

RIVER EDGE BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

River Edge, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

River Edge Board of Education

River Edge, New Jersey

For The Fiscal Year Ended June 30, 2020

Prepared by:

Business Office

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INTRODUCTORY SECTION

River Edge Elementary Schools

410 Bogert Road, River Edge, New Jersey 07661
201-261-3408 201-261-3404
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"Building Bright Futures Together"

Dr. Tova Ben-Dov
Superintendent of Schools

Louise A. Napolitano
Board Secretary/Business Administration

February 2, 2021

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

Dear Board Members:

The comprehensive annual financial report of the River Edge School District for the fiscal year ended June 30, 2020, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and result of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the Districts' financial activities have been included.

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the "Independent Auditor's Report", management's discussion and analysis (MD&A), the basic financial statements including the district-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual fund financial statements, notes to the financial statements and required supplementary information (RSI). The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to the State single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: River Edge School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds of the District are included in this report. The River Edge Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 6. These include regular, as well as special education for handicapped youngsters. The District completed the 2019-2020 fiscal year with an enrollment of 1258 students, which is 16 additional students than the previous year's enrollment. The following details show the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2019/20	1,258	1.27%
2018/19	1,242	2.9
2017/18	1,205	1.8
2016/17	1,183	1.1
2015/16	1,170	(2.9)
2014/15	1,205	3.5
2013/14	1,164	(3.2)
2012/13	1,202	2.0
2011/12	1,179	(1.5)
2010/11	1,197	(.7)

2.) **ECONOMIC CONDITION AND OUTLOOK:** The River Edge area is a stable community with a growing number of new residences each year. In anticipation of increased enrollment due to new development in town the BOE engaged in a new demographic study and commissioned the architects to evaluate the current use of facilities and make recommendations for optimal use of space. No action was taken at the time to change grade configurations, school enrollment lines, or initiate a referendum the district remains vigilant about the enrollment situation. For the 2019-20 school year the CHS Media Center was modified to allow space for one additional classroom. The Mayor and Council are actively engaged in developing plans for the redevelopment of the business district which will include additional housing. A new luxury apartment complex was completed prior to the 2019-20 school year. It has 69 units including 7 senior living spaces and 26-1 bedroom and 36-2 bedroom. As of June 30, 2020, this project was completed and has increased enrollment by an additional 2 students during the 2019-20 school year for a total of 9 students since the project was started. This number can obviously change based on tenants moving in and out as leases expire.

3.) MAJOR INITIATIVES:

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

Our community continues to attract new residents seeking an excellent school system. Curriculum and staff development are guided by a district administration and the Supervisor of Curriculum and Instruction. The River Edge Schools have also included the position of a Literacy Coach/Supervisor to guide the implementation of Reading/Writing Workshop programs and implement the NJ Student Learning Standards as well as a Math and Science Coach/Supervisor to increase rigor in these subject areas. During the 2012-13 school year River Edge updated its technology Infra Structure and added technological devices to better prepare students for the 21st Century. Since the 2013-14 School year and on, every year the River Edge School District has also upgraded its safety provisions and protocols for students, including the addition of new and replacement of old safety cameras in school buildings. A new telephone system was installed for classrooms as well as an updated paging system with additional speakers, an alarm and blue light warning system. To comply with Alyssa's Law we are also connected to the police department enabling them to view the output of our cameras and receive school alarms.

We also continued our one-on-one technology initiatives that were begun a few years ago to provide technological devices for students and staff. During the 2019-20 school year all students and staff had access to one-on-one devices that include chromebooks, Mac laptops, and ipads which are used for meaningful technology. During the closure of schools caused by the pandemic, individual devices were given out to families who couldn't afford their own so that students could study virtually from home. The Board of Education continues to support professional development efforts in order to maintain instructional excellence in the district. To this end we added a position of a second technology coach to help guide teachers and students. A great deal of PD was devoted during the 2019-20 school closure to support teachers in interactive virtual teaching.

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

The River Edge School district is committed to a philosophy and practice of differentiation. During the 2015-16 school year the Post-dismissal Instructional Academy was added to help struggling students to reach their academic potential. This program was improved and continued to serve students during 2018-2019 with increased rigor and benchmark assessments being administered to better monitor growth. During the 2019-20 school year, the W.I.N. (What I Need) program augmented the district's efforts towards differentiation, requiring additional staffing.

Students in River Edge enjoy a wide variety of educational experiences that extend and broaden the curriculum. During the 2016-17 school year we began to develop and implement our STEAM program. To this end we started the conversion of two Discovery Labs to STEAM Labs and provided PD for teachers to support the development of the program in grades K-6. The project was completed during the 2017-18 school year and enhanced during the 2018-19 school year. We have also formed an active partnership with Liberty Science Center to pursue STEAM Goals. The collaboration with Liberty Science was expanded in 2018-19 to include all grade levels on a rotating schedule and continued in 2019-20 up to the point of school closures.

