

**SCHOOL DISTRICT
OF**

RIVERTON



**Riverton Board of Education
Riverton, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019**

**Comprehensive Annual
Financial Report**

of the

Riverton Board of Education

Riverton, New Jersey

For the Fiscal Year Ended June 30, 2019

**Prepared by
Riverton Board of Education
Finance Department**

RIVERTON SCHOOL DISTRICT

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Introductory Section

RIVERTON PUBLIC SCHOOL

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MARY ELLEN ECK
Superintendent

November 15, 2019

Honorable President, Board of Education
and Riverton Citizens
Borough of Riverton School District
Riverton, Burlington County, New Jersey

Dear Citizens:

The comprehensive annual financial report of the Riverton School District for the fiscal year ending June 30, 2019 is hereby submitted. Responsibility for the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner intended to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations, cost principles, and audit requirements for federal awards (uniform guidance), and State of New Jersey Circular OMB 15-08. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, is included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Riverton School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No.3. All funds and account groups of the District are included in this report. The Riverton Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Preschool (integrated - not universal program) through eight. This includes programming for students eligible for special education services, students identified as gifted and talented and others identified as at risk in specific academic areas. It also includes a comprehensive physical education, health, fine arts, music, media, computer and Spanish instruction. The District completed the 2018/2019 fiscal year with an enrollment of 301 students, which is 6 students greater than the previous year's end-of-year enrollment. The budget supports 57 students attending Palmyra High School, our receiving district. The following details the changes in the elementary student enrollment of the District over the last ten years:

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2009-10	271	4.63%
2010-11	282	4.06%
2011-12	288	2.13%
2012-13	286	(0.70%)
2013-14	302	5.59%
2014-15	293	(2.93%)
2015-16	311	6.14%
2016-17	292	(6.11%)
2017-18	295	1.03%
2018-19	301	2.04%

2. ECONOMIC CONDITION AND OUTLOOK: The Riverton School district is a one building district, which is located on the Delaware River in close proximity to Philadelphia and considered part of western Burlington County. Riverton School is a Kindergarten through eighth grade district, but also has an Integrated Preschool. K-8 Enrollment is approximately 300 students.

The State funding formula makes it difficult for The Riverton Board of Education to budget long term. Each year we face the challenge of paying special education costs and high school tuition while working to maintain an overall effective school program. With a mandated limited surplus, it is difficult to meet the unanticipated costs associated with students with

special needs or those who have been placed by another agency, moving into our district. In addition, facility issues have added to the challenge.

Currently, we are providing an excellent education where students perform at the top of the county on state mandated tests while maintaining an efficient budget. The taxpayers in Riverton support more than 86% of the current expense budget. The members of our town have remained supportive and involved even as we moved the election to November.

In the past, the District benefitted from a Foundation, the Friends of Riverton School, which served to strictly fund raise for the district. The funds have been used for facility improvements, including playground, and technology initiatives. There is no current foundation as efforts have been to support our sending high school.

We continue to share services whenever possible. We currently share services for a Learning Disabilities Teacher/Consultant, transportation, media/technology, related services, food services, insurance services, energy services, communications services and professional development.

Our PTO continues to support the school with contributions to our educational programs through materials and programming. They are most active in helping to rally the community's support and making field trips a reality for all students.

The school strives to serve as a community focal point for many educational and civic activities. The town values the children's education and uses the facility on a regular basis.

3. Major Initiatives: Throughout the school, an emphasis continues to be placed on a strong academic foundation, reading real literature in a Literacy program, the integration of subject matter, and the use of technology as a tool to enhance learning. A strong emphasis is on the Student Learning Standards as well as the 21st Century themes. Our science and social studies programs are inquiry based and use non-fiction and authentic documents to enrich studies. In math, we combine a traditional approach with the skill mastery with constructivist activities for concept development. The teachers and specialists work cooperatively to provide meaningful educational programs for all students. Each professional shares his/her expertise in planning and implementing effective lessons and programs. Classroom teachers, special education teachers, and specialists meet monthly across grade levels to ensure communication of goals and objectives as well as to develop interventions and enriching approaches.

Riverton School District offers a half-day integrated Preschool Program and a full day Kindergarten Program. The instruction of both programs is thematically based and focuses on academic, social and emotional development.

We have found the transition to Kindergarten and grade 1 to be smooth and students are eager for the full day program.

All students in grades K-8 benefit from weekly instruction from the fine arts teacher, the physical education teacher and from the music teacher. Our media specialist meets with the elementary school students and the middle school students' weekly to provide library/media skills instruction. The media specialist also coordinates lessons weekly with the computer teacher for research projects.

In our Fine Arts program, all students use a variety of media to create art while learning about art concepts, other cultures, famous artists, and their world. The students benefit from weekly sessions.

In our Music program, students learn songs focusing on social, cultural, and historic values. Programs include a holiday concert, Arbor Day celebration, spring program, Kindergarten graduation, 8th Grade graduation; as well as other performance opportunities as they relate to classroom themes.

Sixth, seventh, and eighth grade students have the opportunity to participate in chorus. The chorus performs at the Veteran's Day event and other school events, as well as in the community. Student's in the middle school may also choose to participate in small group instrumental lessons after school.

Technology is a one to one initiative, and, although we teach concepts and skills in a computer class, we are most proud of the integration.

Riverton students continue to benefit from a departmentalized middle school in grades six through eight with certified teachers in each subject area.

We used formative assessments to best diagnose students needs and fine tune instruction. We used Title I funds to provide after school academic support. Riverton students historically score in the top quartile on all nationally normed tests. Third through eighth grade students take State-mandated assessments. All grades perform at the top of our county. Scores are used as part of a rubric to determine eligibility for a Gifted and Talented Program and our Basic Skills Improvement Program.

Extracurricular activities are offered to all students' grades 5 through 8. They consist of kickball, flag football, volleyball, cheerleading, softball and basketball. Clubs include Drama, Newspaper, Student Council, Chess, Technology and Safety Patrol.

In summary, the strong community involvement in our district, our small size, and our quality programming allow active participation in a very positive vein through the school board, the administration, the teaching staff, and a supportive PTA.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end either are canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2019.

6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect GAAP, as promulgated by the GASB. The accounting system of the District is organized based on funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

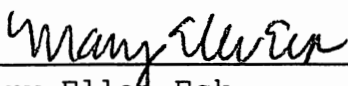
7. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute and detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the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

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

9. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Inverso & Stewart, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations, cost principles, and audit requirements for federal awards (uniform guidance), and State of New Jersey Circular OMB 15-08. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Riverton School Board for their dedication 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 office staff.

Respectfully submitted,



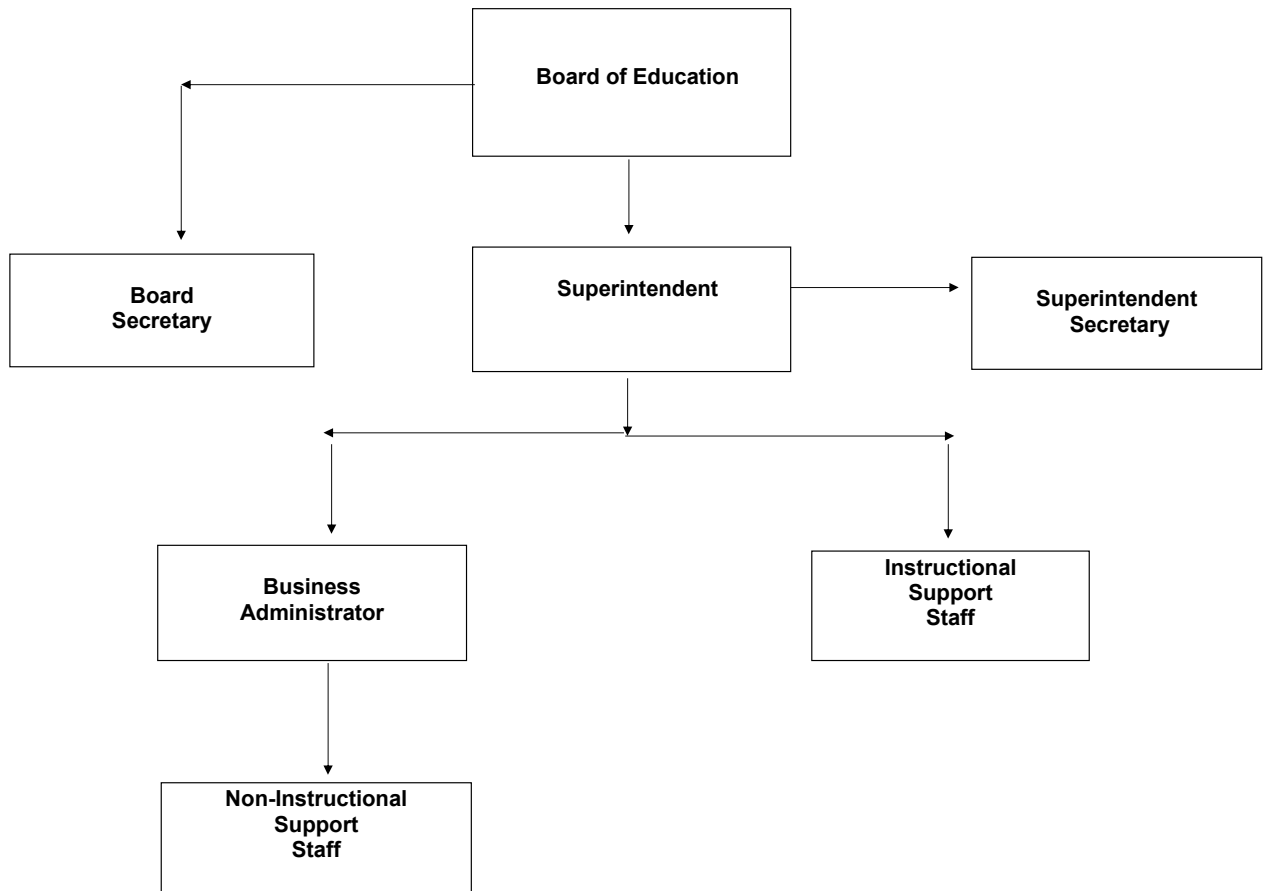
Mary Ellen Eck
Superintendent



Nikolas Vrettos
Board Secretary/Business Administrator

RIVERTON BOARD OF EDUCATION

Organizational Chart (UNIT CONTROL)



RIVERTON SCHOOL DISTRICT

Roster of Officials

June 30, 2019

Members of the Board of Education:

Term Expires

Walter Croft, President	Jan. 2022
Scott Warnock, Vice President	Jan. 2021
JoAnn Corbi	Jan. 2021
Mark DiLeo	Jan. 2020
Jeffrey Elliot	Jan. 2022
Helen Mack	Jan. 2021
Michael V. Sencindiver	Jan. 2022
Robin McGinnis	Jan. 2020
Paul Papenberg	Jan. 2020

Other Officials:

Mary Ellen Eck, Superintendent
Donna Gidjunis, Interim Business Administrator/Board Secretary
Thomas Egan, Treasurer
Stephen Mushinski, Esq. Solicitor

**RIVERTON SCHOOL DISTRICT
Consultants and Advisors**

Audit Firm

Inverso & Stewart, LLC
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Attorney

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Acting for Parker/ McCay
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Financial Section

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New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
of the Board of Education
Riverton School District
County of Burlington
Riverton, New Jersey

Report on the Financial Statements

I 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 Riverton School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that I 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 School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my 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 Riverton School District, in the County of Burlington, State of New Jersey, 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, schedule of the School District's proportionate share of the net pension liability and schedule of the School District's contributions, schedule of the State's proportionate share of the net OPEB liability associated with the School District and changes in the total OPEB liability and related ratios as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Riverton School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section, are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey and are not a required part of the basic financial statements. The accompanying schedule of state financial assistance, as required by State of New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and 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 my opinion, the accompanying combining statements and related major fund supporting statements and schedules and 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 and statistical sections listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated November 15, 2019 on my consideration of the Riverton School District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Riverton School District's internal control over financial reporting and compliance.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
November 15, 2019

INVERSO & STEWART, LLC
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**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

The Honorable President and Members
 of the Board of Education
 Riverton School District
 County of Burlington
 Riverton, New Jersey

I have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverton School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued my report thereon dated November 15, 2019.

Internal Control Over Financial Reporting

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

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

My 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 my audit I did not identify any deficiencies in internal control that I 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 Riverton School District’s financial statements are free from material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
November 15, 2019

Required Supplementary Information - Part I

Management's Discussion and Analysis

**Riverton School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019**

As management of the Board of Education of the Borough of Riverton, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$1,713,793 (*net position*).
- Governmental activities have a deficit unrestricted balance of \$708,123. The accounting treatments in the governmental funds for compensated absences payable, net pension liability, and the June state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this minimal amount.
- The total net position of the School District increased by \$234,618, or a 15.86% increase from the prior fiscal year-end balance. The majority of this increase is attributable to the payment of long-term debt including reduction in the compensated absences balance at year end.
- Fund balance of the School District's governmental funds increased by \$204,389 resulting in an ending fund balance of \$1,139,077. This was a result of operations in the general fund.
- Business-type activities have an unrestricted balance of \$13,082, which may be used to meet the School District's ongoing obligations of the Food Service Fund.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide Financial Statements

The *district-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net position and the statement of activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the district-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover all or most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities reflect only the Food Service Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains one type of proprietary fund - the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the district-wide financial statements, only in more detail.

The School District's one enterprise fund (Food Service Fund) is listed individually and is considered to be a major fund.

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

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

District-wide Financial Analysis

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. The majority of the current assets are the results of the tax levy and state aid collection process.

Capital assets are used in the operations of the School District. These assets are land, buildings, improvements and equipment. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2020. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2020.

The assets of the primary government activities exceeded liabilities by \$1,691,144 with a deficit unrestricted balance of \$708,123. The net position of the primary government does not include internal balances.

A balance of \$929,980 has been restricted as follows:

Reserve for Encumbrances	\$ 92,517
Reserve for Excess Surplus	94,450
Restricted for Future Maintenance Projects	241,613
Restricted for Future Capital Projects	<u>501,400</u>
Total	<u>\$ 929,980</u>

**Comparative Summary of Net Position
As of June 30, 2019 and 2018**

	Governmental Activities		Business-Type Activities		District-Wide	
	2019	2018	2019	2018	2019	2018
ASSETS						
Current assets	\$ 1,170,074	\$ 942,015	\$ 17,368	\$ 24,639	\$ 1,187,442	\$ 966,654
Capital assets	1,469,287	1,376,105	9,567	11,989	1,478,854	1,388,094
Total assets	<u>2,639,361</u>	<u>2,318,120</u>	<u>26,935</u>	<u>36,628</u>	<u>2,666,296</u>	<u>2,354,748</u>
Deferred Outflows of Resources	<u>238,130</u>	<u>285,414</u>	<u>-</u>	<u>-</u>	<u>238,130</u>	<u>285,414</u>
LIABILITIES						
Current liabilities	68,153	46,400	4,286	3,006	72,439	49,406
Noncurrent liabilities	826,251	895,479	-	-	826,251	895,479
Total liabilities	<u>894,404</u>	<u>941,879</u>	<u>4,286</u>	<u>3,006</u>	<u>898,690</u>	<u>944,885</u>
Deferred Inflows of Resources	<u>291,943</u>	<u>216,102</u>	<u>-</u>	<u>-</u>	<u>291,943</u>	<u>216,102</u>
Net Position	<u>\$ 1,691,144</u>	<u>\$ 1,445,553</u>	<u>\$ 22,649</u>	<u>\$ 33,622</u>	<u>\$ 1,713,793</u>	<u>\$ 1,479,175</u>
Net Position Consists of:						
Invested in Capital Assets	\$ 1,469,287	\$ 1,376,105	\$ 9,567	\$ 11,989	\$ 1,478,854	\$ 1,388,094
Restricted Assets	929,980	730,462	-	-	929,980	730,462
Unrestricted Assets	<u>(708,123)</u>	<u>(661,014)</u>	<u>13,082</u>	<u>21,633</u>	<u>(695,041)</u>	<u>(639,381)</u>
Net Position	<u>\$ 1,691,144</u>	<u>\$ 1,445,553</u>	<u>\$ 22,649</u>	<u>\$ 33,622</u>	<u>\$ 1,713,793</u>	<u>\$ 1,479,175</u>

Governmental Activities

Governmental activities increased the net position of the School District by \$245,591 during the current fiscal year, thereby accounting for almost all the total increase in the net position of the School District. Key elements of the increase in net position for governmental activities are as follows:

- Reduction of net pension liability.
- Fixed asset additions.
- Results of operations in the general fund.

