	816,195
2018	769,231	15,131	125,096	909,458
2019	660,774	23,888	133,677	818,339

Source: School Districts' Financial Statements

RIVER EDGE 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.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2010	\$ 11,257,500	\$ 1,423,100,600	N/A	N/A	\$ 111,031,000	\$ 11,770,500	\$ 70,523,500	\$ 1,627,683,100	\$ 7,502,187	\$ 1,635,185,287	\$ 1,842,825,877	\$ 0.86
2011	11,268,700	1,424,860,900	N/A	N/A	109,821,000	11,628,300	70,523,500	1,628,102,400	6,992,114	1,635,094,514	1,845,519,614	0.87
(1) 2012	7,651,800	1,230,634,900	N/A	N/A	101,710,100	11,109,500	79,154,600	1,430,260,900	7,391,212	1,437,652,112	1,612,162,697	1.006
2013	7,651,800	1,230,141,600	N/A	N/A	101,255,800	11,109,500	79,154,600	1,429,313,300	4,948,498	1,434,261,798	1,650,484,645	1.025
2014	3,019,800	1,230,540,199	N/A	N/A	107,300,600	11,109,500	77,829,700	1,429,799,799	4,544,828	1,434,344,627	1,680,254,978	1.049
2015	3,035,800	1,237,865,699	N/A	N/A	110,334,400	9,957,700	76,839,700	1,438,033,299	4,509,632	1,442,542,931	1,652,674,244	1.075
2016	2,533,300	1,245,022,199	N/A	N/A	113,294,400	9,957,700	76,839,700	1,447,647,299	4,742,504	1,452,389,603	1,687,677,142	1.097
2017	2,533,300	1,247,329,199	N/A	N/A	113,994,900	9,957,700	76,787,900	1,450,602,999	4,715,220	1,455,318,219	1,706,636,057	1.121
2018	2,742,900	1,250,423,299	N/A	N/A	114,618,400	9,957,700	76,737,900	1,454,480,199	4,561,923	1,459,042,122	1,775,381,937	1.138
2019	2,056,800	1,259,335,899	N/A	N/A	113,564,500	9,957,700	76,737,900	1,461,652,799	4,435,777	1,466,088,576	1,853,854,418	1.154

Source: County Abstract of Ratables

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^a Tax rates are per \$100

(1) The Borough underwent a reassessment of real property which became effective January 1, 2012.

**RIVER EDGE BOARD OF EDUCATION
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
PER \$100 OF ASSESSED VALUATION
LAST TEN YEARS
(Unaudited)**

<u>Calendar Year</u>	<u>Total Direct School Tax Rate</u>	<u>Overlapping Rates</u>			<u>Total</u>
		<u>Regional High School District</u>	<u>Municipality (2)</u>	<u>County</u>	
2010	\$ 0.86	\$ 0.83	\$ 0.64	\$ 0.23	\$ 2.56
2011	0.87	0.87	0.70	0.23	2.67
2012	(1) 1.006	0.998	0.816	0.245	3.065
2013	1.025	1.001	0.842	0.264	3.132
2014	1.049	1.039	0.862	0.273	3.223
2015	1.075	0.999	0.868	0.275	3.217
2016	1.097	1.023	0.880	0.286	3.286
2017	1.121	1.052	0.895	0.294	3.362
2018	1.138	1.062	0.897	0.298	3.395
2019	1.154	1.077	0.929	0.308	3.468

(1) - The Borough underwent a reassessment of real property which became effective January 1, 2012.

(2) - Includes Library Tax

Source: Tax Collector

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

Taxpayer	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
River Terrace Gardens, LLC	\$ 21,816,700	1.49%	\$ 19,825,900	1.21%
River Edge Associates	19,446,100	1.33%	15,761,300	0.96%
Route 4 - Maint Street, LLC	14,382,000	0.98%	5,625,000	0.34%
ESS WCOT Owner LLC, PTA	9,844,000	0.67%	10,040,200	0.61%
Gainesborough COOP Corp.	8,600,000	0.59%	10,398,200	0.64%
First Real Est. Investment Tr of NJ	8,475,000	0.58%	7,297,900	0.45%
River Terrace Gardens Assoc - R E Gardens	4,596,200	0.31%		
Grand Four Associates	6,643,400	0.45%	8,649,300	0.53%
Milpau, LLC.	5,427,200	0.37%	5,032,600	0.31%
Verizon - New Jersey	4,435,777	0.30%	7,502,187	0.46%
Riverside Medical Arts Center			4,066,200	0.25%
	\$ 103,666,377	7.07%	\$ 94,198,787	5.76%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Local School Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2010	\$ 13,455,269	\$ 13,455,269	100.00%	
2011	14,124,067	14,124,067	100.00%	
2012	14,239,249	14,239,249	100.00%	
2013	14,455,278	14,455,278	100.00%	
2014	14,694,445	14,694,445	100.00%	
2015	15,039,097	15,039,097	100.00%	
2016	15,509,911	15,509,911	100.00%	
2017	15,923,313	15,923,313	100.00%	
2018	16,303,874	16,303,874	100.00%	
2019	16,609,231	16,609,231	100.00%	