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

Character development is an important part of the school program. Pupil Assistance Counselors provide social/emotional support to students in crisis and design proactive programs for building students' self-confidence and resiliency. The school nurses and principals work closely with the counselors to identify students and design intervention and Anti-bullying programs that are proactive, meaningful, and appropriate. Mindfulness and flexible seating also became part of our program supporting the mind and body connection during the 2019-20 school year. Multiculturalism became an important staple of our program. It was integrated and pursued through literature, lessons, and activities. Special programs were held for students and families new to the district in September 2019 and they continued to receive support throughout the year.

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

Parents are actively involved in our schools; Parent Teacher Organizations take an active role in supporting instructional decisions and activities by communicating school goals and programs to parents and by fundraising to help finance field trips, assemblies, and the purchase of additional instructional, enrichment materials and technological devices. In addition, parents serve on committees to consider new programs or initiatives for the district, to establish school goals, and to provide valuable input for technology decisions, Wellness, School Climate, and the development of security procedures for the schools.

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

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

5.) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General, Special Revenue and Debt Service Funds. Project-length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

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

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

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


9.) OTHER INFORMATION:

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


10.) ACKNOWLEDGMENTS:

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

Respectfully submitted,



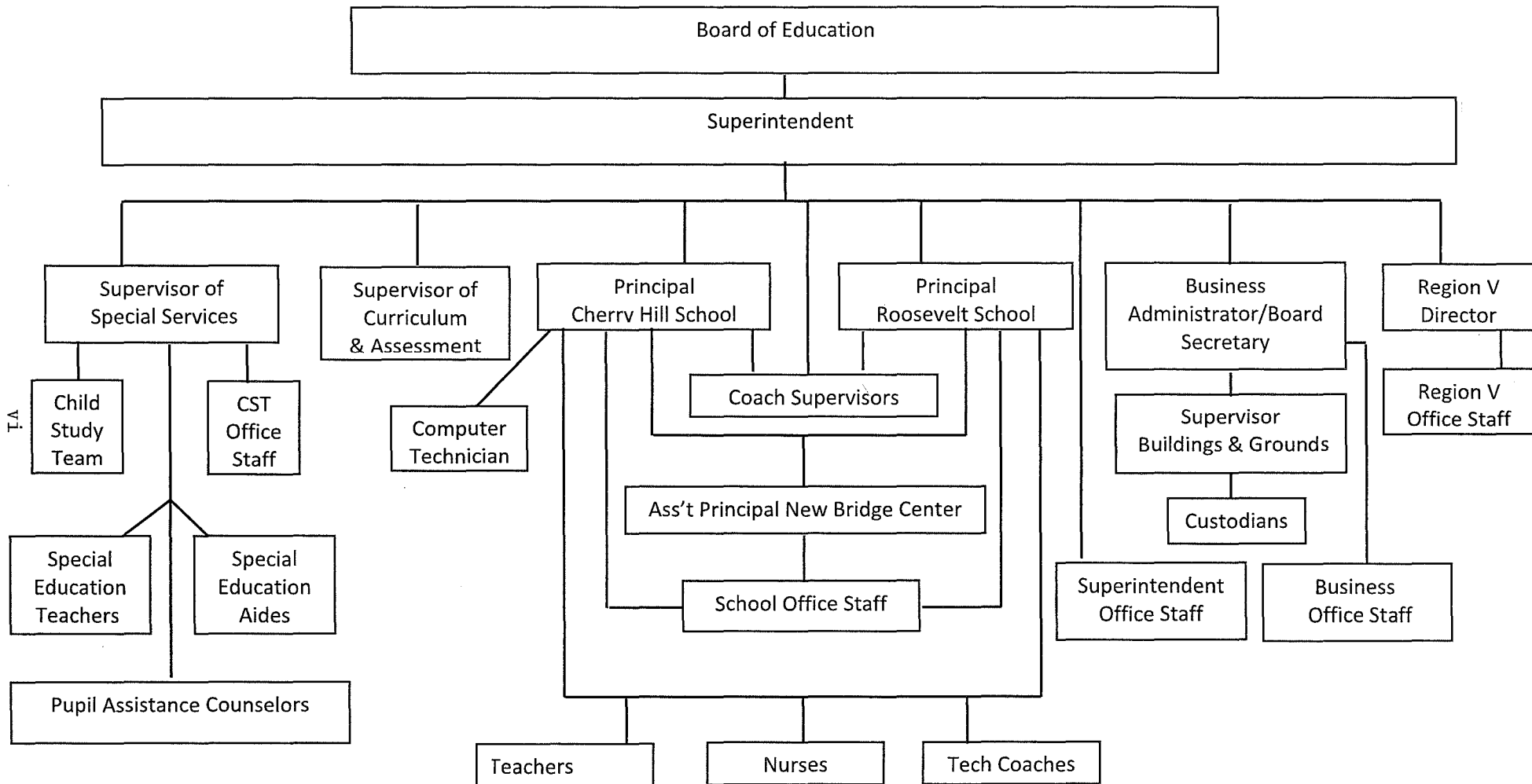
Dr. Tova Ben-Dov
Superintendent of Schools