Business-type Activities

Business-type activities decreased the School District's net position by (\$10,973). Operations of the Food Service Fund produced a loss for the current fiscal year.

**Comparative Schedule of Changes in Net Position
As of and for the Fiscal Year Ended June 30, 2019 and 2018**

	Governmental Activities		Business-Type Activities		District-Wide	
	2019	2018	2019	2018	2019	2018
Revenues:						
Charges for services	\$ -	\$ -	\$ 39,410	\$ 38,472	\$ 39,410	\$ 38,472
Operating grants and contributions	2,189,660	2,532,469	15,471	15,955	2,205,131	2,548,424
Property taxes	5,393,027	5,232,745	-	-	5,393,027	5,232,745
Debt service taxes	-	-	-	-	-	-
State aid	546,699	535,255	-	-	546,699	535,255
Other revenues	40,880	54,531	-	-	40,880	54,531
Total Revenues	8,170,266	8,355,000	54,881	54,427	8,225,147	8,409,427
Expenses:						
Governmental Activities:						
Instruction	2,418,689	2,246,316	-	-	2,418,689	2,246,316
Tuition	1,241,432	1,318,444	-	-	1,241,432	1,318,444
Related services	526,530	500,995	-	-	526,530	500,995
Administrative services	455,554	416,502	-	-	455,554	416,502
Operations and Maintenance	402,668	426,099	-	-	402,668	426,099
Transportation	80,351	88,184	-	-	80,351	88,184
Employee benefits	2,790,637	3,131,179	-	-	2,790,637	3,131,179
Interest on debt	-	-	-	-	-	-
Other	8,814	9,891	-	-	8,814	9,891
Business-Type Activities:						
Food Service	-	-	65,854	48,198	65,854	48,198
Total Expenses	7,924,675	8,137,610	65,854	48,198	7,990,529	8,185,808
Increase (Decrease) in Net Position before transfers	245,591	217,390	(10,973)	6,229	234,618	223,619
Transfers	-	-	-	-	-	-
Change in Net Position	245,591	217,390	(10,973)	6,229	234,618	223,619
Net Position July 1	1,445,553	1,228,163	33,622	27,393	1,479,175	1,255,556
Net Position June 30	\$ 1,691,144	\$ 1,445,553	\$ 22,649	\$ 33,622	\$ 1,713,793	\$ 1,479,175

Financial Analysis of the Governmental Funds

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

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

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$1,139,077, an increase of \$204,389 in comparison with the prior year.

The School District has an unassigned fund balance for the General Fund of \$209,097. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been assigned, as follows: 1) \$92,517 for year-end encumbrances, 2) \$241,613 restricted for future maintenance costs, 3) \$501,400 restricted for future capital projects, and 4) excess surplus of \$94,450.

The General Fund is the chief operating fund of the School District. The balance in the unreserved fund balance is limited primarily, due to the accounting treatment of the June state aid payments and state statutes that prohibit New Jersey school districts from maintaining more than 2% of its adopted budget as unreserved fund balance.

Revenue in the Special Revenue Fund is generally recognized at the time that the outlays are identified; therefore, no fund balances are normally generated.

General Fund Budgetary Highlights

There was a slight increase in the original budget to the final amended budget.

At the end of the current fiscal year, unassigned fund balance (budgetary basis) of the General Fund was \$250,230, while total fund balance (budgetary basis) was \$1,180,210. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total General Fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$6,536,421. Unassigned fund balance (budgetary basis) represents 3.83% of expenditures while total fund balance (budgetary basis) represents 18.06% of that same amount.

Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental activities as of June 30, 2019, totaled \$1,478,854 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings and equipment. The total increase in the District's investment in capital assets for the current fiscal year was \$90,760 or a 6.54% increase.

Major capital assets events during the current fiscal year included the following:

- Depreciation expense for the current fiscal year was \$90,568.
- The District made various site and building improvements totaling \$167,627 during the current fiscal year.

Capital Asset (net of accumulated depreciation) June 30, 2019 and 2018

	Governmental Activities		Business-type Activities		District-Wide	
	2019	2018	2019	2018	2019	2018
Land	\$ 649,600	\$ 649,600	\$ -	\$ -	\$ 649,600	\$ 649,600
Site Improvements	28,988	28,278	-	-	28,988	28,278
Building and Building Improvements	688,865	557,351	-	-	688,865	557,351
Equipment	101,834	140,876	9,567	11,989	111,401	152,865
Total	\$ 1,469,287	\$ 1,376,105	\$ 9,567	\$ 11,989	\$ 1,478,854	\$ 1,388,094

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Economic Factors and Next Year's Budgets and Rates

For the 2019-2020 school year, the School District will be able to sustain its budget through the tax levy, federal aid, state aid, and miscellaneous revenue sources. One of the most important factors affecting the School District's budget is the amount of state aid it will receive in comparison to its enrollment. The 2019-2020 budget was adopted based on an decrease of \$22,058 in aid from the State of New Jersey and a \$107,861 increase in school property taxes. The School District continues to examine its costs in an effort to prevent additional burden on the taxpayers of the municipality. The 2019 tax rate is \$2.275, an increase of \$.044 from the previous year.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Riverton School District Business Administrator, 600 Fifth Street, Riverton, New Jersey, 08077, telephone number (856) 829-0974.

Basic Financial Statements

District-Wide Financial Statements

RIVERTON SCHOOL DISTRICT
Statement of Net Position
June 30, 2019

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 387,701	\$ 16,612	\$ 404,313
Receivables, net			
Intergovernmental	-	756	756
Other	39,360	-	39,360
Restricted Assets:			
Cash and Cash Equivalents	743,013		743,013
Capital assets, net (Note 5)	1,469,287	9,567	1,478,854
Total Assets	<u>2,639,361</u>	<u>26,935</u>	<u>2,666,296</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources from pensions	<u>238,130</u>	<u>-</u>	<u>238,130</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>2,877,491</u>	<u>26,935</u>	<u>2,904,426</u>
LIABILITIES:			
Accounts payable			
Related to pension	37,156	-	37,156
Other	28,346	-	28,346
Unearned revenue	700	4,286	4,986
Intergovernmental accounts payable	1,951	-	1,951
Noncurrent liabilities:			
Due within one year	-	-	-
Due beyond one year	826,251	-	826,251
Total Liabilities	<u>894,404</u>	<u>4,286</u>	<u>898,690</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows of resources from pensions	<u>291,943</u>	<u>-</u>	<u>291,943</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>1,186,347</u>	<u>4,286</u>	<u>1,190,633</u>
NET POSITION:			
Net Investment in Capital Assets	1,469,287	9,567	1,478,854
Restricted for:			
Capital projects	501,400	-	501,400
Other purposes	428,580	-	428,580
Unrestricted	<u>(708,123)</u>	<u>13,082</u>	<u>(695,041)</u>
Total Net Position	<u>\$ 1,691,144</u>	<u>\$ 22,649</u>	<u>\$ 1,713,793</u>

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

RIVERTON SCHOOL DISTRICT
Statement of Changes in Net Position
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	\$ 1,827,620	\$ -	\$ -	\$ -	\$ (1,827,620)	\$ -	\$ (1,827,620)
Special education	464,781		110,474		(354,307)		(354,307)
Other instruction	126,288				(126,288)		(126,288)
Support Services:							
Tuition	1,241,432				(1,241,432)		(1,241,432)
Student & instruction related services	526,530		22,063		(504,467)		(504,467)
General administrative services	455,554				(455,554)		(455,554)
Plant operations and maintenance	402,668				(402,668)		(402,668)
Pupil transportation	80,351				(80,351)		(80,351)
Allocated and unallocated benefits	2,790,637		2,057,123		(733,514)		(733,514)
Interest on long-term debt							
Unallocated depreciation and amortization	8,814				(8,814)		(8,814)
Total Governmental Activities	<u>7,924,675</u>		<u>2,189,660</u>		<u>(5,735,015)</u>		<u>(5,735,015)</u>
Business-Type Activities:							
Food service	65,854	39,410	15,471			(10,973)	(10,973)
Total Business-Type Activities	<u>65,854</u>	<u>39,410</u>	<u>15,471</u>			<u>(10,973)</u>	<u>(10,973)</u>
Total Primary Government	<u>\$ 7,990,529</u>	<u>\$ 39,410</u>	<u>\$ 2,205,131</u>	<u>\$ -</u>	<u>(5,735,015)</u>	<u>(10,973)</u>	<u>(5,745,988)</u>
General revenues:							
Taxes:							
Property taxes levied for general purposes, net					5,393,027		5,393,027
Federal and State aid not restricted					546,699		546,699
Miscellaneous income					40,880		40,880
Total general revenues, special items, extraordinary items and transfers					<u>5,980,606</u>		<u>5,980,606</u>
Change in Net Position					245,591	(10,973)	234,618
Net Position - June 30, 2018					1,445,553	33,622	1,479,175
Net Position - June 30, 2019					<u>\$ 1,691,144</u>	<u>\$ 22,649</u>	<u>\$ 1,713,793</u>

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

Fund Financial Statements

RIVERTON SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2019

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Assets:					
Cash and cash equivalents	\$ 1,130,714	\$ -	\$ -	\$ -	\$ 1,130,714
Interfund Receivable	37,142	-	-	-	37,142
Receivables from Other Governments:					
Local	37	-	-	-	37
State	230	-	-	-	230
Federal	-	37,754	-	-	37,754
	<u>-</u>	<u>37,754</u>	<u>-</u>	<u>-</u>	<u>37,754</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>1,168,123</u>	<u>37,754</u>	<u>-</u>	<u>-</u>	<u>1,205,877</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	28,346	-	-	-	28,346
Interfund Payable	-	35,803	-	-	35,803
Intergovernmental accounts payable	-	1,951	-	-	1,951
Unearned revenue	700	-	-	-	700
	<u>28,346</u>	<u>35,803</u>	<u>-</u>	<u>-</u>	<u>64,149</u>
	<u>-</u>	<u>1,951</u>	<u>-</u>	<u>-</u>	<u>1,951</u>
	<u>700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>700</u>
Total Liabilities	<u>29,046</u>	<u>37,754</u>	<u>-</u>	<u>-</u>	<u>66,800</u>
Fund Balances:					
Restricted for:					
Excess surplus	47,283	-	-	-	47,283
Reserve for excess surplus designated for subsequent years expenditures	47,167	-	-	-	47,167
Capital reserve	501,400	-	-	-	501,400
Maintenance reserve	241,613	-	-	-	241,613
Assigned to:					
Year-end encumbrances	92,517	-	-	-	92,517
Unassigned	209,097	-	-	-	209,097
	<u>47,283</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,283</u>
	<u>47,167</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,167</u>
	<u>501,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>501,400</u>
	<u>241,613</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>241,613</u>
	<u>92,517</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,517</u>
	<u>209,097</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>209,097</u>
Total Fund Balances	<u>1,139,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,139,077</u>
Total Liabilities and Fund Balances	<u>\$ 1,168,123</u>	<u>\$ 37,754</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,205,877</u>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$3,424,541 and the accumulated depreciation is \$1,955,254. 1,469,287

Accounts payable related to the April 1, 2020 required PERS contribution that is not to be liquidated with current financial resources. (37,156)

The District's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:

Deferred Outflows of resources from Pensions	\$ 238,130	
Net Pension Liability	(766,754)	
Deferred Inflows of resources from Pensions	<u>(291,943)</u>	(820,567)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds

Compensated Absences Payable (59,497)

Net Position of Governmental Activities \$ 1,691,144

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

RIVERTON SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 5,393,027	\$ -	\$ -	\$ -	\$ 5,393,027
Tuition	30,574	-	-	-	30,574
Miscellaneous	10,306	-	-	-	10,306
	<u>5,433,907</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,433,907</u>
Total local sources					
State sources	1,306,903	7,524	-	-	1,314,427
Federal sources	-	125,013	-	-	125,013
	<u>-</u>	<u>125,013</u>	<u>-</u>	<u>-</u>	<u>125,013</u>
Total Revenues	<u>6,740,810</u>	<u>132,537</u>	<u>-</u>	<u>-</u>	<u>6,873,347</u>
EXPENDITURES:					
Current expense:					
Regular instruction	1,771,872	-	-	-	1,771,872
Special education instruction	354,307	110,474	-	-	464,781
Other instruction	126,288	-	-	-	126,288
Support services and undistributed costs:					
Tuition	1,241,432	-	-	-	1,241,432
Student & instruction related services	504,467	22,063	-	-	526,530
General administrative services	279,711	-	-	-	279,711
Central services	158,686	-	-	-	158,686
Admin information technology	8,342	-	-	-	8,342
Plant operations and maintenance	435,161	-	-	-	435,161
Pupil transportation	80,351	-	-	-	80,351
Unallocated benefits	1,435,784	-	-	-	1,435,784
Capital outlay	140,020	-	-	-	140,020
Debt service:					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>6,536,421</u>	<u>132,537</u>	<u>-</u>	<u>-</u>	<u>6,668,958</u>
Excess (deficiency) of revenues over (under) expenditures	204,389	-	-	-	204,389
Fund Balances - July 1, 2018	934,688	-	-	-	934,688
	<u>934,688</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>934,688</u>
Fund Balances - June 30, 2019	<u>\$ 1,139,077</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,139,077</u>

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

RIVERTON SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2019

Total net change in fund balances - governmental funds (from B-2) \$ 204,389

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

Governmental Funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Depreciation expense	\$ (88,146)	
Fixed assets additions	181,328	93,182

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

-

Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.

-

Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities.