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
	General Obligation Bonds	Capital Leases			
2010	\$ 20,873,000		\$ 20,873,000	11,353	\$ 1,839
2011	20,400,000		20,400,000	11,420	1,786
2012	19,780,000	\$ 126,784	19,906,784	11,451	1,738
2013	19,480,000	59,317	19,539,317	11,482	1,702
2014	18,735,000	-	18,735,000	11,494	1,630
2015	18,080,000	-	18,080,000	11,523	1,569
2016	17,265,000	-	17,265,000	11,519	1,499
2017	16,425,000	-	16,425,000	11,539	1,423
2018	15,560,000	-	15,560,000	11,531	1,349
2019	14,660,000	-	14,660,000	11,531 (1)	1,271

(1) - Estimated

Source: District records

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Debt	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2010	\$ 20,873,000		\$ 20,873,000	1.28%	\$ 1,839
2011	20,400,000		20,400,000	1.25%	1,786
2012	19,780,000		19,780,000	1.38%	1,727
2013	19,480,000		19,480,000	1.36%	1,697
2014	18,735,000		18,735,000	1.31%	1,630
2015	18,080,000		18,080,000	1.25%	1,569
2016	17,265,000		17,265,000	1.19%	1,499
2017	16,425,000		16,425,000	1.13%	1,423
2018	15,560,000		15,560,000	1.07%	1,349
2019	14,660,000		14,660,000	1.00%	1,271

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**RIVER EDGE BOARD OF EDUCATION
 COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
 FOR YEAR ENDED DECEMBER 31, 2018
 (Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Borough of River Edge	\$ 12,557,434		\$ 12,557,434
Regional School District	3,631,637	\$ 3,631,637	
Local School District	<u>15,060,000</u>	<u>15,060,000</u>	<u>-</u>
	<u>\$ 31,249,071</u>	<u>\$ 18,691,637</u>	12,557,434
Overlapping Debt Apportioned to the Municipality:			
Bergen County			
County of Bergen (3); (A)			14,366,526
Bergen County Utilities Authority - Water Pollution Control (2); (B)			<u>2,894,781</u>
Total Direct and Overlapping Debt			<u>\$ 29,818,741</u>

(A) The debt for this entity was apportioned to the Borough of River Edge by dividing the Municipality's 2018 equalized value by the total 2018 equalized value for County of Bergen.

(B) Overlapping debt was computed based upon municipal flow to the Authority.

Sources:

- (1) Borough of River Edge 2018 Annual Debt Statement.
- (2) BCUA 2018 audit.
- (3) County of Bergen 2018 Annual Debt Statement

**RIVER EDGE BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
AS OF JUNE 30, 2019
(Unaudited)**

Legal Debt Margin Calculation for Fiscal Year 2019

Equalized valuation basis	
2018	\$ 1,837,392,874
2017	1,763,222,316
2016	<u>1,695,534,433</u>
	<u>\$ 5,296,149,623</u>
Average equalized valuation of taxable property	<u>\$ 1,765,383,208</u>
Debt limit (2.5% of average equalization value)	44,134,580
Total Net Debt Applicable to Limit	<u>14,660,000</u>
Legal debt margin	<u>\$ 29,474,580</u>