Louise A. Napolitano
Board Secretary/Business Administrator

RIVER EDGE BOARD OF EDUCATION

ORGANIZATIONAL CHART



RIVER EDGE BOARD OF EDUCATION

**ROSTER OF OFFICIALS
JUNE 30, 2020**

<u>Members of the Board of Education</u>	<u>Terms Expires January</u>
Eun Kang– President	2022
Sheli Dansky – Vice President	2024
Gyuchang Sim	2022
Adrienne Doyle	2022
Caleb Herbst	2023
Silvija Juskeliene	2023
Elizabeth Brown	2024

Other Officials

Dr. Tova Ben-Dov – Superintendent
Louise Napolitano – Business Administrator
Antoinette Kelly - Treasurer

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

Audit Firm

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

Attorney

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

Official Depository

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

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRIS SOHN, CPA
CHRISTOPHER M. VINCI, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the River Edge Board of Education, as of and for the fiscal year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the River Edge Board of Education as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

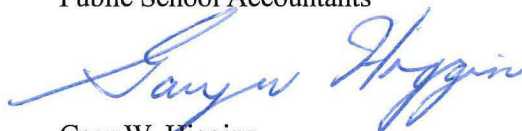
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated February 2, 2021 on our consideration of the River Edge Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the River Edge Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the River Edge Board of Education's internal control over financial reporting and compliance.



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



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
February 2, 2021

REQUIRED SUPPLEMENTARY INFORMATION - PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2020

This discussion and analysis of the River Edge School District's financial performance provides an overall review of its financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements including the notes to the financial statements to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Certain comparative information between the current year (2019-2020) and the prior year (2018-2019) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2020 is as follows:

- General revenues accounted for \$18,301,248 or 69 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$8,138,220 or 31 percent of total revenues of \$26,439,468.
- The School District had \$25,338,041 in expenses; only \$8,138,220 of these expenses are offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$18,301,248 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$22,046,773 in revenues and other financing sources \$21,224,439 in expenditures and other financing uses. The General Fund's fund balance (modified accrual) increased by \$822,334 from the fiscal year ended June 30, 2019.

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

Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2020

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document reports on all funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and ask the question, "How did we do financially during the fiscal year ended June 30, 2020?" The Statement of Net Position and the Statement of Activities answer that question. These statements include all assets, liabilities and deferred outflows/inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2020

Reporting the School District as a Whole (Continued)

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

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Funds

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

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

Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2020

The District as a Whole

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

Table 1 provides a summary of the District's net position as of June 30, 2020 and 2019.

Table 1
Net Position

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Assets						
Current and other assets	\$ 3,501,784	\$ 2,554,700	\$ 52,055	\$ 98,266	\$ 3,553,839	\$ 2,652,966
Capital assets, net	<u>18,309,045</u>	<u>18,817,828</u>	<u>-</u>	<u>-</u>	<u>18,309,045</u>	<u>18,817,828</u>
Total assets	<u>21,810,829</u>	<u>21,372,528</u>	<u>52,055</u>	<u>98,266</u>	<u>21,862,884</u>	<u>21,470,794</u>
Deferred Outflow of Resources						
Deferred Amount on Refunding of Debt	680,159	781,580			680,159	781,580
Deferred Amounts on Net Pension Liability	<u>1,108,770</u>	<u>1,954,480</u>	<u>-</u>	<u>-</u>	<u>1,108,770</u>	<u>1,954,480</u>
Total Deferred Outflow of Resources	<u>1,788,929</u>	<u>2,736,060</u>	<u>-</u>	<u>-</u>	<u>1,788,929</u>	<u>2,736,060</u>
Total Assets and Deferred Outflow of Resources	<u>23,599,758</u>	<u>24,108,588</u>	<u>52,055</u>	<u>98,266</u>	<u>23,651,813</u>	<u>24,206,854</u>
Liabilities						
Long-term liabilities	20,772,113	22,667,464			20,772,113	22,667,464
Other liabilities	<u>484,700</u>	<u>368,195</u>	<u>-</u>	<u>55,145</u>	<u>484,700</u>	<u>423,340</u>
Total liabilities	<u>21,256,813</u>	<u>23,035,659</u>	<u>-</u>	<u>55,145</u>	<u>21,256,813</u>	<u>23,090,804</u>
Deferred Inflow of Resources						
Deferred Amounts on Net Pension Liability	<u>2,658,330</u>	<u>2,480,807</u>	<u>-</u>	<u>-</u>	<u>2,658,330</u>	<u>2,480,807</u>
Total Deferred Inflow of Resources	<u>2,658,330</u>	<u>2,480,807</u>	<u>-</u>	<u>-</u>	<u>2,658,330</u>	<u>2,480,807</u>
Total Liabilities and Deferred Inflow of Resources	<u>23,915,143</u>	<u>25,516,466</u>	<u>-</u>	<u>55,145</u>	<u>23,915,143</u>	<u>25,571,611</u>
Net Position						
Net Investment in Capital Assets	\$ 4,755,910	\$ 4,353,219			\$ 4,755,910	\$ 4,353,219
Restricted	2,117,135	1,267,722			2,117,135	1,267,722
Unrestricted	<u>(7,188,430)</u>	<u>(7,028,819)</u>	<u>\$ 52,055</u>	<u>\$ 43,121</u>	<u>(7,136,375)</u>	<u>(6,985,698)</u>
Total net position	<u>\$ (315,385)</u>	<u>\$ (1,407,878)</u>	<u>\$ 52,055</u>	<u>\$ 43,121</u>	<u>\$ (263,330)</u>	<u>\$ (1,364,757)</u>