(57,934)

In the statement of activities, certain operating expenses, (e.g. compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+)

5,954

Change in Net Position of Governmental Activities

\$ 245,591

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

RIVERTON SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2019

	Food Service Fund
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 16,612
Intergovernmental receivables:	
State	38
Federal	718
	17,368
Total current assets	17,368
Non-current assets:	
Machinery and equipment (net of accumulated depreciation)	9,567
Total non-current assets	9,567
Total assets	\$ 26,935
LIABILITIES:	
Current liabilities:	
Accounts payable	\$ -
Unearned revenues	4,286
	4,286
Total Current liabilities	4,286
NET POSITION:	
Net investment in capital assets	9,567
Unrestricted	13,082
	22,649
Total net position	\$ 22,649

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

RIVERTON SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2019

	<u>Food Service Fund</u>
Operating Revenues:	
Charges for services:	
Daily sales:	
Reimbursable programs	\$ 32,563
Non-reimbursable programs	<u>6,847</u>
Total operating revenue	<u>39,410</u>
Operating Expenses:	
Salaries and wages	18,915
Supplies and materials	2,733
Cost of sales - reimbursable programs	32,221
Cost of sales - nonreimbursable programs	6,774
Depreciation	2,422
Direct expenses	<u>2,789</u>
Total operating expenses	<u>65,854</u>
Operating income (loss)	<u>(26,444)</u>
Non-Operating Revenues (Expenses):	
State sources:	
State school lunch program	749
Federal sources:	
National school lunch program	14,631
Miscellaneous	<u>91</u>
Total non-operating revenues	<u>15,471</u>
Income (loss) before contributions and transfers	(10,973)
Contributed Capital	<u>-</u>
Changes in net position	(10,973)
Net Position - July 1, 2018	<u>33,622</u>
Net Position - June 30, 2019	<u><u>\$ 22,649</u></u>

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

RIVERTON SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2019

	<u>Food Service Fund</u>
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 40,781
Cash payments to employees	(18,915)
Cash payments to suppliers for goods and services	<u>(44,517)</u>
Net cash used by operating activities	<u>(22,651)</u>
Cash Flows from Non-capital Financing Activities:	
Cash received from state sources	746
Cash received from federal sources	<u>14,562</u>
Net cash provided by non-capital financing activities	<u>15,308</u>
Cash Flows From Capital and Related Financing Activities	
Purchase of capital assets	<u>-</u>
	-
Cash Flow From Investing Activities:	
Interest on cash equivalents	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(7,343)
Cash and cash equivalents - July 1, 2018	<u>23,955</u>
Cash and cash equivalents - June 30, 2019	<u><u>\$ 16,612</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:	
Operating Income (Loss)	\$ (26,444)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Depreciation	2,422
Increase (decrease) in accounts payable	-
Increase (decrease) in deferred revenues	<u>1,371</u>
Net cash provided by (used for) operating activities	<u><u>\$ (22,651)</u></u>
Noncash Non-capital Financing Activities:	
During the year the District did not receive any food commodities from the U.S. Department of Agriculture.	

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

RIVERTON SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	Trust Funds			
	Unemployment Compensation Trust	Flexible Benefit Trust	Scholarship Funds	Agency Funds
ASSETS:				
Cash and cash equivalents	\$ 76,642	\$ 2,765	\$ 8,899	\$ 30,119
Total Assets	\$ 76,642	\$ 2,765	\$ 8,899	\$ 30,119
 LIABILITIES:				
Interfund Payable	\$ -	\$ -	\$ -	\$ 1,339
Payroll deductions and withholdings	-	-	-	-
Due to student groups	-	-	-	28,780
Total Liabilities	-	-	-	\$ 30,119
 NET POSITION				
Held in trust for claims/scholarships	\$ 76,642	\$ 2,765	\$ 8,899	

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

RIVERTON SCHOOL DISTRICT
Statement of Changes in Fiduciary Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2019

	Flexible Benefits Trust Fund	Unemployment Compensation Insurance Trust Fund	Scholarship Funds
ADDITIONS:			
Contributions	\$ 67,105	\$ 4,950	\$ 575
Total Contributions	67,105	4,950	575
Investment earnings:			
Interest earned	11	341	47
Total Additions	67,116	5,291	622
DEDUCTIONS:			
Claims paid	65,379	49	-
Scholarships	-	-	750
Total Deductions	65,379	49	750
Change in Net Position	1,737	5,242	(128)
Net Position - July 1, 2018	1,028	71,400	9,027
Net Position - June 30, 2019	<u>\$ 2,765</u>	<u>\$ 76,642</u>	<u>\$ 8,899</u>

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

Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Riverton School District (“School District”) is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board of Education is comprised of nine members elected to three-year terms. These terms are staggered so that three member’s terms expire each year. The purpose of the School District is to provide educational services for resident students in grades K through 8. Student in grades 9 through 12 attend the Palmyra School District, on a tuition basis. The Riverton School District has an approximate enrollment at June 30, 2019 of 295 students.

The primary criteria for including activities within the School District’s reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards* is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School district over which the Board exercises operating control.

Component Units – GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, provide guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government’s management determines that it would be misleading to exclude them. There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

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

The School District's basic financial statements consists of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Statements - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net position presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenues sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Proprietary Funds - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those in the private sector.

Enterprise Funds - The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the School District is that all costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the School District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds (Continued) –

The School District’s enterprise funds are:

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

All proprietary funds are accounted for on a cost of services or “capital maintenance” measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net position) is segregated into investment in capital assets, net of related debt, and unrestricted, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into two classifications: trust funds and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has four fiduciary funds; an unemployment compensation trust fund, a flexible benefit spending trust fund, a student activity fund, and a payroll fund.

Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net position.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in net position presents increases (i.e. revenues) and decreases (i.e. expenses) in net total position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days after fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include ad valorem property taxes, grants, entitlements, and donations. Ad valorem property taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end; tuition, grants, fees, and rentals.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as deferred revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets/Budgetary Control - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23A-16.2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

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

Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances – governmental funds. Note that the School District does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the one or more June state aid payments.

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

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected in the balance sheet as deferred revenues at fiscal year-end.

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institution collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

Tuition Receivable - Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2019 and 2018 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories - The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed and is not recorded since any amounts are considered immaterial to the basic financial statements.

The proprietary fund type does not maintain any inventories as the School District has contracted with another governmental entity to purchase prepared lunches.

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2019.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

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

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

Short-Term Interfund Receivables / Payables - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Capital Assets - General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and the proprietary fund statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000.00. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land and Improvements	10-20 years	N/A
Buildings and Improvements	10-50 years	N/A
Furniture and Equipment	5-20 years	12 years
Vehicles	5-10 years	4-6 years

Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Salaries and Wages - Certain School District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

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

The entire compensated absence liability is reported on the government-wide financial statements.

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

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

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

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

Net investment in capital assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or law or regulations of other governments.

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance – The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District’s classifications, and policies for determining such classifications, are as follows:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2019.

Restricted – This fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District’s highest level of decision making authority, which for the School District is the Board of Education. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action imposing the commitment.

Assigned – This fund balance classification includes amounts that are constrained by the School District’s *intent* to be used for specific purposes but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the Business Administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

Unassigned – This fund balance classification is the residual classification for the General Fund. It represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the School District’s policy to spend restricted fund balances first. Likewise, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Operating and Non-Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program and tuition for the before and after school program. Non-operating revenues principally consist of interest income earned on various interest bearing accounts and federal and state subsidy reimbursements for the food service program.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. There are no non-operating expenses.

Interfunds – Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements - In January 2017, the GASB issued Statement 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The adoption of this Statement will not have any effect on the District's financial reporting.

In June 2017, the GASB issued Statement 87, *Leases*. 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. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The adoption of this Statement may have an effect on the District's financial reporting.

In June 2018, the GASB issued Statement 89, *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. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The adoption of this Statement will not have any effect on the District's financial reporting.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61*. This Statement is designed to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The adoption of this Statement will not have any effect on the District's financial reporting.

In May 2019, the GASB issued Statement 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation: establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The adoption of this Statement will not have any effect on the District's financial reporting.

Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to the risk that, in the event of a bank failure, the School District’s deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17.9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District’s amount on deposit of \$1,599,385 as of June 30, 2019, \$250,000 was insured under FDIC and the remaining balance of \$1,349,385 was collateralized under GUDPA.

3. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the School District’s approved Long-Range Facilities Plan (LRFP). Upon submission of the LRFP to the New Jersey Department of Education, a school 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 fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school 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 account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Balance July 1, 2018		\$	365,162
Increased by:			
Interest Earned	\$		1,238
Unspent Budget Appropriation			-
Board Resolution		135,000	
			136,238
			501,400
Decreased by:			
Board Resolution			-
Balance June 30, 2019		\$	501,400

The June 30, 2019 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

4. ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2019 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

4. ACCOUNTS RECEIVABLES (Continued)

Accounts receivable at June 30, 2019 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Proprietary Fund	Total
Intergovernmental				
State	\$ 230	\$ -	\$ 38	\$ 268
Federal	-	37,754	718	38,472
Other	37	-	-	37
Total	\$ 267	\$ 37,754	\$ 756	\$ 38,777

5. CAPITAL ASSETS

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

	Balance June 30, 2018	Additions	Disposals	Balance June 30, 2019
Governmental Activities:				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 649,600	\$ -	\$ -	\$ 649,600
Construction in progress				
Total capital assets, not being depreciated	649,600			649,600
<i>Capital Assets, being depreciated:</i>				
Site Improvements	78,527	3,527		82,054
Building and Building Improvements	1,713,076	164,100		1,877,176
Equipment	802,010	13,701		815,711
Totals at historical cost	2,593,613	181,328		2,774,941
<i>Less Accumulated Depreciation:</i>				
Site Improvements	50,249	2,817		53,066
Building and Building Improvements	1,155,725	32,586		1,188,311
Equipment	661,134	52,743		713,877
Totals accumulated depreciation	1,867,108	88,146		1,955,254
Total Capital Assets, being depreciated, net	726,505	93,182		819,687
Governmental Activities Capital Assets, Net	<u>\$ 1,376,105</u>	<u>\$ 93,182</u>	<u>\$ -</u>	<u>\$ 1,469,287</u>
Business-Type Activities:				
<i>Capital Assets, being depreciated:</i>				
Equipment	\$ 21,951	\$ -	\$ -	\$ 21,951
<i>Less Accumulated Depreciation:</i>	9,962	2,422	-	12,384
Governmental Activities Capital Assets, Net	<u>\$ 11,989</u>	<u>\$ 2,422</u>	<u>\$ -</u>	<u>\$ 9,567</u>

Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

5. CAPITAL ASSETS (Continued)

Depreciation expense in the amount of \$88,146 was charged to governmental functions as follows:

Function	Amount
Regular Instruction	\$ 61,702
General Administration	8,815
Plant Operations and Maintenance	8,815
Unallocated	8,814
 Total depreciation expense	 \$ 88,146

6. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2019, the following changes occurred in long-term obligations:

	Principal Outstanding June 30, 2018	Additions	Reductions	Principal Outstanding June 30, 2019	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 65,451	\$ -	\$ 5,954	\$ 59,497	\$ -
Net Pension Liability	830,028		63,274	766,754	
	\$ 895,479	\$ -	\$ 69,228	\$ 826,251	\$ -

As of June 30, 2019, the School District had no authorizations to issue additional bonded debt.

Compensated Absences - Compensated absences will be paid from the fund from which the employees' salaries are paid.

7. OPERATING LEASES

At June 30, 2019, the School District had operating lease agreements in effect for copy machines. Total rental payments for such leases were \$14,202 for the fiscal year ended June 30, 2019. The future minimum lease payments for these leases are as follows:

Fiscal Year Ending June 30,	Amount
2020	\$ 9,036
2021	-
	\$ 9,036

8. PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS). In addition, several School District employees participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

8. PENSION PLANS (Continued)

Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey (the "State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement, death and disability, and medical benefits to qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

Vesting and Benefit Provisions – 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 medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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 21, 2010
4	Members who were eligible to enroll on or after May 21, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

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

Contributions - The contribution requirements of plan members are determined by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the member contribution rate was 7.50% in State fiscal year 2019. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over the several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

8. PENSION PLANS (Continued)

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

The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2019 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2019 was \$326,257 and was paid by April 1, 2019. School District employee contributions to the pension plan during the fiscal year ended June 30, 2019 were \$164,730.

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

At June 30, 2019, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

For the year ended June 30, 2018, the School District recognized pension expense of \$800,441 and revenue of \$800,441 for support provided by the State. Although the School District does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the School District.

The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>06/30/18</u>	<u>06/30/17</u>
Collective deferred outflows of resources	\$ 12,473,998,870	\$ 14,160,879,257
Collective deferred inflows of resources	16,180,773,643	11,800,239,661
Collective net pension liability (Non-Employer – State of New Jersey)	63,617,852,031	67,423,605,859
State's portion of the net pension liability that was associated with the School District	13,730,508	13,822,723
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.0215827991%	.0205013111%

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:

Inflation rate:	2.25%
Salary Increases:	
2011-2026	1.55- 4.55%
Thereafter	2.00 – 5.45%
Investment Rate of Return:	7.00%

Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

8. PENSION PLANS (Continued)

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

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

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.

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

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 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	05.00%	05.51%
Cash Equivalents	05.50%	01.00%
U.S. Treasuries	03.00%	01.87%
Investment Grade Credit	10.00%	03.78%
High Yield	02.50%	06.82%
Global Diversified Credit	05.00%	07.10%
Credit Oriented Hedge Funds	01.00%	06.60%
Debt Related Private Equity	02.00%	10.63%
Debt Related Real Estate	01.00%	06.61%
Private Real Asset	02.50%	11.83%
Equity Related Real Estate	06.25%	09.23%
U.S. Equity	30.00%	08.19%
Non-U.S. Developed Markets Equity	11.50%	09.00%
Emerging Markets Equity	06.50%	11.64%
Buyouts/Venture Capital	08.25%	13.08%
	<u>100.00%</u>	

Discount rate. The discount rate used to measure the State's total pension liability was 4.86% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) will be made based on the contribution rate in the most recent fiscal year. The state contributed 50% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

8. PENSION PLANS (Continued)

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

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

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate. As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2018, the pension plans measurement date, attributable to the School District is \$0.00, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 4.86%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.25%) or 1 percentage point higher (5.25%) that the current rate:

	1% Decrease ▼ (3.25%)	Current Discount Rate ▼ (4.25%)	1% Increase ▼ (5.25%)
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	16,229,200	13,730,508	11,659,153
	\$ 16,229,200	\$ 13,730,508	\$ 11,659,153

Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Public Employees' Retirement System (PERS)

Plan Description - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS designated purpose to is to provide retirement, death and disability, and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Vesting and Benefit Provisions – The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except medical benefits, which vest after 25 years of service or under the disability provisions of PERS

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 21, 2010
4	Members who were eligible to enroll on or after May 21, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

8. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

Contributions - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The member contribution rate was 7.50% in State fiscal year 2019. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 336, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2019 was 12.32% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2018, the School Districts contractually required contribution to the pension plan for the fiscal year ended June 30, 2019 was \$38,735 and was paid by April 1, 2019. School District employee contributions to the pension plan during the fiscal year ended June 30, 2019 were \$22,617.

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Long Term Disability</u>	<u>Total Liability Paid by District</u>
2019	\$ 4,841	\$ 32,133	\$ 1,761	\$ 338	\$ 39,073
2018	4,348	27,074	1,610	749	33,781
2018	4,837	24,614	1,470		30,921

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions – 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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. 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.

Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

8. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

At June 30, 2019, the School District reported a liability of \$766,754 for its proportionate share of the 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 July 1, 2017. The School District's proportion of the of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

For the year ended June 30, 2019, the School District recognized pension expense of \$59,513. At June 30, 2019, the School District reported a liability of \$766,754 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,622	\$ 3,954
Changes of assumptions	126,348	245,167
Net Difference between projected and actual earnings on pension plan investments		7,192
Changes in proportion	97,160	35,630
District contributions subsequent to the measurement date	37,156	
Total	\$ 275,286	\$ 291,943

\$37,156 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2019, the plan measurement date is June 30, 2019) will be recognized as a reduction of the net liability in the year ended June 30, 2019.