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 46,750,086	\$ 46,355,838	\$ 45,270,222	\$ 43,775,847	\$ 42,423,181	\$ 41,262,018	\$ 41,472,291	\$ 41,667,556	\$ 42,729,914	\$ 44,134,580
Total net debt applicable to limit	<u>20,873,000</u>	<u>20,400,000</u>	<u>19,780,000</u>	<u>19,480,000</u>	<u>18,735,000</u>	<u>18,080,000</u>	<u>17,265,000</u>	<u>16,425,000</u>	<u>15,560,000</u>	<u>14,660,000</u>
Legal debt margin	<u>\$ 25,877,086</u>	<u>\$ 25,955,838</u>	<u>\$ 25,490,222</u>	<u>\$ 24,295,847</u>	<u>\$ 23,688,181</u>	<u>\$ 23,182,018</u>	<u>\$ 24,207,291</u>	<u>\$ 25,242,556</u>	<u>\$ 27,169,914</u>	<u>\$ 29,474,580</u>
Total net debt applicable to the limit as a percentage of debt limit	44.65%	44.01%	43.69%	44.50%	44.16%	43.82%	41.63%	39.42%	36.41%	33.22%

Source: Annual Debt Statements

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income(1)</u>	<u>School District Population</u>
2010	6.4	\$ 65,992	11,353
2011	6.3	68,865	11,420
2012	6.4	71,789	11,451
2013	6.6	71,100	11,482
2014	4.6	73,637	11,494
2015	3.6	76,821	11,523
2016	3.4	77,901	11,519
2017	3.3	81,203	11,539
2018	2.8	N/A	11,531
2019	N/A	N/A	11,531 (2)

N/A - Not Available

Source: United States Bureau of Census
School District Records

- (1) Represents the County of Bergen's Per Capita Income
(2) Estimated

RIVER EDGE BOARD OF EDUCATION
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

	<u>2019</u>		<u>2010</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Instruction										
Regular	77.0	72.0	72.0	74.0	74.0	76.5	77.1	77.4	78.8	78.8
Special education	27.5	29.0	34.0	40.0	47.0	47.0	49.0	49.0	52.0	51.0
Other instruction	3.0	3.0	3.0	3.0	4.0	4.0	3.0	3.0	3.0	3.0
Co-curricular activities										
Support Services:										
Student and instruction related services	12.5	12.5	11.5	11.5	17.0	17.5	18.5	17.0	17.0	17.0
General administration Services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
School administration Services	4.0	4.0	4.0	4.0	6.0	6.0	6.0	6.7	6.7	6.7
Central services	4.0	4.0	4.5	4.5	5.5	5.5	7.0	8.0	8.0	8.0
Plant operations and maintenance	8.0	8.0	8.0	8.0	9.0	9.0	9.0	10.0	10.0	10.0
Pupil transportation		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total	<u>139.0</u>	<u>136.5</u>	<u>141.0</u>	<u>149.0</u>	<u>166.5</u>	<u>169.5</u>	<u>173.6</u>	<u>175.1</u>	<u>179.5</u>	<u>178.5</u>

Source: District Personnel Records

RIVER EDGE 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					
2010	1,206	\$ 15,181,126	\$ 12,588	0.07%	105.00	01:13.8		1,198	1,154	3.34%	96.33%
2011	1,197	15,727,374	13,139	4.38%	105.00	01:13.8		1,197	1,153	-0.08%	96.32%
2012	1,179	16,118,619	13,671	4.05%	105.00	01:13.8		1,169	1,132	-2.34%	96.83%
2013	1,202	16,923,234	14,079	2.98%	105.00	01:13.8		1,196	1,153	2.29%	96.40%
2014	1,167	16,833,256	14,424	2.45%	106.00	01:14.4		1,166	1,121	-2.49%	96.14%
2015	1,205	17,759,653	14,738	2.18%	109.00	01:11.1		1,201	1,169	3.00%	97.34%
2016	1,170	18,727,169	16,006	8.60%	107.00	01:11		1,177	1,133	-2.00%	96.26%
2017	1,183	19,377,706	16,380	2.34%	108.00	01:11		1,188	1,146	0.93%	96.46%
2018	1,192	20,676,349	17,346	5.90%	108.00	01:11		1,201	1,148	1.09%	95.57%
2019	1,237	21,391,811	17,293	-0.30%	109.00	01:13		1,241	1,219	3.33%	98.23%

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.