The District's combined net position were \$(263,330) and \$(1,364,757) as of June 30, 2020 and 2019, respectively. The District's net position increase \$1,101,427 during the fiscal year ended June 30, 2020.

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

Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2020

Table 2 shows changes in net position for fiscal years ended June 30, 2020 and 2019.

**Table 2
Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Charges for services	\$ 617,140	\$ 660,774	\$ 73,139	\$ 76,959	\$ 690,279	\$ 737,733
Operating grants and contributions	7,422,941	7,782,269			7,422,941	7,782,269
Capital grants and contributions	25,000	6,538			25,000	6,538
General revenues						
Property Taxes	16,917,366	16,609,231			16,917,366	16,609,231
Other revenues	1,383,384	1,132,971	498	372	1,383,882	1,133,343
Total revenues	<u>26,365,831</u>	<u>26,191,783</u>	<u>73,637</u>	<u>77,331</u>	<u>26,439,468</u>	<u>26,269,114</u>
Program Expenses						
Instruction	16,047,468	16,091,565			16,047,468	16,091,565
Support services						
Student and Instructional Related Services	3,434,252	3,488,444			3,434,252	3,488,444
General administration, school						
administration, business/central	2,695,152	2,742,373			2,695,152	2,742,373
Plant Operation and Maintenance	2,470,310	2,415,012			2,470,310	2,415,012
Pupil Transportation	129,175	141,268			129,175	141,268
Interest on debt	496,981	532,632			496,981	532,632
Food service and summer enrichment	-	-	64,703	67,923	64,703	67,923
Total expenses	<u>25,273,338</u>	<u>25,411,294</u>	<u>64,703</u>	<u>67,923</u>	<u>25,338,041</u>	<u>25,479,217</u>
Change in net position	1,092,493	780,489	8,934	9,408	1,101,427	789,897
Net Position Beginning of Year	<u>(1,407,878)</u>	<u>(2,188,367)</u>	<u>43,121</u>	<u>33,713</u>	<u>(1,364,757)</u>	<u>(2,154,654)</u>
Net Position End of Year	<u>\$ (315,385)</u>	<u>\$ (1,407,878)</u>	<u>\$ 52,055</u>	<u>\$ 43,121</u>	<u>\$ (263,330)</u>	<u>\$ (1,364,757)</u>

Governmental Activities

Property taxes made up 64 and 63 percent of revenues for governmental activities for the River Edge School District in fiscal years 2020 and 2019, respectively. The District's total revenues were \$26,365,831 and \$26,191,783 for the fiscal years ended June 30, 2020 and 2019, respectively. Federal, state, and local grants accounted for 28 and 30 percent of revenue for 2020 and 2019, respectively. The total cost of all programs and services was \$25,273,338 and \$25,411,294 for the fiscal years ended June 30, 2020 and 2019, respectively. Instruction comprises 63 and 63 percent of District expenses for the fiscal years ended June 30, 2020 and 2019, respectively.

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

Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2020

Business-Type Activities

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

- Total business-type activities revenues exceeded expenses by \$8,934 in fiscal year 2019/2020.
- Charges for services of \$73,139 represent 99 percent of revenue. This represents amounts paid for daily milk service and for summer enrichment program services.

Governmental Activities

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

Table 3

Total Cost and Net Cost of Services

	<u>Total Cost of</u> <u>Services</u>		<u>Net Cost of</u> <u>Services</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Instruction	\$ 16,047,468	\$ 16,091,565	\$ 9,209,653	\$ 9,022,809
Support services				
Student and Instructional Related Services	3,434,252	3,488,444	2,791,416	2,787,106
General administration, school				
administration, Business/Central	2,695,152	2,742,373	2,281,389	2,241,616
Plant Operation and Maintenance	2,470,310	2,415,012	2,321,481	2,261,094
Pupil Transportation	129,175	141,268	107,337	116,456
Interest and fiscal charges	496,981	532,632	496,981	532,632
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenses	<u>\$ 25,273,338</u>	<u>\$ 25,411,294</u>	<u>\$ 17,208,257</u>	<u>\$ 16,961,713</u>

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

Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2020

Governmental Activities (Continued)

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

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

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

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

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

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

The District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues and other-financing sources amounted to \$25,014,531 and \$24,119,859 and expenditures and other financing uses were \$24,192,197 and \$23,814,844 during the fiscal years ended June 30, 2020 and 2019, respectively.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the governmental fund revenues for the fiscal years ended June 30, 2020 and 2019.