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

For the year ended:	Net Deferred Outflows (Inflows) of Resources
2020	\$ 5,530
2021	(1,739)
2022	(26,996)
2023	(12,251)
2024	(18,357)
Total	\$ (53,813)

Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

8. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
Net Difference between projected and actual earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	5.00
Changes in proportion		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

Additional Information

Collective balances at June 30, 2018 and 2017 are as follows:

	<u>6/30/2018</u>	<u>6/30/2017</u>
Collective deferred outflows of resources	\$ 4,684,852,302	\$ 6,424,455,842
Collective deferred inflows of resources	\$ 7,646,736,226	\$ 5,700,625,981
Collective net pension liability	\$ 19,689,501,539	\$ 23,278,401,588
School District's Proportion	.0038942293%	.00356565566%

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.

Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

8. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

- 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%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active employees. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disables Mortality Table (set back 3 years for males and set forward 1 year for females).

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. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

8. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in PERS's 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	05.00%	05.51%
Cash Equivalents	05.50%	01.00%
U.S. Treasuries	03.00%	01.87%
Investment Grade Credit	10.00%	03.78%
High Yield	02.50%	06.82%
Global Diversified Credit	05.00%	07.10%
Credit Oriented Hedge Funds	01.00%	06.60%
Debt Related Private Equity	02.00%	10.63%
Debt Related Real Estate	01.00%	06.61%
Private Real Asset	02.50%	11.83%
Equity Related Real Estate	06.25%	09.23%
U.S. Equity	30.00%	08.19%
Non-U.S. Developed Markets Equity	11.50%	09.00%
Emerging Markets Equity	06.50%	11.64%
Buyouts/Venture Capital	08.25%	13.08%
	<u>100.00%</u>	

Discount rate. The discount rate used to measure the State's total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The state employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate. The following presents the School District's proportionate share of the net pension liability measured as of June 30, 2018, calculated using the discount rate of 5.66%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.66%) or 1 percentage point higher (6.66%) than the current rate:

	<u>1% Decrease (4.66%)</u>	<u>Current Discount Rate (5.66%)</u>	<u>1% Increase (6.66%)</u>
School District's proportionate share of the net pension liability	\$ 964,105	\$ 766,754	\$ 601,189

Pension Plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

8. PENSION PLANS (Continued)

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District’s contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The School District’s contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Total Liability</u>	<u>School District</u>
2019	\$ 6,216	\$ 6,216
2018	898	898
2017	1,058	1,058

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description and Benefits Provided

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State’s pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health care costs, an increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State’s contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year’s \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the remeasured total OPEB liability in Fiscal Year 2017.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

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

Actuarial assumptions and other imputes - The total nonemployer OPEB liability as of the June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member enrolled in.

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

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 Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2011 – June 30, 2014 and July 1, 2010 – June 30, 2013 for TPAF, PFRS, and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

Health Care Trend Assumptions - For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medial benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate - The discount rate for June 30, 2018 and 2016 was 3.87%. This represent 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.

Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

The percentage of the premium for which the retirees will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Changes in the Total Nonemployer OPEB Liability

The table below summarizes the State's proportionate share of the change in the total nonemployer OPEB liability associated with the School District:

	<u>Total OPEB Liability</u>
Balance as of June 30, 2017	\$ 12,105,711
Changes for the years'	
Service Cost	402,859
Interest	443,028
Changes of benefit terms	
Differences between expected and actual experience	(1,051,561)
Changes in assumptions	(1,197,286)
Gross Benefit Payments	(278,986)
Contributions from the Non-employer	N/A
Contributions from the Member	9,642
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	<u>\$ (1,672,304)</u>
Balance at 06/30/2018	<u>\$ 10,433,407</u>

Sensitivity of the total nonemployer OPEB liability to changes in the discount rate - The following presents the total nonemployer OPEB liability as of June 30, 2018, respectively, associated with the School District, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage -point lower or 1percentage-point higher than the current rate:

	<u>1% Decrease (2.87%)</u>	<u>Discount Rate (3.87%)</u>	<u>1% Increase (4.87%)</u>
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 12,334,411	\$ 10,433,407	\$ 8,922,305

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Sensitivity of the total nonemployer OPEB liability to changes in the healthcare cost trend rate - The following presents the total nonemployer OPEB liability as of June 30, 2018, associated with the School District, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage -point lower or 1percentage-point higher than the current rate:

	Cost Trend		
	1% Decrease	Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 12,622,712	\$ 10,433,407	\$ 8,486,699

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended June 30, 2019, the School District recognized \$436,965 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB Expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2018 measurement date.

In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District.

At June 30, 2019, the State's proportionate share of the total nonemployer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with the School District, from the following sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experiences	\$ -	\$ 1,012,795
Changes of assumptions	-	2,338,702
Total	\$ -	\$ 3,351,497

Amounts reported as deferred outflows of resources and deferred inflows of resources related to State's proportionate share of the total nonemployer OPEB Liability, associated with the School District, will be recognized in OPEB expense as follows:

For the year ended:		
2019	\$	(412,989)
2020		(412,989)
2021		(412,989)
2022		(412,989)
2023		(412,989)
Therafter		(1,286,552)
Total	\$	(3,351,497)

Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

**Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

10. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2019, the School District has recognized as revenues and expenditures on-behalf payments made by the state for normal retirement costs, post-retirement medical costs and long-term disability insurance related to TPAF, in the fund statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs and long-term disability insurance were \$415,062, \$188,272, and \$337. In addition, \$156,533 on-behalf payments were made by the state for the employer’s share of social security contributions for TPAF members, as calculated on their base salaries.

11. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters.

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

Joint Insurance Pool - The School District is a member of the School Alliance Insurance Fund. Insurance coverage as provided by the Fund can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Annual contributions to the Fund are determined by the Fund’s Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund’s Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

A complete schedule of insurance coverage can be found in the "Statistical Section" of this report.

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School 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 School District is billed quarterly for amounts due to the State.

The following is a summary of School District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two fiscal years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019	\$ -	\$ 4,950	\$ 341	\$ 49	\$ 76,642
2018	-	4,773	210	2,470	71,400
2017	-	4,486	166	4,165	68,887

12. DEFERRED COMPENSATION

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, available to all permanent School District employees, permit participants to defer a portion of their current salary to future years. Participation in the plans is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and are administered by a third party therefore they are not reflected on the financial statements of the School District.

Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

13. FLEXIBLE BENEFITS PROGRAM

The School District offers its employees a Flexible Benefits Program. The purpose of the program is to provide a tax incentive for plan participants incurring health premium expenses, dependent care expenses and other medical expenses not covered by other insurance. The School District, who is the plan administrator, has contracted with PayFlex Systems to act as its agent to furnish reimbursement services. The plan participants redirect a prescribed amount of their gross pay (tax-free) into a reimbursement account and then in-turn submit claims to PayFlex Systems for repayment. Because of Internal Revenue Service regulations, if at the end of any plan year unexpended funds remain, these funds will be forfeited by the participants and returned to the School District.

The following is a summary of School District contributions, employee contributions, reimbursements to the plan participants for benefits paid and the ending balance of the School District's fiduciary fund for the current and prior two years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019	\$ -	\$ 67,105	\$ 11	\$ 65,379	\$ 2,765
2018	-	8,017	5	8,580	1,028
2017	-	10,975	6	15,987	1,586

14. COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2019, the liability for compensated absences in the governmental activities was \$59,497.

15. INTERFUND BALANCES AND TRANSFERS

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2020. The following interfund balances were recorded on the various balance sheets as of June 30, 2019:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 37,142	\$ -
Special Revenue	-	35,803
Fiduciary Fund	-	1,339
	<u>\$ 37,142</u>	<u>\$ 37,142</u>

Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

16. CONTINGENCIES

The School District 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 School District may be required to reimburse the grantor government.

At June 30, 2019, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, deferred revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

17. 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 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 a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

As of December 31, 2018, the Borough of Riverton had no tax abatements.

18. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2019, a deficit of \$708,123 existed in the Unrestricted Net Position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Position reported on Exhibited A-1 is as follows:

Balances, June 30, 2019:	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds)	
Unassigned	\$ 209,097
Liabilities:	
Net Pension Differences	(857,723)
Compensated Absences	(59,497)
Unrestricted Net Position (Deficit)	<u>\$ (708,123)</u>

Riverton School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

19. FUND BALANCES

RESTRICTED

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund:

Excess Surplus – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of 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 at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2019 is \$47,283 presented on the budgetary basis of accounting (Exhibit C-1). Additionally, \$47,167 of excess fund balance generated during the 2017-2018 fiscal year has been restricted and designated for utilization in the 2019-2020 budget.

Capital Reserve – As of June 30, 2019, the balance in the capital reserve account is \$501,400. Of this amount \$318,372 has been appropriated in the 2019-2020 Budget. The remaining amount is restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan.

Maintenance Reserve Account – As of June 30, 2019, the balance in the maintenance reserve account is \$241,613. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

ASSIGNED

As stated in Note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund:

Other Purposes – At June 30, 2019 the School District has \$92,517 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

As stated in Note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund – As of June 30, 2019, \$209,097 of general fund balance was unassigned.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local Tax Levy	\$ 5,393,027	\$ -	\$ 5,393,027	\$ 5,393,027	\$ -
Tuition - from other sources	21,000	-	21,000	21,000	
Tuition - from other LEA's within state		-		9,574	9,574
Interest on maintenance reserve	500	-	500		(500)
Interest on capital reserve	300	-	300	1,238	938
Unrestricted misc. revenues	1,200	-	1,200	9,068	7,868
Total local sources	<u>5,416,027</u>	<u>-</u>	<u>5,416,027</u>	<u>5,433,907</u>	<u>17,880</u>
State sources:					
Special education aid	204,103	-	204,103	204,103	
Equalization aid	284,559	-	284,559	284,559	
Transportation aid	47,801	(14,248)	33,553	33,553	
Security aid	33,553	(13,940)	19,613	19,613	
Extraordinary aid				230	230
On-behalf TPAF pension contrib. (non-budgeted)				415,062	415,062
On-behalf TPAF post retirement medical (non-budgeted)				188,272	188,272
On-behalf TPAF - LTDI (non-budgeted)				337	337
Reimbursed TPAF social security contribution (non-budgeted)				156,533	156,533
Total state sources	<u>570,016</u>	<u>(28,188)</u>	<u>541,828</u>	<u>1,302,262</u>	<u>760,434</u>
TOTAL REVENUES	<u>5,986,043</u>	<u>(28,188)</u>	<u>5,957,855</u>	<u>6,736,169</u>	<u>778,314</u>
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Preschool	19,713	1	19,714	19,713	1
Kindergarten	175,352	(109)	175,243	175,154	89
Grades 1-5	961,738	(589)	961,149	961,147	2
Grades 6-8	415,946	3,012	418,958	418,956	2
Regular Programs - Home Instruction:					
Salaries of teachers	600	(600)			
Purchased professional - educational services	200	(200)			
Regular Programs - Undistributed Instruction:					
Purchased professional - educational services	9,161	(3,130)	6,031	6,031	
Purchased technical services	7,700	166	7,866	7,865	1
Other purchased services	2,063	(689)	1,374	1,374	
General supplies	73,969	62,571	136,540	132,947	3,593
Textbooks	12,000	30,087	42,087	42,087	
Other objects	6,136	463	6,599	6,598	1
Total - Regular Programs - Instruction	<u>1,684,578</u>	<u>90,983</u>	<u>1,775,561</u>	<u>1,771,872</u>	<u>3,689</u>

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RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education Instruction:					
Resource room/resource center:					
Salaries of teachers	\$ 233,845	\$ 1,089	\$ 234,934	\$ 234,864	\$ 70
Other salaries for instruction	93,794	(9,210)	84,584	84,203	381
General supplies	2,200	(453)	1,747	1,587	160
Textbooks	400	2,252	2,652	2,652	
Total resource room/resource center	<u>330,239</u>	<u>(6,322)</u>	<u>323,917</u>	<u>323,306</u>	<u>611</u>
Preschool disabilities - Part time:					
Salaries of teachers	15,969	10	15,979	15,977	2
Other salaries for instruction	9,251	4,470	13,721	12,562	1,159
General supplies	300	-	300	158	142
Total preschool disabilities - part time	<u>25,520</u>	<u>4,480</u>	<u>30,000</u>	<u>28,697</u>	<u>1,303</u>
Home Instruction:					
Salaries of teachers	2,000	(1,276)	724		724
Purchased professional-educational services	2,000	305	2,305	2,304	1
Total home instruction	<u>4,000</u>	<u>(971)</u>	<u>3,029</u>	<u>2,304</u>	<u>725</u>
Total Special Education - Instruction	<u>359,759</u>	<u>(2,813)</u>	<u>356,946</u>	<u>354,307</u>	<u>2,639</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers	63,265	170	63,435	63,435	
General supplies	200	764	964	958	6
Total basic skills/remedial - instruction	<u>63,465</u>	<u>934</u>	<u>64,399</u>	<u>64,393</u>	<u>6</u>
School-Sponsored Cocurricular Act - Instruction:					
Salaries	58,536	-	58,536	52,305	6,231
Purchased services	2,320	2,616	4,936	4,807	129
Supplies and materials	4,000	784	4,784	4,783	1
Total school-sponsored cocurr. act. - instruct.	<u>64,856</u>	<u>3,400</u>	<u>68,256</u>	<u>61,895</u>	<u>6,361</u>
Summer School - Instruction:					
Salaries	2,938	(2,938)			
Purchased professional-technical services	1,800	(1,800)			
Total summer school - instruction	<u>4,738</u>	<u>(4,738)</u>	<u>-</u>	<u>-</u>	
Total Instruction	<u>2,177,396</u>	<u>87,766</u>	<u>2,265,162</u>	<u>2,252,467</u>	<u>12,695</u>

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RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - reg.	\$ 741,205	\$ -	\$ 741,205	\$ 741,205	\$ -
Tuition to other LEAs within the state - spec	246,277	(21,200)	225,077	213,623	11,454
Tuition to county vocational school - reg	43,940	-	43,940	43,940	
Tuition to county vocational school - special	20,280	-	20,280	20,280	
Tuition to CSSD & Reg. Day schools	199,447	(152,831)	46,616	43,032	3,584
Tuition to priv. sch. for the disabled in state	186,069	(31,060)	155,009	143,105	11,904
Tuition - State Facilities		36,247	36,247	36,247	
Total undistributed expenditures - instruction	1,437,218	(168,844)	1,268,374	1,241,432	26,942
Attendance and Social Work Services:					
Salaries	4,687	-	4,687	4,687	
Purchased professional and technical services	2,695	-	2,695	2,684	11
Total Attendance and Social Work Services	7,382	-	7,382	7,371	11
Health Services:					
Salaries	63,445	(1,892)	61,553	61,552	1
Purchased professional and technical services	1,550	(1,050)	500	500	
Other purchased services	305	-	305	271	34
Supplies and materials	2,000	987	2,987	2,702	285
Total health services	67,300	(1,955)	65,345	65,025	320
Speech, OT, PT & Related Services					
Salaries	60,805	1,143	61,948	61,866	82
Purchased professional - educational services	13,000	3,620	16,620	16,370	250
Supplies and materials	1,500	(996)	504	504	
Total speech, ot, pt, & related services	75,305	3,767	79,072	78,740	332
Guidance:					
Other Objects	3,200	(829)	2,371	2,370	1
Total guidance	3,200	(829)	2,371	2,370	1
Child Study Teams:					
Salaries of other professional staff	150,663	(6,071)	144,592	144,592	
Salaries of secretarial and clerical assistants	34,500	(4,991)	29,509	29,508	1
Purchased professional - educational services	39,150	5,399	44,549	44,549	
Other purchased professional and tech services	7,378	(351)	7,027	7,026	1
Misc. purchased services	800	(522)	278	277	1
Supplies and materials	3,500	3,594	7,094	7,094	
Total child study teams	235,991	(2,942)	233,049	233,046	3