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>District Building</u>										
<u>Cherry Hill Elementary School</u>										
Square Feet	101,900	101,900	101,900	101,900	101,900	101,900	101,900	101,900	101,900	101,900
Capacity (students)	850	850	850	850	850	850	850	850	850	850
Enrollment	736	720	727	745	730	760	667	690	710	741
<u>Roosevelt Elementary School</u>										
Square Feet	63,520	63,520	63,520	63,520	63,250	63,250	63,250	63,250	63,250	63,250
Capacity (students)	596	596	596	596	596	596	596	596	596	596
Enrollment	470	477	452	457	437	445	503	493	482	496

Number of Schools at June 30, 2019
Elementary = 2

Source: District Records

**RIVER EDGE BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>School Facilities</u>										
Cherry Hill School	\$ 116,953	\$ 104,287	\$ 142,159	\$ 153,759	\$ 123,998	\$ 124,109	\$ 142,655	\$ 160,014	\$ 146,315	\$ 131,517
Roosevelt School	87,309	120,787	135,294	106,362	69,959	113,568	155,938	99,321	124,664	111,201
Total School Facilities	<u>204,262</u>	<u>225,074</u>	<u>277,453</u>	<u>260,121</u>	<u>193,957</u>	<u>237,677</u>	<u>298,593</u>	<u>259,335</u>	<u>270,979</u>	<u>242,718</u>
Grand Total	<u>\$ 204,262</u>	<u>\$ 225,074</u>	<u>\$ 277,453</u>	<u>\$ 260,121</u>	<u>\$ 193,957</u>	<u>\$ 237,677</u>	<u>\$ 298,593</u>	<u>\$ 259,335</u>	<u>\$ 270,979</u>	<u>\$ 242,718</u>

Source: District Records

* School Facilities as defined under EFCFA.
(N.J.A.C. 6:26-1.2 and N.J.A.C. 6:24.1.3)

**RIVER EDGE BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2019
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Great American Insurance		
Property - Blanket Building & Contents	\$ 56,163,911	\$ 5,000
Flood and Earthquake (per occurrence and annual aggregate)	5,000,000	50,000
Automobile Liability	1,000,000	
General Liability - General Aggregate	2,000,000	
Crime Coverage - Selective Insurance Company of America		
Public Employee Dishonesty - per employee/per loss	100,000/500,000	5,000/100,000
Commercial Umbrella Policy - Great American Insurance Insurance Co. (each occurrence and general aggregate)	9,000,000	
Commercial Umbrella Excess - Fireman's Fund Insurance Company (each occurrence and general aggregate)	50,000,000	
Cyber Liability - Indian Harbor (aggregate limit)	6,000,000	
Surety Bonds		
Treasurer of School Monies	210,000	
Board Secretary/Business Administrator	200,000	

Source: School District's 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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DEBRA GOLLE, CPA
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, 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
River Edge Board of Education
River Edge, 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 River Edge Board of Education as of and for the fiscal year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the River Edge Board of Education's basic financial statements and have issued our report thereon dated November 14, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the River Edge 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 River Edge Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the River Edge 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 River Edge 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.

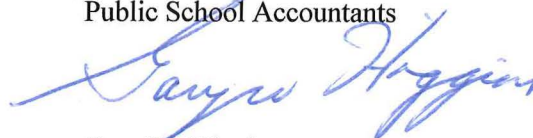
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the River Edge Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 14, 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 River Edge 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 River Edge 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



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
November 14, 2019



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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CHRIS SOHN, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major State Program

We have audited the River Edge Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the River Edge Board of Education's major state programs for the fiscal year ended June 30, 2019. The River Edge Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the River Edge 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 River Edge 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 River Edge Board of Education's compliance.

Opinion on Each Major State Program

In our opinion, the River Edge 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, 2019.

Report on Internal Control Over Compliance

Management of the River Edge 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 River Edge 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 River Edge Board of Education's internal control over compliance.

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

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

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

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

We have audited the financial statements of the River Edge Board of Education, as of and for the fiscal year ended June 30, 2019 and have issued our report thereon dated November 14, 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