	<u>Year Ended June 30,</u>		Amount of	Percent
	<u>2020</u>	<u>2019</u>	Increase (Decrease)	Increase (Decrease)
Local Sources	\$ 17,741,401	\$ 17,446,291	\$ 295,110	1.69%
State Sources	6,301,564	5,842,824	458,740	7.85%
Federal Sources	<u>569,686</u>	<u>475,824</u>	<u>93,862</u>	19.73%
Total Revenues	<u>\$ 24,612,651</u>	<u>\$ 23,764,939</u>	<u>\$ 847,712</u>	3.57%

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

Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2020

The District's Funds (Continued)

The following schedule represents a summary of governmental fund expenditures for the fiscal years ended June 30, 2020 and 2019.

	<u>Year Ended June 30,</u>		Amount of Increase <u>(Decrease)</u>	Percent Increase <u>(Decrease)</u>
	<u>2020</u>	<u>2019</u>		
Current:				
Instruction	\$ 14,584,493	\$ 14,148,612	\$ 435,881	3.08%
Undistributed Expenditures	7,513,854	7,243,199	270,655	3.74%
Capital Outlay	275,270	655,313	(380,043)	-57.99%
Debt Service:				
Principal	940,000	900,000	40,000	4.44%
Interest and Other Charges	<u>476,700</u>	<u>512,800</u>	<u>(36,100)</u>	-7.04%
 Total Expenditures	 <u>\$ 23,790,317</u>	 <u>\$ 23,459,924</u>	 <u>\$ 330,393</u>	 1.41%

General Fund Budgeting Highlights

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

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over expenditures in specific line item accounts.

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

Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2020

Capital Assets

At the end of fiscal years 2020 and 2019, the District had \$18,309,045 and \$18,817,828 (net of depreciation), respectively, in land, construction in progress, improvements other than buildings, buildings and building improvements, furniture, equipment and vehicles. Table 4 shows the capital assets balances, net of depreciation at June 30, 2020 and 2019.

Table 4
Capital Assets at June 30, 2020 and 2019

	Governmental		Business-Type		Totals	
	<u>Activities</u>		<u>Activities</u>		<u>Activities</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 28,106	\$ 28,106			\$ 28,106	\$ 28,106
Construction in Progress		29,419			-	29,419
Improvements Other Than Buildings	21,000	21,000			21,000	21,000
Buildings and Building Improvements	29,077,487	28,772,798			29,077,487	28,772,798
Machinery and Equipment	<u>647,176</u>	<u>647,176</u>	<u>\$ 2,589</u>	<u>\$ 2,589</u>	<u>649,765</u>	<u>649,765</u>
	29,773,769	29,498,499	2,589	2,589	29,776,358	29,501,088
Less Accumulated Depreciation	<u>(11,464,724)</u>	<u>(10,680,671)</u>	<u>(2,589)</u>	<u>(2,589)</u>	<u>(11,467,313)</u>	<u>(10,683,260)</u>
Capital Assets, Net	<u>\$ 18,309,045</u>	<u>\$ 18,817,828</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,309,045</u>	<u>\$ 18,817,828</u>

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

Debt Administration

At June 30, 2020 and 2019, the District had \$20,772,113 and \$22,667,464 of outstanding long-term liabilities, respectively.

Table 5 shows an analysis of the outstanding liabilities.

	<u>2020</u>	<u>2019</u>
Bonds Payable (Including Unamortized Premium)	\$ 14,233,294	\$ 15,246,189
Net Pension Liability	<u>6,538,819</u>	<u>7,421,275</u>
	<u>\$ 20,772,113</u>	<u>\$ 22,667,464</u>

At June 30, 2020, the District's overall legal remaining debt margin was \$32,314,130.