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RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Improvement of Instructional Services:					
Salaries of supervisor of instruction	\$ 22,800	\$ 11,034	\$ 33,834	\$ 33,019	\$ 815
Salaries of other professional staff	24,000	(8,000)	16,000	13,812	2,188
Purchased professional - educational services	2,630	(74)	2,556	2,555	1
Supplies and materials	800	(274)	526	526	
Total improvement of instructional services	<u>50,230</u>	<u>2,686</u>	<u>52,916</u>	<u>49,912</u>	<u>3,004</u>
Educational Media Services/School Library:					
Salaries	49,354	(680)	48,674	48,674	
Salaries of Technology Coordinators	4,177	-	4,177	4,171	6
Purchased professional and technical services	400	9	409	409	
Other purchased services (400-500 series)	1,245	(174)	1,071	1,043	28
Supplies and materials	3,500	1,478	4,978	4,978	
Total educational media services/school library	<u>58,676</u>	<u>633</u>	<u>59,309</u>	<u>59,275</u>	<u>34</u>
Instructional Staff Training Services:					
Purchased professional - educational services	8,000	(110)	7,890	7,890	
Other purchased services	4,000	(3,000)	1,000	838	162
Supplies and materials	350	(350)			
Total instructional staff training services	<u>12,350</u>	<u>(3,460)</u>	<u>8,890</u>	<u>8,728</u>	<u>162</u>
Support Services - General Administration:					
Salaries	212,125	(770)	211,355	211,355	
Legal services	8,240	(1,000)	7,240	5,440	1,800
Audit Fees	22,400	-	22,400	22,400	
Other purchased professional services	3,858	(900)	2,958	2,954	4
Communications / telephone	13,104	(1,126)	11,978	10,962	1,016
Miscellaneous purchased services	13,364	1,205	14,569	13,768	801
General supplies	4,100	2,091	6,191	6,089	102
Miscellaneous expenditures	7,350	(125)	7,225	6,743	482
Total support services - general administration	<u>284,541</u>	<u>(625)</u>	<u>283,916</u>	<u>279,711</u>	<u>4,205</u>
Central Services					
Salaries	99,623	46,388	146,011	132,510	13,501
Unused vacation pymt to term./retired staff	-	1,766	1,766	1,765	1
Purchased professional services	20,232	826	21,058	19,956	1,102
Miscellaneous purchased services	800	200	1,000	952	48
General supplies	2,000	1,299	3,299	2,613	686
Miscellaneous expenditures	3,000	(2,110)	890	890	
Total Central Services	<u>125,655</u>	<u>48,369</u>	<u>174,024</u>	<u>158,686</u>	<u>15,338</u>
Admin Information Technology					
Salaries	8,342	1	8,343	8,342	1
Total Admin Info Technology	<u>8,342</u>	<u>1</u>	<u>8,343</u>	<u>8,342</u>	<u>1</u>
Required Maintenance School Facilities:					
Cleaning, repair and maintenance services	115,129	10,910	126,039	126,038	1
General supplies	1,629	371	2,000	1,151	849
Total required maintenance school facilities	<u>116,758</u>	<u>11,281</u>	<u>128,039</u>	<u>127,189</u>	<u>850</u>

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RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Custodial Services:					
Salaries	\$ 122,207	\$ (7,510)	\$ 114,697	\$ 110,975	\$ 3,722
Salaries of non-instructional aides	11,479	(3,031)	8,448	8,365	83
Purchased prof. and technical services	32,861	412	33,273	32,573	700
Cleaning, repair and maintenance services	1,027	-	1,027	940	87
Rental of land & bldg. other than lease purch.	1,800	-	1,800	1,800	
Other purchased property services	2,500	745	3,245	3,245	
Insurance	48,195	(3,799)	44,396	44,396	
Misc. purchased services	350	150	500	500	
General Supplies	20,000	11,138	31,138	22,979	8,159
Energy (Electricity)	66,000	(50,501)	15,499	11,774	3,725
Energy (Heat)	15,500	50,500	66,000	57,325	8,675
Energy (Gasoline)	300	350	650	554	96
Total custodial services	322,219	(1,546)	320,673	295,426	25,247
Security:					
Purchased Professional and Tech. Services		8,870	8,870	8,870	
General Supplies	2,000	1,680	3,680	3,676	4
Total Security	2,000	10,550	12,550	12,546	4
Total operation & maint. of plant services	440,977	20,285	461,262	435,161	26,101
Student Transportation Services:					
Contr. serv. (between home & sch) - Joint Agree.	34,185	-	34,185	25,538	8,647
Contr. Serv. (Spl. Ed. Students) - Vendors		13,500	13,500	13,500	
Contr. Serv. (Spl. Ed. Students) - Joint Agree.	90,213	(25,900)	64,313	41,313	23,000
Total student transportation services	124,398	(12,400)	111,998	80,351	31,647
Unallocated Benefits - Employee Benefits:					
Group Insurance	2,536	551	3,087	3,086	1
Social security contributions	48,110	13,570	61,680	60,047	1,633
Other retirement contri. - PERS	46,174	(1,800)	44,374	39,073	5,301
Other retirement contri. - regular	2,688	2,736	5,424	4,583	841
Health benefits	762,087	(177,693)	584,394	537,785	46,609
Tuition reimbursement	6,000	4,564	10,564	10,521	43
Other employee benefits	16,827	3,659	20,486	20,485	1
Unused sick payment to term/retired staff	15,000	(14,784)	216		216
Total unallocated benefits	899,422	(169,197)	730,225	675,580	54,645
On-behalf TPAF pension contr. (non-budgeted)				415,062	(415,062)
On-behalf TPAF post retirement medical (non-budgeted)				188,272	(188,272)
On-behalf TPAF - LTDI (non-budgeted)				337	(337)
Reimbursed TPAF social security contr. (non-budgeted)				156,533	(156,533)
Total Undistributed Expenditures	3,830,987	(284,511)	3,546,476	4,143,934	(597,121)
Total General Current Expense	6,008,383	(196,745)	5,811,638	6,396,401	(584,426)
CAPITAL OUTLAY:					
Equipment:					
Undist. expend. - instruction	7,230	14,998	22,228	16,227	6,001
Undist. expend. - required maintenance		11,924	11,924	11,924	
Total Equipment	7,230	26,922	34,152	28,151	6,001
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	2,121	24,835	26,956	8,465	18,491
Construction Services	35,376	116,800	152,176	94,751	57,425
Assessment for Debt Service on SDA Funding	8,653	-	8,653	8,653	
Total Equipment	46,150	141,635	187,785	111,869	75,916
Total Capital Outlay	53,380	168,557	221,937	140,020	81,917

RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019

(Continued from prior page)	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
TOTAL EXPENDITURES	\$ 6,061,763	\$ (28,188)	\$ 6,033,575	\$ 6,536,421	\$ (502,509)
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(75,720)	-	(75,720)	199,748	275,468
Fund Balance - July 1, 2018	<u>980,462</u>	<u> </u>	<u>980,462</u>	<u>980,462</u>	<u> </u>
Fund Balance - June 30, 2019	<u>\$ 904,742</u>	<u>\$ -</u>	<u>\$ 904,742</u>	<u>\$ 1,180,210</u>	<u>\$ 275,468</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital Reserve				\$ 501,400	
Maintenance Reserve				241,613	
Excess Surplus Designated for Subsequent Years Expenditures				47,167	
Excess Surplus				47,283	
Assigned Fund Balance:					
Year-End Encumbrances				92,517	
Unassigned Fund Balance				<u>250,230</u>	
				1,180,210	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(41,133)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,139,077</u>	

RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	3,818	5,657	9,475	7,524	(1,951)
Federal sources	126,237	-	126,237	125,013	(1,224)
Total Revenues	<u>130,055</u>	<u>5,657</u>	<u>135,712</u>	<u>132,537</u>	<u>(3,175)</u>
EXPENDITURES:					
Instruction:					
Salaries	25,140	(123)	25,017	25,017	-
Other purchased services	77,971	-	77,971	77,971	-
Textbooks	534	-	534	534	-
Supplies and materials	7,738	(786)	6,952	6,952	-
Total instruction	<u>111,383</u>	<u>(909)</u>	<u>110,474</u>	<u>110,474</u>	<u>-</u>
Support services:					
Purchased professional - educ. services	-	4,382	4,382	2,431	1,951
Purchased professional - tech. services	15,748	909	16,657	15,433	1,224
Other purchased services	2,924	1,275	4,199	4,199	-
Total support services	<u>18,672</u>	<u>6,566</u>	<u>25,238</u>	<u>22,063</u>	<u>3,175</u>
Facilities acquisition and construction services:					
Instructional equipment	-	-	-	-	-
Total facilities acq. and const. services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>130,055</u>	<u>5,657</u>	<u>135,712</u>	<u>132,537</u>	<u>3,175</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

RIVERTON SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended June 30, 2019

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 6,736,169	\$ 132,537
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	45,774	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(41,133)</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 6,740,810</u>	<u>\$ 132,537</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 6,536,421	\$ 132,537
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	<u>-</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 6,536,421</u>	<u>\$ 132,537</u>

Required Supplementary Information - Part III
Schedules Related to Accounting and Reporting
For Pensions and
Other Post Employment Benefits

RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Six Fiscal Years

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0038942293%	0.0035656566%	0.0034805827%	0.0038693462%	0.0034650048%	0.0034408365%
District's proportionate share of the net pension liability (asset)	\$ 766,754	\$ 830,028	\$ 1,030,849	\$ 868,591	\$ 648,744	\$ 657,612
District's covered-employee payroll	301,558	290,643	272,313	254,096	228,062	221,076
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	254.26%	285.58%	378.55%	341.84%	284.46%	297.46%
Plan fiduciary net position as a percentage of the total pension liability	40.45%	36.78%	31.20%	38.21%	42.74%	40.71%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended June 30, 2015.

RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Contributions
Public Employees Retirement System
Last Six Fiscal Years

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 37,156	\$ 38,735	\$ 33,032	\$ 30,921	\$ 33,266	\$ 28,565
Contributions in relation to the contractually required contributions	<u>(37,156)</u>	<u>(38,735)</u>	<u>(33,032)</u>	<u>(30,921)</u>	<u>(33,266)</u>	<u>(28,565)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 301,558	\$ 290,643	\$ 272,313	\$ 254,096	\$ 228,062	\$ 221,076
Contributions as a percentage of covered-employee payroll	12.32%	13.33%	12.13%	12.17%	14.59%	12.92%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended June 30, 2015.

RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Six Fiscal Years

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0215822799%	0.0205013111%	0.0193082669%	0.0186633683%	0.0192872381%	0.0188367568%
District's proportionate share of the net pension liability (asset)					\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 13,730,508	\$ 13,822,723	\$ 15,189,112	\$ 11,796,046	\$ 10,308,401	\$ 9,519,949
Total	<u>\$ 13,730,508</u>	<u>\$ 13,822,723</u>	<u>\$ 15,189,112</u>	<u>\$ 11,796,046</u>	<u>\$ 10,308,401</u>	<u>\$ 9,519,949</u>
District's covered-employee payroll	\$ 2,196,400	\$ 2,072,203	\$ 2,291,688	\$ 2,239,460	\$ 2,110,830	\$ 2,046,171
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended June 30, 2015.

RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the District
and Changes in the Total OPEB Liability and Related Ratios
Public Employee's Retirement System and Teachers' Pension and Annuity Fund
Last Two Fiscal Years

	June 30, 2019	June 30, 2018
	<u> </u>	<u> </u>
State's proportion of the net OPEB liability (asset) associated with the District	0.02%	0.02%
District's proportionate share of the net OPEB liability	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	\$ 10,433,407	\$ 12,105,711
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 10,433,407</u>	<u>\$ 12,105,711</u>
Plan fiduciary net position as a percentage of the total OPEB Liability	0.00%	0.00%
	<u> </u>	<u> </u>
Total OPEB Liability		
Service Cost	\$ 402,859	\$ 488,285
Interest	443,028	382,805
Differences between expected and actual experiences	(1,051,561)	
Changes of assumptions and other inputs	(1,197,286)	(1,572,851)
Member Contributions	9,642	10,325
Benefit payments	<u>(278,986)</u>	<u>(280,394)</u>
Net Change in total OPEB Liability	<u>\$ (1,672,304)</u>	<u>\$ (971,830)</u>
Total OPEB Liability - beginning	<u>\$ 12,105,711</u>	<u>\$ 13,077,541</u>
Total OPEB Liability - ending	<u>\$ 10,433,407</u>	<u>\$ 12,105,711</u>
District's covered-employee payroll	2,497,958	2,362,846
Total OPEB Liability as a percentage of covered-employee payroll	417.68%	512.34%

This schedule does not contain ten years of information as GASB 75 was implemented during the fiscal year ended June 30, 2018.

Riverton School District
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2019

1. Teacher's Pension and Annuity Fund (TPAF)

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

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

2. Public Employees' Retirement System (PERS)

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

Changes of assumptions: Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active employees. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disables Mortality Table (set back 3 years for males and set forward 1 year for females).

3. Other Post-Retirement Plan – Public Employees' Retirement System and Teachers' Pension and Annuity Fund

Changes of benefit term: There were none.

Changes of assumptions: The discount rate changed from 3.58% as of June 30, 2017 to 3.85% as of June 30, 2018.