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
November 14, 2019

**RIVER EDGE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2018		Deferred Revenue Carryover Amount	A/R Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments/ Cancellations (1)	June 30, 2019		Memo GAAP Receivables
						(Account Receivable)	Unearned Revenue						Unearned Revenue	(Account Receivable)	
U.S. Department of Education															
Passed-through State Department of Education															
Special Revenue Fund															
I.D.E.A. Part B, Basic Regular	84.027	H027A180100	IDEA441019	7/1/18-6/30/19	\$ 347,922			\$ 17,014	\$ (17,014)	\$ 99,094	\$ 335,677	\$ 35,017	\$ 64,276	\$ (265,842)	\$ (201,566)
I.D.E.A. Part B, Preschool	84.173	H173A180114	IDEA441019	7/1/18-6/30/19	16,418			10,623	(10,623)	9,160	21,020		6,021	(17,881)	(11,860)
I.D.E.A. Part B, Basic Regular	84.027	H027A170100	IDEA441018	7/1/17-6/30/18	350,887	\$ (17,014)	\$ 52,031	(17,014)	17,014			(35,017)			
I.D.E.A. Part B, Preschool	84.173	H173A170114	IDEA441018	7/1/17-6/30/18	16,113	(16,113)	10,623	(10,623)	10,623	5,490	-	-	-	-	-
Total Special Education Cluster (IDEA)						(33,127)	62,654	-	-	113,744	356,697	-	70,297	(283,723)	(213,426)
Title III	84.365	S365A180030	ESEA441019	7/1/18-6/30/19	26,260			3,679	(3,679)	7,931	19,615		10,324	(22,008)	(11,684)
Title III	84.365	S365A170030	ESEA441018	7/1/17-6/30/18	18,998	(21,487)	3,679	(3,679)	3,679	17,808					-
Title III - Immigrant	84.365	S365A170030	ESEA441018	7/1/17-6/30/18	3,254	(4,422)	606	(606)	606	3,816					-
Title III - Immigrant	84.365	S365A180030	ESEA441019	7/1/18-6/30/19	5,037	-	-	606	(606)	726	2,226	-	3,417	(4,917)	(1,500)
Total English Language Acquisition Cluster						(25,909)	4,285	-	-	30,281	21,841	-	13,741	(26,925)	(13,184)
Title I	84.010	S010A170030	ESEA441018	7/1/17-6/30/18	74,026	(27,462)	7,378	(7,378)	7,378	20,084					-
Title I	84.010	S010A180030	ESEA441019	7/1/18-6/30/19	73,922			7,378	(7,378)	46,418	71,620		9,680	(34,882)	(25,202)
Title II A	84.367A	S367A170029	ESEA441018	7/1/17-6/30/18	19,264	(4,684)	2,245	(2,245)	2,245	2,439					-
Title II A	84.367A	S367A180029	ESEA441019	7/1/18-6/30/19	17,444			2,245	(2,245)	8,250	15,666		4,023	(11,439)	(7,416)
Title IV	84.424	S424A180031	ESEA441019	7/1/18-6/30/19	10,000			1,032	(1,032)	3,200	10,000		1,032	(7,832)	(6,800)
Title IV	84.424	S424A170031	ESEA441018	7/1/17-6/30/18	10,000	(10,000)	1,032	(1,032)	1,032	8,968	-	-	-	-	-
Total Special Revenue Fund						(101,182)	77,594	-	-	233,384	475,824	-	98,773	(364,801)	(266,028)
Total Federal Awards						\$ (101,182)	\$ 77,594	\$ -	\$ -	\$ 233,384	\$ 475,824	\$ -	\$ 98,773	\$ (364,801)	\$ (266,028)

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

(1) - To adjust the carryover amount for the 2018-2019 grant award relating to the overpayment for the 2017-2018 grant award.