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

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

Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2020

For the Future

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

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

Contacting the District's Financial Management

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

FINANCIAL STATEMENTS

RIVER EDGE BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2020

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,534,919	\$ 47,173	\$ 2,582,092
Receivables, net			
Receivables from Other Governments	451,865		451,865
Due From Other Funds	515,000		515,000
Internal Balances	(4,882)	4,882	-
Capital Assets, net			
Not Being Depreciated	28,106		28,106
Being Depreciated	<u>18,280,939</u>	<u>-</u>	<u>18,280,939</u>
Total Assets	<u>21,805,947</u>	<u>52,055</u>	<u>21,858,002</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Amount on Refunding of Debt	680,159		680,159
Deferred Amounts on Net Pension Liability	<u>1,108,770</u>	<u>-</u>	<u>1,108,770</u>
Total Deferred Outflow of Resources	<u>1,788,929</u>	<u>-</u>	<u>1,788,929</u>
Total Assets and Deferred Outflows of Resources	<u>23,594,876</u>	<u>52,055</u>	<u>23,646,931</u>
LIABILITIES			
Accounts Payable and Accrued Salaries	226,524		226,524
Payable to State Government	99,913		99,913
Accrued Interest Payable	132,465		132,465
Unearned Revenue	20,916		20,916
Noncurrent Liabilities			
Due within one year	975,000		975,000
Due beyond one year	<u>19,797,113</u>	<u>-</u>	<u>19,797,113</u>
Total Liabilities	<u>21,251,931</u>	<u>-</u>	<u>21,251,931</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>2,658,330</u>	<u>-</u>	<u>2,658,330</u>
Total Deferred Inflows of Resources	<u>2,658,330</u>	<u>-</u>	<u>2,658,330</u>
Total Liabilities and Deferred Inflows of Resources	<u>23,910,261</u>	<u>-</u>	<u>23,910,261</u>
NET POSITION			
Net Investment in Capital Assets	4,755,910		4,755,910
Restricted for			
Capital Projects	1,841,122		1,841,122
Other Purposes	276,013		276,013
Unrestricted	<u>(7,188,430)</u>	<u>52,055</u>	<u>(7,136,375)</u>
Total Net Position	<u>\$ (315,385)</u>	<u>\$ 52,055</u>	<u>\$ (263,330)</u>

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

**RIVER EDGE BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 9,954,431	\$ 48,368	\$ 2,614,554		\$ (7,291,509)		\$ (7,291,509)
Special Education	4,553,682	568,772	2,895,387		(1,089,523)		(1,089,523)
Other Instruction	1,539,355		710,734		(828,621)		(828,621)
Support Services							
Student and Instruction Related Services	3,434,252		642,836		(2,791,416)		(2,791,416)
General Administration Services	781,902		160,024		(621,878)		(621,878)
School Administration Services	1,286,182		174,040		(1,112,142)		(1,112,142)
Business/Central Services	627,068		79,699		(547,369)		(547,369)
Plant Operations and Maintenance	2,470,310		123,829	\$ 25,000	(2,321,481)		(2,321,481)
Pupil Transportation	129,175		21,838		(107,337)		(107,337)
Interest and Other Charges on Debt	496,981	-	-	-	(496,981)	-	(496,981)
Total Governmental Activities	<u>25,273,338</u>	<u>617,140</u>	<u>7,422,941</u>	<u>25,000</u>	<u>(17,208,257)</u>	<u>-</u>	<u>(17,208,257)</u>
Business-Type Activities							
Food Service	6,372	9,904				\$ 3,532	3,532
Summer Enrichment Program	58,331	63,235	-	-	-	4,904	4,904
Total Business-Type Activities	<u>64,703</u>	<u>73,139</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,436</u>	<u>8,436</u>
Total Primary Government	<u>\$ 25,338,041</u>	<u>\$ 690,279</u>	<u>\$ 7,422,941</u>	<u>\$ 25,000</u>	<u>(17,208,257)</u>	<u>8,436</u>	<u>(17,199,821)</u>
General Revenues							
Property Taxes, levied for General Purposes					15,717,050		15,717,050
Property Taxes, levied for Debt Service					1,200,316		1,200,316
State Aid Restricted for Debt Service					216,384		216,384
State Aid - Unrestricted					997,591		997,591
Interest on Deposits					26,552	498	27,050
Miscellaneous Income					142,857	-	142,857
Total General Revenues					<u>18,300,750</u>	<u>498</u>	<u>18,301,248</u>
Change in Net Position					1,092,493	8,934	1,101,427
Net Position, Beginning of Year					(1,407,878)	43,121	(1,364,757)
Net Position, End of Year					<u>\$ (315,385)</u>	<u>\$ 52,055</u>	<u>\$ (263,330)</u>

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

FUND FINANCIAL STATEMENTS

**RIVER EDGE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 2,501,911	\$ 33,008			\$ 2,534,919
Receivables, Net					
Due from Other Funds	645,940				645,940
Receivables from Other Governments	141,892	309,973	-	-	451,865
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 3,289,743</u>	<u>\$ 342,981</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,632,724</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable and Accrued Salaries	\$ 131,312	\$ 95,212			\$ 226,524
Due to Other Funds	4,882	130,940			135,822
Payable to State Government		99,913			99,913
Unearned Revenue	4,000	16,916	-	-	20,916
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>140,194</u>	<u>342,981</u>	<u>-</u>	<u>-</u>	<u>483,175</u>
Fund Balances					
Restricted:					
Capital Reserve	1,641,122				1,641,122
Capital Reserve - Designated for Subsequent Year's Expenditures	200,000				200,000
Maintenance Reserve	276,013				276,013
Excess Surplus - Designated for Subsequent Year's Expenditures	500,000				500,000
Excess Surplus	500,000				500,000
Unassigned					
General Fund	32,414	-	-	-	32,414
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>3,149,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,149,549</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 3,289,743</u>	<u>\$ 342,981</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,632,724</u>