Other Supplementary Information

Special Revenue Fund

RIVERTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2019

	Title I	Title II A	IDEA Basic	IDEA Preschool	Brought Forward (Exh. E-1B)	Total
REVENUES:						
State sources	\$ -	\$ -	\$ -	\$ -	\$ 7,524	\$ 7,524
Federal sources	33,344	9,920	78,609	3,140		125,013
Total Revenues	33,344	9,920	78,609	3,140	7,524	132,537
EXPENDITURES:						
Instruction:						
Salaries	21,877	-	-	3,140		25,017
Other purchased services	-	-	77,971	-		77,971
Textbooks	-	-	-	-	534	534
Supplies	6,592	-	-	-	360	6,952
Total instruction	28,469	-	77,971	3,140	894	110,474
Support Services:						
Purchased prof. educ. services	-	-	-	-	2,431	2,431
Purchased prof. tech. services	4,875	9,920	638	-	-	15,433
Purchased professional services	-	-	-	-	4,199	4,199
Total support services	4,875	9,920	638	-	6,630	22,063
Facilities acquisition and const. serv.:						
Instructional equipment	-	-	-	-	-	-
Total facilities acq. and const. serv.	-	-	-	-	-	-
Total Expenditures	33,344	9,920	78,609	3,140	7,524	132,537
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

RIVERTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2019

	Nonpublic Textbook Aid	Nonpublic Nursing Services	Nonpublic Technology Initiative	Nonpublic Security Aid	Nonpublic Supplemental Instruction	Nonpublic Exam/ Classification	Total Carried Forward
REVENUES:							
State sources	\$ 534	\$ 1,649	\$ 360	\$ 2,550	\$ 793	\$ 1,638	\$ 7,524
Federal sources	-	-	-	-	-	-	-
Total Revenues	<u>534</u>	<u>1,649</u>	<u>360</u>	<u>2,550</u>	<u>793</u>	<u>1,638</u>	<u>7,524</u>
EXPENDITURES:							
Instruction:							
Textbooks	534	-	-	-	-	-	534
Supplies	-	-	360	-	-	-	360
Total instruction	<u>534</u>	<u>-</u>	<u>360</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>894</u>
Support Services:							
Purchased prof. educ. services	-	-	-	-	793	1,638	2,431
Purchased professional services	-	1,649	-	2,550	-	-	4,199
Total support services	<u>-</u>	<u>1,649</u>	<u>-</u>	<u>2,550</u>	<u>793</u>	<u>1,638</u>	<u>6,630</u>
Facilities acquisition and const. serv.:							
Instructional equipment	-	-	-	-	-	-	-
Total facilities acq. and const. serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>534</u>	<u>1,649</u>	<u>360</u>	<u>2,550</u>	<u>793</u>	<u>1,638</u>	<u>7,524</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Proprietary Funds

RIVERTON SCHOOL DISTRICT
Enterprise Funds
Statement of Net Position
June 30, 2019

	<u>Food Service Fund</u>
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 16,612
Accounts receivable:	
State	38
Federal	<u>718</u>
Total current assets	<u>17,368</u>
Noncurrent Assets:	
Equipment	21,951
Accumulated depreciation	<u>(12,384)</u>
Total noncurrent assets	<u>9,567</u>
Total Assets	<u><u>\$ 26,935</u></u>
LIABILITIES:	
Current liabilities:	
Accounts payable	\$ -
Unearned revenue	<u>4,286</u>
Total current liabilities	<u>4,286</u>
NET POSITION:	
Net investment in capital assets	9,567
Unrestricted	<u>13,082</u>
Total Net Position	<u><u>\$ 22,649</u></u>

RIVERTON SCHOOL DISTRICT
Enterprise Funds
Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2019

	<u>Food Service Fund</u>
OPERATING REVENUES:	
Charges for services:	
Daily sales reimbursable programs	\$ 32,563
Daily sales non-reimbursable programs:	
Adult and a la carte sales	<u>6,847</u>
Total Operating Revenue	<u>39,410</u>
OPERATING EXPENSES:	
Salaries and wages	18,915
Supplies and materials	2,733
Cost of sales - reimbursable programs	32,221
Cost of sales - nonreimbursable programs	6,774
Depreciation	2,422
Other expenses	<u>2,789</u>
Total Operating Expenses	<u>65,854</u>
Operating Income (Loss)	<u>(26,444)</u>
Non-Operating Revenues:	
State sources:	
State school lunch program	749
Federal sources:	
National school lunch program	14,631
Miscellaneous	<u>91</u>
Total Non-Operating Revenues	<u>15,471</u>
Income (Loss) before Contributions and Transfers	(10,973)
Capital Contributions	<u>-</u>
Changes in Net Position	(10,973)
Net Position - July 1, 2018	<u>33,622</u>
Net Position - June 30, 2019	<u><u>\$ 22,649</u></u>

RIVERTON SCHOOL DISTRICT
Enterprise Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2019

	Food Service Fund
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 40,781
Cash payments to employees	(18,915)
Cash payments to suppliers for goods and services	(44,517)
	(22,651)
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	746
Cash received from federal sources	14,562
	15,308
Cash Flows Used by Capital and Related Financing Activities:	
Purchase of equipment	-
	-
Cash Flow Provided by Investing Activities:	
Interest on cash equivalents	-
	-
Net increase (decrease) in cash and cash equivalents	(7,343)
Cash and cash equivalents - July 1, 2018	23,955
	23,955
Cash and cash equivalents - June 30, 2019	\$ 16,612
	16,612
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ (26,444)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:	
Change in Assets and Liabilities:	
Depreciation	2,422
Increase (decrease) in accounts payable	-
Increase (decrease) in deferred revenue	1,371
	1,371
Net cash provided by (used for) operating activities	\$ (22,651)
Noncash Noncapital Financing Activities:	
During the year the District did not receive any food commodities from the U.S. Department of Agriculture.	

Fiduciary Funds

**RIVERTON SCHOOL DISTRICT
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2019**

	Trust Funds			Agency Funds		Totals
	Unemployment Compensation	Flexible Benefits Trust	Scholarship Funds	Student Activity	Payroll	
ASSETS:						
Cash and cash equivalents	\$ 76,642	\$ 2,765	\$ 8,899	\$ 28,780	\$ 1,339	\$ 118,425
Total Assets	\$ 76,642	\$ 2,765	\$ 8,899	\$ 28,780	\$ 1,339	\$ 118,425
LIABILITIES:						
Payroll payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	-	-	-	1,339	1,339
Due to student groups	-	-	-	28,780	-	28,780
Total Liabilities	-	-	-	\$ 28,780	\$ 1,339	30,119
NET POSITION:						
Held in Trust for Claims	76,642	2,765	-			79,407
Held in Trust for Scholarships	-	-	8,899			8,899
Total Net Position	\$ 76,642	\$ 2,765	\$ 8,899			\$ 88,306

RIVERTON SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2019

	<u>Flexible Benefits Trust Fund</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Scholarship Funds</u>	<u>Total</u>
ADDITIONS:				
Contributions	\$ 67,105	\$ 4,950	\$ 575	\$ 72,630
Total Contributions	67,105	4,950	575	72,630
Investment earnings:				
Interest earned	11	341	47	399
Total Additions	<u>67,116</u>	<u>5,291</u>	<u>622</u>	<u>73,029</u>
DEDUCTIONS:				
Claims Paid	65,379	49	-	65,428
Scholarships paid	<u>-</u>	<u>-</u>	<u>750</u>	<u>750</u>
Total Deductions	<u>65,379</u>	<u>49</u>	<u>750</u>	<u>66,178</u>
Change in Net Position	1,737	5,242	(128)	6,851
Net Position - July 1, 2018	<u>1,028</u>	<u>71,400</u>	<u>9,027</u>	<u>81,455</u>
Net Position - June 30, 2019	<u>\$ 2,765</u>	<u>\$ 76,642</u>	<u>\$ 8,899</u>	<u>\$ 88,306</u>

RIVERTON SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2019

	<u>Balance</u> <u>July 1, 2018</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Interfund</u> <u>Payable</u>	<u>Balance</u> <u>June 30, 2019</u>
Elementary / Junior High	\$ 30,603	\$ 45,045	\$ 46,868	\$ -	\$ 28,780
	<u>\$ 30,603</u>	<u>\$ 45,045</u>	<u>\$ 46,868</u>	<u>\$ -</u>	<u>\$ 28,780</u>

RIVERTON SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2019

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
ASSETS:				
Cash and cash equivalents	\$ 49,659	\$ 3,121,547	\$ 3,169,867	\$ 1,339
Total Assets	<u>\$ 49,659</u>	<u>\$ 3,121,547</u>	<u>\$ 3,169,867</u>	<u>\$ 1,339</u>
 LIABILITIES:				
Net payroll	\$ 24,050	\$ 1,705,782	\$ 1,729,832	\$ -
Interfund Payable	516	823	-	1,339
Payroll deductions and withholdings	<u>25,093</u>	<u>1,414,799</u>	<u>1,439,892</u>	<u>-</u>
Total Liabilities	<u>\$ 49,659</u>	<u>\$ 3,121,404</u>	<u>\$ 3,169,724</u>	<u>\$ 1,339</u>

Statistical Section

Riverton School District
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

J-1

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Invested in capital assets, net of related debt	\$ 145,499	\$ 257,546	\$ 389,769	\$ 569,595	\$ 807,842	\$ 924,534	\$ 986,371	\$ 892,548	\$ 1,376,105	\$ 1,469,287
Restricted for:										
Capital projects	33,587	59,383	94,940	128,530	284,020	358,311	431,664	61,118	365,162	501,400
Other purposes	180,543	272,062	351,630	335,355	270,521	274,096	313,205	908,397	365,300	428,580
Unrestricted	(464)	57,933	71,341	95,468	127,527	(502,907)	(517,994)	(633,870)	(661,014)	(708,123)
Total governmental activities net position	<u>\$ 359,165</u>	<u>\$ 646,924</u>	<u>\$ 907,680</u>	<u>\$ 1,128,948</u>	<u>\$ 1,489,910</u>	<u>\$ 1,054,034</u>	<u>\$ 1,213,246</u>	<u>\$ 1,228,193</u>	<u>\$ 1,445,553</u>	<u>\$ 1,691,144</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ 15,404	\$ 13,350	\$ 13,737	\$ 14,411	\$ 11,989	\$ 9,567
Unrestricted	32,703	29,280	36,422	21,524	13,537	26,782	17,574	12,982	21,633	13,082
Total business-type activities net position	<u>\$ 32,703</u>	<u>\$ 29,280</u>	<u>\$ 36,422</u>	<u>\$ 21,524</u>	<u>\$ 28,941</u>	<u>\$ 40,132</u>	<u>\$ 31,311</u>	<u>\$ 27,393</u>	<u>\$ 33,622</u>	<u>\$ 22,649</u>
District-wide:										
Invested in capital assets, net of related debt	\$ 145,499	\$ 257,546	\$ 389,769	\$ 569,595	\$ 823,246	\$ 937,884	\$ 1,000,108	\$ 906,959	\$ 1,388,094	\$ 1,478,854
Restricted for:										
Capital projects	33,587	59,383	94,940	128,530	284,020	358,311	431,664	61,118	365,162	501,400
Other purposes	180,543	272,062	351,630	335,355	270,521	274,096	313,205	908,397	365,300	428,580
Unrestricted	32,239	87,213	107,763	116,992	141,064	(476,125)	(500,420)	(620,888)	(639,381)	(695,041)
Total district net position	<u>\$ 391,868</u>	<u>\$ 676,204</u>	<u>\$ 944,102</u>	<u>\$ 1,150,472</u>	<u>\$ 1,518,851</u>	<u>\$ 1,094,166</u>	<u>\$ 1,244,557</u>	<u>\$ 1,255,586</u>	<u>\$ 1,479,175</u>	<u>\$ 1,713,793</u>

Riverton School District
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 1,687,246	\$ 1,153,589	\$ 1,288,876	\$ 1,335,602	\$ 1,508,251	\$ 1,646,890	\$ 1,654,757	\$ 1,652,459	\$ 1,703,918	\$ 1,827,620
Special education	413,805	290,751	400,539	347,908	337,929	341,943	354,564	380,849	418,051	464,781
Other instruction	120,448	103,219	112,434	119,759	138,494	134,798	137,638	138,994	124,347	126,288
Support Services:										
Tuition	1,061,015	1,294,174	1,300,048	1,350,683	1,230,509	1,137,815	1,252,490	1,181,723	1,318,444	1,241,432
Student & instruction related services	670,947	593,686	519,105	481,126	515,034	529,087	563,948	547,144	500,995	526,530
General and business administrative services	391,269	336,026	345,328	345,853	357,607	382,415	423,464	406,293	416,502	455,554
Plant operations and maintenance	378,883	382,716	318,312	375,243	365,400	512,904	410,143	543,645	426,099	402,688
Pupil transportation	106,684	106,902	95,438	130,989	93,104	99,009	103,463	101,508	88,184	80,351
Business and other support services										
Employee benefits	277,047	716,509	851,974	977,396	928,785	930,058	1,049,827	1,313,100	3,131,179	2,790,637
Interest on long-term debt	35,997	31,157	26,100	20,826	16,748	11,310	2,827			
Unallocated depreciation	5,813	5,952	6,600	5,564	8,392	10,514	11,184	9,048	9,891	8,814
Total governmental activities expenses	<u>5,149,154</u>	<u>5,014,681</u>	<u>5,264,754</u>	<u>5,490,949</u>	<u>5,500,253</u>	<u>5,736,743</u>	<u>5,964,305</u>	<u>6,274,763</u>	<u>8,137,610</u>	<u>7,924,675</u>
Food service	42,335	56,375	46,688	61,492	46,631	42,518	67,875	61,083	48,198	65,854
Total business-type activities expense	<u>42,335</u>	<u>56,375</u>	<u>46,688</u>	<u>61,492</u>	<u>46,631</u>	<u>42,518</u>	<u>67,875</u>	<u>61,083</u>	<u>48,198</u>	<u>65,854</u>
Total district expenses	<u>\$ 5,191,489</u>	<u>\$ 5,071,056</u>	<u>\$ 5,311,442</u>	<u>\$ 5,552,441</u>	<u>\$ 5,546,884</u>	<u>\$ 5,779,261</u>	<u>\$ 6,032,180</u>	<u>\$ 6,335,846</u>	<u>\$ 8,185,808</u>	<u>\$ 7,990,529</u>
Program Revenues:										
Governmental activities:										
Operating grants and contributions	\$ 457,823	\$ 392,421	\$ 449,732	\$ 515,485	\$ 127,305	\$ 531,525	\$ 629,092	\$ 708,401	\$ 2,532,469	\$ 2,189,660
Charges for services			14,000	17,132						
Total governmental activities program revenues	<u>457,823</u>	<u>392,421</u>	<u>463,732</u>	<u>532,617</u>	<u>127,305</u>	<u>531,525</u>	<u>629,092</u>	<u>708,401</u>	<u>2,532,469</u>	<u>2,189,660</u>
Business-type activities:										
Charges for services:										
Food service	\$ 40,090	\$ 35,408	\$ 35,347	\$ 30,799	\$ 38,594	\$ 40,782	\$ 41,824	\$ 38,360	\$ 38,472	\$ 39,410
Operating grants and contributions	14,687	17,544	18,483	15,795	15,454	12,927	17,230	15,809	15,955	15,471
Capital grants and contributions										
Total business type activities program revenues	<u>54,777</u>	<u>52,952</u>	<u>53,830</u>	<u>46,594</u>	<u>54,048</u>	<u>53,709</u>	<u>59,054</u>	<u>54,169</u>	<u>54,427</u>	<u>54,881</u>
Total district program revenues	<u>\$ 512,600</u>	<u>\$ 445,373</u>	<u>\$ 517,562</u>	<u>\$ 579,211</u>	<u>\$ 181,353</u>	<u>\$ 585,234</u>	<u>\$ 688,146</u>	<u>\$ 762,570</u>	<u>\$ 2,586,896</u>	<u>\$ 2,244,541</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (4,691,331)	\$ (4,622,260)	\$ (4,801,022)	\$ (4,958,332)	\$ (5,372,948)	\$ (5,205,218)	\$ (5,335,213)	\$ (5,566,362)	\$ (5,605,141)	\$ (5,735,015)
Business-type activities	12,442	(3,423)	7,142	(14,898)	7,417	11,191	(8,821)	(6,914)	6,229	(10,973)
Total district-wide net expense	<u>\$ (4,678,889)</u>	<u>\$ (4,625,683)</u>	<u>\$ (4,793,880)</u>	<u>\$ (4,973,230)</u>	<u>\$ (5,365,531)</u>	<u>\$ (5,194,027)</u>	<u>\$ (5,344,034)</u>	<u>\$ (5,573,276)</u>	<u>\$ (5,598,912)</u>	<u>\$ (5,745,988)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 4,035,363	\$ 4,312,289	\$ 4,411,358	\$ 4,499,585	\$ 4,642,321	\$ 4,668,552	\$ 4,739,666	\$ 4,981,583	\$ 5,232,745	\$ 5,393,027
Taxes levied for debt service	147,193	147,408	147,405	147,185	141,748	141,310	135,655			
Unrestricted grants and contributions	609,285	425,352	496,448	536,860	893,988	546,370	570,294	543,989	535,255	546,699
Miscellaneous income	14,446	24,970	6,567	5,402	55,853	44,796	48,810	55,707	54,531	40,880
Transfers										
Total governmental activities	<u>4,806,287</u>	<u>4,910,019</u>	<u>5,061,778</u>	<u>5,189,032</u>	<u>5,733,910</u>	<u>5,401,028</u>	<u>5,494,425</u>	<u>5,581,279</u>	<u>5,822,531</u>	<u>5,980,606</u>
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	-	-
Miscellaneous								2,996		
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,996</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>\$ 4,806,287</u>	<u>\$ 4,910,019</u>	<u>\$ 5,061,778</u>	<u>\$ 5,189,032</u>	<u>\$ 5,733,910</u>	<u>\$ 5,401,028</u>	<u>\$ 5,494,425</u>	<u>\$ 5,584,275</u>	<u>\$ 5,822,531</u>	<u>\$ 5,980,606</u>
Change in Net Position:										
Governmental activities	\$ 114,956	\$ 287,759	\$ 260,756	\$ 230,700	\$ 360,962	\$ 195,810	\$ 159,212	\$ 14,917	\$ 217,390	\$ 245,591
Business-type activities	12,442	(3,423)	7,142	(14,898)	7,417	11,191	(8,821)	(3,918)	6,229	(10,973)
Total district-wide	<u>\$ 127,398</u>	<u>\$ 284,336</u>	<u>\$ 267,898</u>	<u>\$ 215,802</u>	<u>\$ 368,379</u>	<u>\$ 207,001</u>	<u>\$ 150,391</u>	<u>\$ 10,999</u>	<u>\$ 223,619</u>	<u>\$ 234,618</u>