**RIVER EDGE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2018		Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2019			MEMO		
				Unearned Rev./ (Acct.Receiv.)	Due to Grantor				Unearned Revenue	(Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Expenditures	
State Department of Education														
General Fund														
Special Education Categorical Aid	18-495-034-5120-089	7/1/17-6/30/18	\$ 406,566	\$ (35,683)		\$ 35,683							*	
Special Education Categorical Aid	19-495-034-5120-089	7/1/18-6/30/19	1,011,024			915,250	\$ 1,011,024		\$ (95,774)				*	\$ 1,011,024
Equalization aid	18-495-034-5120-078	7/1/17-6/30/18	265,812	(23,330)		23,330							*	
Equalization aid	19-495-034-5120-078	7/1/18-6/30/19	813,663			736,585	813,663		(77,078)				*	813,663
Security Categorical Aid	18-495-034-5120-084	7/1/17-6/30/18	19,965	(1,752)		1,752							*	
Security Categorical Aid	19-495-034-5120-084	7/1/18-6/30/19	91,647			82,965	91,647		(8,682)				*	91,647
Under Adequacy Aid	18-495-034-5120-096	7/1/17-6/30/18	23,482	(2,061)		2,061							*	
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	11,260	(988)		988							*	
PARCC Readiness	18-495-034-5120-098	7/1/17-6/30/18	11,260	(988)		988							*	
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	11,400	(1,001)	-	1,001	-	-	-	-	-	-	*	-
Total State Aid Public Cluster				(65,803)	-	1,800,603	1,916,334	-	(181,534)	-	-	-	*	1,916,334
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	3,005	(264)		264							*	
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	19,622			17,763	19,622		(1,859)				*	19,622
Non Public Transportation Reimbursement	18-495-034-5120-014	7/1/17-6/30/18	2,030	(2,030)		2,030							*	-
Non Public Transportation Reimbursement	19-495-034-5120-014	7/1/18-6/30/19	2,900	-	-	-	2,900	-	(2,900)	-	-	-	*	2,900
Total Transportation Cluster				(2,294)	-	20,057	22,522	-	(4,759)	-	-	-	*	22,522
Extraordinary Aid	18-495-034-5120-044	7/1/17-6/30/18	311,107	(311,107)		311,107							*	
Extraordinary Aid	19-495-034-5120-044	7/1/18-6/30/19	515,538				515,538		(515,538)				*	515,538
On-Behalf TPAF Normal Costs	19-495-034-5094-002	7/1/18-6/30/19	1,512,022			1,512,022	1,512,022						*	1,512,022
On-Behalf TPAF NCGI Premium	19-495-034-5094-004	7/1/18-6/30/19	31,651			31,651	31,651						*	31,651
On-Behalf TPAF Long-Term Disability Insurance	19-495-034-5094-004	7/1/18-6/30/19	2,058			2,058	2,058						*	2,058
On-Behalf TPAF Post-Retirements Medical Contributions	19-495-034-5094-001	7/1/18-6/30/19	700,207			700,207	700,207						*	700,207
On-behalf TPAF Soc. Sec. Contributions	18-495-034-5094-003	7/1/17-6/30/18	549,058	(26,480)		26,480							*	
On-behalf TPAF Soc. Sec. Contributions	19-495-034-5094-003	7/1/18-6/30/19	592,146	-	-	534,101	592,146	-	(58,045)	-	-	-	*	592,146
Total General Fund				(405,684)	-	4,938,286	5,292,478	-	(759,876)	-	-	-	*	5,292,478
Special Revenue Fund														
New Jersey Nonpublic Aid														
Textbook Aid	18-100-034-5120-064	7/1/17-6/30/18	45,960		\$ 340			\$ 340					*	
Textbook Aid	19-100-034-5120-064	7/1/18-6/30/19	42,720	-	-	42,720	41,372	-	-	-	\$ 1,348		*	41,372
Total Textbook Aid Cluster				-	340	42,720	41,372	340	-	-	1,348	-	*	41,372
Nursing Aid	18-100-034-5120-070	7/1/17-6/30/18	88,367		3,027			3,027					*	
Nursing Aid	19-100-034-5120-070	7/1/18-6/30/19	84,099	-	-	84,099	83,713	-	-	-	386		*	83,713
Total Nursing Aid Cluster				-	3,027	84,099	83,713	3,027	-	-	386	-	*	83,713
Technology Aid	18-100-034-5120-373	7/1/17-6/30/18	31,043		277			277					*	
Technology Aid	19-100-034-5120-373	7/1/18-6/30/19	28,800	-	-	28,800	28,568	-	-	-	232		*	28,568
Total Technology Aid Cluster				-	277	28,800	28,568	277	-	-	232	-	*	28,568
Auxiliary Services														
Compensatory Education	18-100-034-5120-067	7/1/17-6/30/18	59,351		12,433			12,433					*	
Compensatory Education	19-100-034-5120-067	7/1/18-6/30/19	95,601			95,601	39,086				56,515		*	39,086
English as a Second Language	18-100-034-5120-067	7/1/17-6/30/18	10,479		1,445			1,445					*	
English as a Second Language	19-100-034-5120-067	7/1/18-6/30/19	14,840			14,840	12,597				2,243		*	12,597
Home Instruction	18-100-034-5120-067	7/1/17-6/30/18	236	(236)	-	236	-	-	-	-	-	-	*	-
Total Auxiliary Services Aid				(236)	13,878	110,677	51,683	13,878	-	-	58,758	-	*	51,683

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The Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an Integral Part of this Schedule.