**RIVER EDGE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2020**

Total Fund Balances (Exhibit B-1)	\$	3,149,549
<p>Amounts reported for governmental activities in the statement of net assets (A-1) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$29,773,769 and the accumulated depreciation is \$11,464,724.</p>		18,309,045
<p>The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:</p>		(132,465)
<p>Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt.</p>		680,159
<p>Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.</p>		
<p>Deferred Outflows of Resources</p>	\$ 1,108,770	
<p>Deferred Inflows of Resources</p>	<u>(2,658,330)</u>	
		(1,549,560)
<p>Long-term liabilities, including bonds payable, compensated absences and net pension liability are not due and payable in the current period and therefore are not reported as liabilities in the funds. These items are as follows:</p>		
<p>Bonds Payable</p>	(13,720,000)	
<p>Add: Unamortized Premium</p>	(513,294)	
<p>Net Pension Liability</p>	<u>(6,538,819)</u>	
		<u>(20,772,113)</u>
Net Position of Governmental Activities (Exhibit A-1)	\$	<u>(315,385)</u>

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

**RIVER EDGE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Taxes	\$ 15,717,050			\$ 1,200,316	\$ 16,917,366
Tuition	617,140				617,140
Miscellaneous	169,409	\$ 12,486	\$ 25,000	-	206,895
Total - Local Sources	<u>16,503,599</u>	<u>12,486</u>	<u>25,000</u>	<u>1,200,316</u>	<u>17,741,401</u>
State Sources	5,452,869	632,311		216,384	6,301,564
Federal Sources	-	569,686	-	-	569,686
Total Revenues	<u>21,956,468</u>	<u>1,214,483</u>	<u>25,000</u>	<u>1,416,700</u>	<u>24,612,651</u>
EXPENDITURES					
Current					
Regular Instruction	8,945,485	86,847			9,032,332
Special Education Instruction	3,929,463	196,266			4,125,729
Other Instruction	1,025,462	400,970			1,426,432
Support Services and Undistributed Costs					
Student and Instruction Related Services	2,739,200	530,400			3,269,600
General Administration Services	723,566				723,566
School Administration Services	1,167,442				1,167,442
Business/Central Services	580,989				580,989
Plant Operations and Maintenance	1,653,162				1,653,162
Pupil Transportation	119,095				119,095
Debt Service					
Principal				940,000	940,000
Interest				476,700	476,700
Capital Outlay	29,000	-	246,270	-	275,270
Total Expenditures	<u>20,912,864</u>	<u>1,214,483</u>	<u>246,270</u>	<u>1,416,700</u>	<u>23,790,317</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>1,043,604</u>	<u>-</u>	<u>(221,270)</u>	<u>-</u>	<u>822,334</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	90,305		311,575		401,880
Transfers Out	(311,575)	-	(90,305)	-	(401,880)
Total Other Financing Sources (Uses)	<u>(221,270)</u>	<u>-</u>	<u>221,270</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	822,334	-	-	-	822,334
Fund Balance, Beginning of Year	<u>2,327,215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,327,215</u>
Fund Balance, End of Year	<u>\$ 3,149,549</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,149,549</u>

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

**RIVER EDGE BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 822,334

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

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

Capital Outlays	\$	275,270	
Depreciation Expense		<u>(784,053)</u>	(508,783)

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

Principal Repayments Bonds Payable			940,000
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Governmental Funds report the effect of issuance costs, premiums and deferred amounts on refundings pertaining to bonds issued when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of Premium		72,895	
Amortization of Deferred Amount on Refunding of Debt		<u>(101,421)</u>	(28,526)

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

Increase in Pension Expense			(140,777)
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Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Decrease in accrued interest			<u>8,245</u>
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Change in net position of governmental activities (Exhibit A-2) \$ 1,092,493

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

**RIVER EDGE BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2020**

	Non-Major Enterprise Funds <u>Totals</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 47,173
Due from Other Funds	<u>4,882</u>
Total Current Assets	<u>52,055</u>
Capital Assets	
Machinery and Equipment	2,589
Less: Accumulated Depreciation	<u>(2,589)</u>
Total Capital Assets	<u>-</u>
Total Assets	<u>52,055</u>
NET POSITION	
Unrestricted	<u>52,055</u>
Total Net Position	<u><u>\$ 52,055</u></u>