**Riverton School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years**
(modified accrual basis of accounting)

J-3

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund:										
Restricted for:										
Capital reserve	\$ 33,892	\$ 59,383	\$ 94,940	\$ 128,530	\$ 284,020	\$ 358,311	\$ 431,664	\$ 61,118	\$ 365,162	\$ 501,400
Future tuition payments	21,413	-	-	-	-	-	59,000	59,000	-	-
Maintenance reserve	102,327	155,066	234,534	241,613	241,613	241,613	241,613	163,138	241,613	241,613
Excess surplus	-	-	-	-	12,265	-	-	-	47,167	47,283
Excess surplus - designated for subsequent year's budget	-	-	-	-	-	12,265	-	-	-	47,167
Assigned for:										
Year-end Encumbrances	1,998	63,496	16,096	40,242	16,643	20,218	12,592	686,229	76,520	92,517
Subsequent year's budget	54,500	53,500	101,000	53,500	-	-	-	-	-	-
Unrestricted	215,750	242,165	222,130	223,887	22,497	223,137	245,388	216,941	204,226	209,097
Total general fund	<u>\$ 429,880</u>	<u>\$ 573,610</u>	<u>\$ 668,700</u>	<u>\$ 687,772</u>	<u>\$ 577,038</u>	<u>\$ 855,544</u>	<u>\$ 990,257</u>	<u>\$ 1,186,426</u>	<u>\$ 934,688</u>	<u>\$ 1,139,077</u>
All Other Governmental Funds										
Reserved:										
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Riverton School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ending June 30,

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Tax levy	\$ 4,182,556	\$ 4,459,697	\$ 4,558,763	\$ 4,646,770	\$ 4,784,069	\$ 4,809,862	\$ 4,875,321	\$ 4,981,583	\$ 5,232,745	\$ 5,393,027
Tuition charges	-	-	14,000	17,132	50,162	39,706	44,601	49,782	39,656	30,574
Miscellaneous	14,446	24,970	6,567	5,402	6,691	5,090	5,959	5,925	14,875	10,306
State sources	836,125	710,460	813,272	942,705	900,587	966,761	1,080,320	1,136,453	1,225,818	1,314,197
Federal sources	230,983	107,313	132,908	109,640	119,706	111,134	117,316	115,937	118,621	125,013
Total revenue	<u>5,264,110</u>	<u>5,302,440</u>	<u>5,525,510</u>	<u>5,721,649</u>	<u>5,861,215</u>	<u>5,932,553</u>	<u>6,123,517</u>	<u>6,289,680</u>	<u>6,631,715</u>	<u>6,873,117</u>
Expenditures										
Instruction										
Regular Instruction	1,669,416	1,161,524	1,293,675	1,327,093	1,472,085	1,576,751	1,571,992	1,591,251	1,650,947	1,771,872
Special education instruction	413,805	290,751	400,539	347,908	337,929	341,943	354,564	380,849	418,051	464,781
Other special instruction	120,448	103,219	112,434	119,759	138,494	134,798	137,638	138,994	124,347	126,288
Support Services:										
Tuition	1,061,015	1,294,174	1,300,048	1,350,683	1,230,509	1,137,815	1,252,490	1,181,723	1,318,444	1,241,432
Student & instruction related services	670,948	593,686	519,105	481,126	515,034	529,087	563,948	547,144	500,995	526,530
General and business admin. services	387,815	332,433	341,085	340,288	347,856	371,900	412,281	395,912	406,613	446,739
Plant operations and maintenance	375,430	393,282	307,764	364,916	396,311	495,661	384,269	489,181	313,232	435,161
Pupil transportation	106,684	106,902	95,438	130,989	93,104	99,009	103,463	101,508	88,184	80,351
Employee benefits	277,047	716,509	851,974	977,396	928,785	927,205	1,014,142	1,214,219	1,377,210	1,435,784
Capital outlay	21,773	18,822	60,953	115,234	170,094	98,568	58,362	52,730	685,430	140,020
Debt service:										
Principal	110,000	115,000	120,000	125,000	125,000	130,000	130,000	-	-	-
Interest and other charges	37,193	32,408	27,405	22,185	16,748	11,310	5,655	-	-	-
Total expenditures	<u>5,251,574</u>	<u>5,158,710</u>	<u>5,430,420</u>	<u>5,702,577</u>	<u>5,771,949</u>	<u>5,854,047</u>	<u>5,988,804</u>	<u>6,093,511</u>	<u>6,883,453</u>	<u>6,668,958</u>
Excess (Deficiency) of revenues over (under) expenditures	12,536	143,730	95,090	19,072	89,266	78,506	134,713	196,169	(251,738)	204,159
Other Financing sources (uses)										
Proceeds from borrowing	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 12,536</u>	<u>\$ 143,730</u>	<u>\$ 95,090</u>	<u>\$ 19,072</u>	<u>\$ 89,266</u>	<u>\$ 78,506</u>	<u>\$ 134,713</u>	<u>\$ 196,169</u>	<u>\$ (251,738)</u>	<u>\$ 204,159</u>
Debt service as a percentage of noncapital expenditures	2.81%	2.87%	2.75%	2.63%	2.53%	2.46%	2.29%	0.00%	0.00%	0.00%

Source: District records

Riverton School District
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

J-5

<u>Fiscal Year Ending June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Donations</u>	<u>Prior Year Refunds</u>	<u>Miscellaneous</u>	<u>Total</u>
2010	\$ 5,072	\$ 7,475	\$ -	\$ 1,790	\$ 109	\$ 14,446
2011	5,951	15,400		3,457	162	24,970
2012	5,203	14,000		1,364		20,567
2013	4,229	17,132		854	319	22,534
2014	4,382	50,162			2,309	56,853
2015	3,200	39,706			1,890	44,796
2016	3,727	44,601			482	48,810
2017	3,576	49,782		1,762	587	55,707
2018	4,284	39,656	160	8,910	1,521	54,531
2019	7,740	30,574			2,566	40,880
	<u>\$ 47,364</u>	<u>\$ 308,488</u>	<u>\$ 160</u>	<u>\$ 18,137</u>	<u>\$ 9,945</u>	<u>\$ 384,094</u>

Source: District records

Riverton School District
 Assessed Value and Actual Value of Taxable Property,
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2010	\$ 978,200	\$ 256,017,200	\$ 17,879,900	\$ 1,600,300	\$ 7,261,100	\$ 283,736,700	\$ 231,522	\$ 283,968,222	\$ 29,600,100	\$ 1.570	\$ 301,535,156
2011	1,258,400	255,935,000	17,405,800	1,600,300	7,261,100	283,460,600	207,789	283,668,389	29,326,200	1.607	287,857,457
2012	1,103,200	255,357,500	17,405,800	1,600,300	7,221,000	282,687,800	202,256	282,890,056	29,412,200	1.642	277,186,286
2013	791,600	218,189,400	15,361,900	1,358,900	6,058,500	241,760,300	210,986	241,971,286	26,449,800	1.977	258,962,003
2014	791,600	218,089,800	15,361,900	1,358,900	6,058,500	241,660,700	157,848	241,818,548	26,449,800	1.989	257,409,225
2015	692,300	218,345,700	15,361,900	1,358,900	6,058,500	241,817,300	100	241,817,400	26,449,800	2.016	255,483,001
2016	692,300	218,445,800	15,586,900	1,358,900	6,058,500	242,142,400	100	242,142,500	26,449,800	2.057	263,576,762
2017	744,000	218,261,100	15,586,900	1,358,900	6,058,500	242,009,400	100	242,009,500	26,449,800	2.162	274,264,126
2018	744,000	217,984,300	15,586,900	1,358,900	6,058,500	241,732,600	86	241,732,686	26,660,500	2.231	280,151,090
2019	744,000	217,958,100	15,586,900	1,358,900	6,058,500	241,706,400	86	241,706,486	26,911,300	2.275	279,283,334

Source: Municipal Tax Assessor

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

a Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100 of assessed valuation.

R Revaluation

Riverton School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

J-7

Fiscal Year Ended June 30,	Riverton School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Borough of Riverton	Burlington County	
2010	\$ 1.520	\$ 0.050	\$ 1.570	\$ 0.598	\$ 0.404	\$ 2.572
2011	1.557	0.050	1.607	0.598	0.385	2.590
2012	1.592	0.050	1.642	0.606	0.373	2.621
2013	1.919	0.058	1.977	0.754	0.406	3.137
2014	1.931	0.058	1.989	0.796	0.407	3.192
2015	1.960	0.056	2.016	0.818	0.438	3.272
2016	2.057	-	2.057	0.837	0.444	3.338
2017	2.162	-	2.162	0.854	0.462	3.478
2018	2.231	-	2.231	0.854	0.464	3.549
2019	2.275	-	2.275	0.854	0.461	3.590

Source: Municipal Tax Collector

**Riverton School District
Principal Property Tax Payers,
Current Year and Nine Years Ago**

J-8

Taxpayer	2019		Taxpayer	2010	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
ARCP CV Riverton NH, LLC	\$ 2,450,100	1.01%	D & P Goffredo	\$ 1,247,900	0.44%
Individual #1	2,290,800	0.95%	SSJ Holding, LP Shopping Center	1,152,900	0.41%
National Casein Sales	1,505,900	0.62%	Chas. Cook, Glue Factory	1,007,900	0.36%
Cedar Lane Manor Apt., LLC	1,417,600	0.59%	Moccia Properties	867,350	0.31%
Individual #2	1,378,200	0.57%	Cedar Lane Manor, Apt. Complex	740,000	0.26%
APK Properties, LLC	1,192,000	0.49%	Individual #1	621,300	0.22%
Individual #3	1,182,300	0.49%	Riverton Country Club	647,000	0.23%
K&P1 Realty, LLC	911,300	0.38%	Individual #2	488,800	0.17%
Individual #4	861,300	0.36%	Individual #3	488,580	0.17%
Riverton Country Club	855,200	0.35%	Individual #4	439,100	0.16%
Total	\$ 14,044,700	5.81%		\$ 7,700,830	2.72%

Source: Municipal Tax Assessor

**Riverton School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

J-9

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Calendar Year</u>	<u>Collected within the Fiscal Year of the Levy^a</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2010	\$ 4,182,556	\$ 4,182,556	100.00%	-
2011	4,459,697	4,459,697	100.00%	-
2012	4,558,763	4,558,763	100.00%	-
2013	4,646,770	4,646,770	100.00%	-
2014	4,784,069	4,784,069	100.00%	-
2015	4,809,862	4,809,862	100.00%	-
2016	4,875,321	4,875,321	100.00%	-
2017	4,981,583	4,981,583	100.00%	-
2018	5,232,745	5,232,745	100.00%	-
2019	5,393,027	5,393,027	100.00%	-

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

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

**Riverton School District
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years**

J-10

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Total District	Percentage of Personal Income ^b	Per Capita ^c
	General Obligation Bonds ^a	Capital Leases	Capital Leases				
2010	\$ 745,000	\$ -	\$ -		\$ 745,000	0.56%	269
2011	630,000	-	-		630,000	0.46%	228
2012	510,000	-	-		510,000	0.36%	185
2013	385,000	-	-		385,000	0.27%	140
2014	260,000	-	-		260,000	0.18%	95
2015	130,000	-	-		130,000	0.09%	48
2016	-	-	-		-	-	-
2017	-	-	-		-	-	-
2018	-	-	-		-	-	-
2019	-	-	-		-	-	-

Sources:

- a District Records
- b Personal Income has been estimated based upon the municipal population and per capita personal income.
- c Per Capita Personal Income Data provided by the NJ Dept. of Labor and Workforce.
- d Unavailable.

**Riverton School District
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years**

J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable ^b	Per Capita ^c
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding ^a		
2010	\$ 745,000	\$ -	\$ 745,000	0.26%	268
2011	630,000	-	630,000	0.22%	227
2012	510,000	-	510,000	1.80%	184
2013	385,000	-	385,000	0.16%	139
2014	260,000	-	260,000	0.11%	94
2015	130,000	-	130,000	0.05%	47
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-

Sources:

- a District Records
- b Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- c Per Capita Personal Income Data provided by the NJ Dept. of Labor and Workforce.
- d Unavailable.

**Riverton School District
 Ratios of Overlapping Governmental Activities Debt
 As of December 31, 2018**

J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Borough of Riverton (1)	\$ 2,141,423	100.000%	\$ 2,141,423
Burlington County General Obligation Debt (1)	253,458,314	0.591% (2)	1,497,939
			<hr/>
Subtotal, overlapping debt			3,639,362
Riverton School District Direct Debt			<hr/> -
Total direct and overlapping debt			<hr/> \$ 3,639,362 <hr/>

Sources:

- (1) Annual Debt Statement.
- (2) The County percentage is based upon a calculation reflecting the Borough's share of the 2018 Equalized Valuation. The source for this computation was the 2018 County Abstract of Ratables, provided by the County Board of Taxation.