**RIVER EDGE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2018		Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2019			MEMO		
				Unearned Rev./ (Acct Receiv.)	Due to Grantor				Unearned Revenue	(Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Expenditures	
Handicapped Services														
Corrective Speech	18-100-034-5120-066	7/1/17-6/30/18	93,744		\$ 9,731			\$ 9,731						
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	99,994			\$ 99,994	\$ 87,941			\$ 12,053			\$ 87,941	
Examination & Classification	18-100-034-5120-066	7/1/17-6/30/18	133,044		2,367			2,367						
Examination & Classification	19-100-034-5120-066	7/1/18-6/30/19	125,949			125,949	109,941			16,008			109,941	
Supplementary Instruction	19-100-034-5120-066	7/1/18-6/30/19	98,328			98,328	83,754						83,754	
Total Handicapped Aid						324,271	281,636		12,098			42,635		281,636
Security Aid	18-100-034-5120-509	7/1/17-6/30/18	88,725		5,224			5,224						
Security Aid	19-100-034-5120-509	7/1/18-6/30/19	174,150			174,150	172,689					1,461		172,689
Total Security Aid Cluster						174,150	172,689		5,224			1,461		172,689
Total Special Revenue Fund						764,717	659,661		34,844			104,820		659,661
Debt Service Fund														
Debt Service Aid-State Support	19-495-034-5120-075	7/1/18-6/30/19	212,442			212,442	212,442							212,442
Total Debt Service Fund						212,442	212,442							212,442
Total						5,915,445	6,164,581		34,844			104,820		6,164,581
State Financial Assistance Not Subject to Single Audit Determination														
General Fund														
On-Behalf TPAF Normal Costs						(1,512,022)	(1,512,022)							(1,512,022)
On-Behalf TPAF NCGI Premium						(31,651)	(31,651)							(31,651)
On-Behalf TPAF Long-Term Disability Insurance						(2,058)	(2,058)							(2,058)
On-Behalf TPAF Post-Retirements Medical Contributions						(700,207)	(700,207)							(700,207)
Total State Financial Assistance Subject to Single Audit						3,669,507	3,918,643		34,844			104,820		3,918,643

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$321,757 for the general 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		\$ 4,970,721	\$ 4,970,721
Special Revenue Fund	\$ 475,824	659,661	1,135,485
Debt Service Fund	-	212,442	212,442
	<u>475,824</u>	<u>5,842,824</u>	<u>6,318,648</u>
Total Financial Assistance	\$ 475,824	\$ 5,842,824	\$ 6,318,648

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

TPAF Social Security contributions in the amount of \$592,146 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, 2019. The amount reported as TPAF Pension System Contributions in the amount of \$1,543,673, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$700,207 and TPAF Long-Term Disability Insurance in the amount of \$2,058 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2019.

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

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

**RIVER EDGE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Part I – Summary of Auditor’s Results

Financial Statement Section

- | | |
|---|--------------------------------------|
| A) Type of auditors' report issued: | Unmodified _____ |
| B) Internal control over financial reporting: | |
| 1) Material weakness(es) identified? | _____ yes <u> X </u> no |
| 2) Were significant deficiencies identified that were not considered to be material weaknesses? | _____ yes <u> X </u> none reported |
| C) Noncompliance material to basic financial statements noted? | _____ yes <u> X </u> no |

Federal Awards Section

Not Applicable

**RIVER EDGE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Part I – Summary of Auditor's Results

State Awards Section

- J) Dollar threshold used to distinguish Type A and Type B programs: \$ 750,000
- K) Auditee qualified as low-risk auditee? X yes no
- L) Type of auditors' report on compliance for major programs: Unmodified
- M) Internal Control over compliance:
- 1) Material weakness(es) identified? yes X no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses? yes X none reported
- N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? yes X no
- O) Identification of major programs:

GMIS Number(s)	Name of State Program
19-495-034-5120-044	Extraordinary Aid
19-495-034-5094-003	TPAF Soc.Sec. Contributions

**RIVER EDGE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

There are none.

**RIVER EDGE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Part 3 – Schedule of Federal and State Award 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 state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

Not Applicable.

CURRENT YEAR STATE AWARDS

There are none.

**RIVER EDGE BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

STATUS OF PRIOR YEAR FINDINGS

There were none.