Riverton School District
 Legal Debt Margin Information,
 Last Ten Fiscal Years

J-13

Legal Debt Margin Calculation for Fiscal Year 2019

	Equalized valuation basis	
	2016	\$ 273,916,742
	2017	279,973,855
	2018	278,814,994
		<u>\$ 832,705,591</u>
	Average equalized valuation of taxable property	<u>\$ 277,568,530</u>
	Debt limit (3% of average equalized valuation) (2)	8,327,056
	Net bonded school debt	-
	Legal debt margin	<u>\$ 8,327,056</u>

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 8,469,170	\$ 8,630,083	\$ 8,642,533	\$ 8,219,233	\$ 7,914,354	\$ 7,691,025	\$ 7,743,761	\$ 7,914,562	\$ 8,166,213	\$ 8,327,056
Total net debt applicable to limit (3)	<u>745,000</u>	<u>630,000</u>	<u>510,000</u>	<u>385,000</u>	<u>260,000</u>	<u>130,000</u>	-	-	-	-
Legal debt margin	<u>\$ 7,724,170</u>	<u>\$ 8,000,083</u>	<u>\$ 8,132,533</u>	<u>\$ 7,834,233</u>	<u>\$ 7,654,354</u>	<u>\$ 7,561,025</u>	<u>\$ 7,743,761</u>	<u>\$ 7,914,562</u>	<u>\$ 8,166,213</u>	<u>\$ 8,327,056</u>
Total net debt applicable to the limit as a percentage of debt limit	8.80%	7.30%	5.90%	4.68%	3.29%	1.69%	0.00%	0.00%	0.00%	0.00%

Sources:

- (1) Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 8 district.
- (3) District Records

**Riverton School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

J-14

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2010	2,765	\$ 133,756,875	\$ 48,375	5.5%
2011	2,757	137,770,047	49,971	5.4%
2012	2,759	140,769,698	51,022	5.6%
2013	2,743	141,253,528	51,496	7.4%
2014	2,733	146,185,437	53,489	5.5%
2015	2,718	152,262,360	56,020	4.7%
2016	2,700	155,166,300	57,469	3.5%
2017	2,691	160,542,369	59,659	3.4%
2018	2,685	e	e	3.2%
2019	e	e	e	e

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development
- ^b Personal income has been established based upon the municipal population and per capita personal income presented.
- ^c Per Capita personal income provided by the NJ Dept. of Labor and Workforce Development.
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development
- ^e Information not available

**Riverton School District
 Full-time Equivalent District Employees by Function/Program,
 Last Ten Fiscal Years**

J-16

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction										
Regular	20	19	19	20	20	21	22	24	24	24
Special education	3	3	3	3	3	3	3	3	3	3
Support Services:										
Student & instruction related services	3	3	3	4	4	4	4	4	3	3
General and business administrative services	3	3	3	3	3	3	3	3	3	3
Plant operations and maintenance	2	2	2	2	2	2	2	2	2	2
Business and other support services	2	2	2	2	2	2	2	2	2	2
Total	<u>33</u>	<u>32</u>	<u>32</u>	<u>34</u>	<u>34</u>	<u>35</u>	<u>36</u>	<u>38</u>	<u>37</u>	<u>37</u>

Source:
 District Personnel Records

Riverton School District
 Operating Statistics,
 Last Ten Fiscal Years

J-17

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Pupil/Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2010	265	\$ 5,082,608	\$ 19,180	1.91%	23	1:11	269.4	258.9	3.54%	96.10%
2011	279	4,992,480	17,894	-6.70%	22	1:12	279.2	268.8	3.64%	96.28%
2012	280	5,222,062	18,650	4.22%	22	1:12	283.3	274.3	1.47%	96.82%
2013	283	5,440,158	19,223	3.07%	23	1:12	284.0	274.3	0.25%	96.58%
2014	304	5,460,107	17,961	-6.57%	23	1:13	302.9	293.8	6.65%	97.02%
2015	295	5,614,169	19,031	5.96%	24	1:12	293.1	282.9	-3.24%	96.52%
2016	306	5,794,787	18,937	-0.49%	25	1:12	308.6	297.7	5.29%	96.47%
2017	291	6,040,781	20,759	9.62%	27	1:11	291.0	279.3	-5.70%	95.99%
2018	296	6,198,023	20,939	0.87%	27	1:11	295.0	283.6	1.37%	96.13%
2019	290	6,528,938	22,514	7.52%	27	1:11	294.6	284.6	-0.14%	96.61%

Sources: District records

Note: Enrollment based on annual October district count.

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

**Riverton School District
School Building Information
Last Ten Fiscal Years**

J-18

	<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>Elementary</u>										
Riverton Elementary (1910)										
Square Feet	42,240	42,240	42,240	42,240	42,240	42,240	42,240	42,240	42,240	42,240
Capacity (students)	322	322	322	322	322	322	322	322	322	322
Enrollment	265	279	280	283	303	295	306	291	296	290

Number of Schools at June 30, 2019
 Elementary = 1
 Middle School = 0
 Senior High School = 0
 Other = 0

Source: District Facilities Office

Riverton School District
 Schedule of Required Maintenance
 Last Ten Fiscal Years

J-19

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total
* School Facilities											
Riverton Public School	\$ 49,345	\$ 97,192	\$ 43,153	\$ 87,011	\$ 108,440	\$ 180,608	\$ 103,544	\$ 147,853	\$ 33,474	\$ 127,189	\$ 977,809
Project # (s)											
Total School Facilities	<u>\$ 49,345</u>	<u>\$ 97,192</u>	<u>\$ 43,153</u>	<u>\$ 87,011</u>	<u>\$ 108,440</u>	<u>\$ 180,608</u>	<u>\$ 103,544</u>	<u>\$ 147,853</u>	<u>\$ 33,474</u>	<u>\$ 127,189</u>	<u>\$ 977,809</u>

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

Source: District records

**Riverton School District
Insurance Schedule
June 30, 2019**

J-20

	<u>Coverage</u>	<u>Deductable</u>
School Package Policy (1)		
Property (Buildings and Contents Blanketed)	\$ 8,155,503	\$ 2,500
Boiler and Machinery	100,000,000	2,500
General Liability	5,000,000	2,500
Automobile	10,000,000	1,000
Pollution Liability	1,000,000	
Workers' Compensation	Statutory	
Blanket Dishonesty Bond	50,000/500,000	1,000
Student Accident (2)	1,000,000	
School Board Legal Liability	10,000,000	
Surety Bonds (3)		
Treasurer	175,000	
Board Secretary/Business Administrator	80,000	

- (1) School Alliance Insurance Fund
- (2) National Union Fire Insurance Company
- (3) Selective Insurance Company

Source: District records

Single Audit Section

INVERSO & STEWART, LLC
Certified Public Accountants

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-Member of-
 American Institute of CPAs
 New Jersey Society of CPAs

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
 of the Board of Education
 Riverton School District
 County of Burlington
 Riverton, New Jersey

Report on Compliance for Each Major State Program

I have audited Riverton School District (School District), in the County of Burlington, State of New Jersey's compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2019. The School District's major state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the School District's major state programs based on my audit of the types of compliance requirements referred to above. I conducted my 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 State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and State of New Jersey Circular 15-08-OMB require that I 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 School District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major state program. However, my audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major State Program

In my opinion, the Riverton School District, in the County of Burlington, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2019.

Report on Internal Control Over Compliance

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

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

My 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. I did not identify any deficiencies in internal control over compliance that I 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 my testing of internal control over compliance and the results of that testing based on the requirements of State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
November 15, 2019

RIVERTON SCHOOL DISTRICT
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	Program or Award Amount	Grant Period From - To	Balance June 30, 2018			Carryover (Walkover)	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2019		
						(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
Title I:															
Fiscal Year 2019	84.010A	S010A180030	ESSA446019	\$ 33,344	7/1/18 - 6/30/19	\$ -	\$ -	\$ -	\$ -	\$ 7,276	\$ (33,344)	\$ -	\$ (26,068)	\$ -	\$ -
Fiscal Year 2018	84.010A	S010A170030	ESSA446018	28,525	7/1/17 - 6/30/18	(12,911)				12,911			-	-	-
Title II A:															
Fiscal Year 2019	84.367A	S367A180029	ESSA446019	9,920	7/1/18 - 6/30/19						(9,920)		(9,920)		
Fiscal Year 2018	84.367A	S367A170029	ESSA446018	9,182	7/1/17 - 6/30/18	(527)				527			-		
I.D.E.A. Part B - Basic:															
Fiscal Year 2019	84.027	H027A180100	IDEA446019	78,899	7/1/18 - 6/30/19					77,971	(78,609)		(638)		
Fiscal Year 2018	84.027	H027A170100	IDEA446018	78,535	7/1/17 - 6/30/18	(2,572)				2,572			-		
I.D.E.A. Part B - Preschool:															
Fiscal Year 2019	84.173	H173A180114	IDEA446019	3,140	7/1/18 - 6/30/19					2,011	(3,140)		(1,129)		
Fiscal Year 2018	84.173	H173A170114	IDEA446018	3,079	7/1/17 - 6/30/18	(2,332)				2,332			-		
Total U.S. Department of Education						(18,342)				105,600	(125,013)		(37,755)		
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund															
National School Lunch Program															
Fiscal Year 2019	10.555	191NJ304N1099	N/A	14,631	7/1/18 - 6/30/19					13,913	(14,631)		(718)		
Fiscal Year 2018	10.555	181NJ304N1099	N/A	15,223	7/1/17 - 6/30/18	(649)				649					
Total U.S. Department of Agriculture						(649)				14,562	(14,631)		(718)		
Total Federal Awards						\$ (18,991)	\$ -	\$ -	\$ -	\$ 120,162	\$ (139,644)	\$ -	\$ (38,473)	\$ -	\$ -

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

RIVERTON SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2019

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2018			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2019		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor				(Accounts Receivable)	Deferred Revenue	Due to Grantor
State Department of Education												
General Fund:												
Equalization Aid	19-495-034-5120-078	\$ 284,559	7/1/18- 6/30/19	\$ -	\$ -	\$ -	\$ 262,957	\$ (284,559)	\$ -	\$ (21,602)	\$ -	\$ -
Equalization Aid	18-495-034-5120-078	284,559	7/1/17- 6/30/18	(23,770)			23,770					
Special Education Categorical Aid	19-495-034-5120-089	204,103	7/1/18- 6/30/19				188,608	(204,103)		(15,495)		
Special Education Categorical Aid	18-495-034-5120-089	193,849	7/1/17- 6/30/18	(16,193)			16,193					
Transportation Aid	19-495-034-5120-014	19,613	7/1/18- 6/30/19				18,124	(19,613)		(1,489)		
Transportation Aid	18-495-034-5120-014	27,967	7/1/17- 6/30/18	(2,336)			2,336					
Security Aid	19-495-034-5120-084	33,553	7/1/18- 6/30/19				31,006	(33,553)		(2,547)		
Security Aid	18-495-034-5120-084	30,875	7/1/17- 6/30/18	(2,579)			2,579					
PARCC Readiness Aid	18-495-034-5120-098	3,560	7/1/17- 6/30/18	(298)			298					
Per Pupil Growth Aid	18-495-034-5120-097	3,560	7/1/17- 6/30/18	(298)			298					
Professional Learning Community Aid	18-495-034-5120-101	3,600	7/1/17- 6/30/18	(300)			300					
Extraordinary Aid	19-495-034-5120-044	230	7/1/18- 6/30/19					(230)		(230)		
On behalf TPAF Pension Contribution	19-495-034-5094-002	415,062	7/1/18- 6/30/19				415,062	(415,062)				
On behalf TPAF Post Retirement Medical	19-495-034-5094-001	188,272	7/1/18- 6/30/19				188,272	(188,272)				
On behalf TPAF LTDI	19-495-034-5094-004	337	7/1/18- 6/30/19				337	(337)				
Reimbursed TPAF Social Security Contr.	19-495-034-5094-003	156,533	7/1/18- 6/30/19				156,533	(156,533)				
Total General Fund				<u>(45,774)</u>			<u>1,306,673</u>	<u>(1,302,262)</u>		<u>(41,363)</u>		
Special Revenue Fund:												
Nonpublic:												
Textbook Aid	19-100-034-5120-064	534	7/1/18- 6/30/19				534	(534)				
Nursing Services	19-100-034-5120-070	1,649	7/1/18- 6/30/19				1,649	(1,649)				
Technology Initiative	19-100-034-5120-373	360	7/1/18- 6/30/19				360	(360)				
Security	19-100-034-5120-509	2,550	7/1/18- 6/30/19				2,550	(2,550)				
Security	18-100-034-5120-509	1,350	7/1/17- 6/30/18						1,350			
Handicapped Services:												
Supplemental Instruction	19-100-034-5120-066	2,379	7/1/18- 6/30/19				2,379	(793)				1,586
Supplemental Instruction	18-100-034-5120-066	3,172	7/1/17- 6/30/18						3,172			
Examination & Classification	19-100-034-5120-066	2,003	7/1/18- 6/30/19				2,003	(1,638)				365
Examination & Classification	18-100-034-5120-066	4,005	7/1/17- 6/30/18						2,367			
Total Special Revenue Fund							<u>6,889</u>	<u>(7,524)</u>		<u>6,889</u>		<u>1,951</u>
State Department of Agriculture												
National School Lunch Program (State Share)												
Fiscal Year 2019	19-100-010-3350-023	749	7/1/18- 6/30/19				711	(749)		(38)		
Fiscal Year 2018	18-100-010-3350-023	732	7/1/17- 6/30/18	(35)			35					
Total Enterprise Fund				<u>(35)</u>			<u>746</u>	<u>(749)</u>		<u>(38)</u>		
Total State Financial Assistance				<u>\$ (45,809)</u>	<u>\$ -</u>	<u>\$ 6,889</u>	<u>\$ 1,316,894</u>	<u>\$ (1,310,535)</u>	<u>\$ 6,889</u>	<u>\$ (41,401)</u>	<u>\$ -</u>	<u>\$ 1,951</u>

Less: State Financial Expenditures Not Subject to Major Program Determination
On-Behalf TPAF Contribution - Pension (Non-Budgeted) 415,062
On-Behalf TPAF Contribution - Post-Retirement Medical (Non-Budgeted) 188,272
On-Behalf TPAF Contribution - LTDI (Non-Budgeted) 337
Total State Financial Expenditures Subject to Major Program Determination \$ (706,864)

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

**Riverton School District
Notes to Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2019**

I. GENERAL

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

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are 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 bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule 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*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The school district has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$4,641 in the general fund and \$0- in the special revenue fund. See Exhibit C-3, 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.

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ -	\$ 1,306,903	\$ 1,306,903
Special Revenue	125,013	7,524	132,537
Food Service	<u>14,631</u>	<u>749</u>	<u>15,380</u>
	<u>\$ 139,644</u>	<u>\$ 1,315,176</u>	<u>\$ 1,454,820</u>

**Riverton School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2019
(Continued)**

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2019. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2019.

6. MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

RIVERTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Section 1 -- Summary of Auditor's Results (Cont'd)

State Awards Section

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

Auditee qualified as low-risk auditee? X yes no

Internal Control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular Letter 15-08 as applicable? yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>19-495-034-5120-078</u>	State Aid Public Cluster: <u>Equalization Aid</u>
<u>19-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>19-495-034-5120-084</u>	<u>Security Aid</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

**RIVERTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Section 2 -- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

No findings identified.

**RIVERTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Section 3 -- Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

FEDERAL AWARDS:

A federal single audit was not required.

STATE AWARDS:

No findings and/or questioned costs identified.

**RIVERTON SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**

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

FINANCIAL STATEMENT FINDINGS

Finding #2018-001

A School Food Services Fund is required to maintain a nonprofit School Food Service. The nonprofit status of the School Food Service is determined by evaluating net cash resources. Net cash resources may not exceed three months average expenditures.

Condition:

Net cash resources exceeded three months average expenditures.

Current Status:

Current year three months average expenditures do not exceed net cash resources.

FEDERAL AWARDS

A federal single audit was not required.

STATE AWARDS

There were no prior year audit findings.