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

**RIVER EDGE BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Non-Major Enterprise Funds <u>Totals</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales/Program Fees	\$ <u>73,139</u>
 Total Operating Revenues	 <u>73,139</u>
OPERATING EXPENSES	
Salaries and Wages	51,980
Cost of Sales	<u>12,723</u>
 Total Operating Expenses	 <u>64,703</u>
 Operating Income	 <u>8,436</u>
NON-OPERATING REVENUES	
Interest on Deposits	<u>498</u>
 Total Non-Operating Revenues	 <u>498</u>
 Change in Net Position	 8,934
 Net Position Beginning of Year	 <u>43,121</u>
 Net Position End of Year	 <u><u>\$ 52,055</u></u>

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

**RIVER EDGE BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Non-Major Enterprise Funds <u>Totals</u>
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 17,994
Cash Payments for Employees Salaries and Benefits	(51,980)
Cash Payments to Suppliers for Goods and Services	<u>(12,723)</u>
Net Cash (Used for) by Operating Activities	<u>(46,709)</u>
Cash Flows from Noncapital Financing Activities	
Cash Paid to Other Funds	<u>(4,882)</u>
Net Cash (Used for) by Noncapital Financing Activities	<u>(4,882)</u>
Cash Flows from Investing Activities	
Interest on Deposits	<u>498</u>
Net Cash Provided by Investing Activities	<u>498</u>
Net Decrease in Cash and Cash Equivalents	(51,093)
Cash and Cash Equivalents, Beginning of Year	<u>98,266</u>
Cash and Cash Equivalents, End of Year	<u>\$ 47,173</u>
Reconciliation of Operating Income to Net Cash (Used for)	
Operating Activities	
Operating Income	<u>\$ 8,436</u>
Adjustments to Reconcile Operating Income to Net Cash	
(Used for) Operating Activities	
Change in Assets and Liabilities	
(Decrease) in Unearned Revenue	<u>(55,145)</u>
Total Adjustments	<u>(55,145)</u>
Net Cash (Used for) by Operating Activities	<u>\$ (46,709)</u>

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

**RIVER EDGE BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2020**

	<u>Private Purpose Trust Fund</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Trust and Agency Fund</u>
ASSETS			
Cash and Cash Equivalents		\$ 205,460	\$ 99,514
Intergovernmental Receivable - Other Governments	\$ 2,531,696	-	-
Total Assets	<u>2,531,696</u>	<u>205,460</u>	<u>\$ 99,514</u>
LIABILITIES			
Cash Overdraft	239,926		
Payroll Deductions and Withholdings			\$ 92,330
Accrued Salaries and Wages			315
Due to Student Groups			6,869
Other Current Liabilities	1,070,924	15,181	
Unearned Revenue	615,737		
Due to Other Funds	<u>515,000</u>	-	-
Total Liabilities	<u>2,441,587</u>	<u>15,181</u>	<u>\$ 99,514</u>
NET POSITION			
Held in Trust for:			
Other Purposes	<u>\$ 90,109</u>		
Unemployment Claims		<u>\$ 190,279</u>	

**RIVER EDGE BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Private Purpose Trust Fund	Unemployment Compensation Trust Fund
ADDITIONS		
Contributions		
Employees		\$ 46,253
Other Governments	\$ 11,899,612	
Interest on Deposits	8,415	1,760
Other	<u>35,916</u>	<u>-</u>
 Total Additions	 <u>11,943,943</u>	 <u>48,013</u>
DEDUCTIONS		
Transportation and Special Education	12,163,552	
Unemployment Claims and Contributions		57,993
Miscellaneous	<u>7,042</u>	<u>-</u>
 Total Deductions	 <u>12,170,594</u>	 <u>57,993</u>
 Change in Net Position	 (226,651)	 (9,980)
Net Position Beginning of Year	<u>316,760</u>	<u>200,259</u>
Net Position End of Year	<u>\$ 90,109</u>	<u>\$ 190,279</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The River Edge Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of seven elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. A Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade eight (8) school district.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent to the Board.

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

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

B. New Accounting Standards

For fiscal year 2020, there were no GASB statements required to be adopted and implemented by the District.

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

- GASB No. 84, *Fiduciary Activities*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2021. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB No. 87, *Leases*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the District will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

C. Basis of Presentation - Financial Statements

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

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

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

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

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

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

Additionally, the District reports the following fund types:

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

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

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

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

1. *Cash, Cash Equivalents and Investments*

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

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

2. *Receivables*

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

3. *Inventories*

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

4. *Capital Assets*

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

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

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

<u>Assets</u>	<u>Years</u>
Improvements Other than Buildings	20
Buildings and Building Improvements	20-45
Machinery and Equipment	5-20

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type of item, which arises only under the accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

6. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. Payments to employees based upon resignations and retirements are restricted to amounts available and established per contract and the current annual budget appropriation.

7. Pensions

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

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

RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. *Long-Term Obligations*

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Losses resulting from debt refundings are classified as deferred outflows of resources. Bond premiums are deferred and amortized over the life of the bonds using the effective interest method. Losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported with the unamortized portion of the original issue bond premium.

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2020/2021 District budget certified for taxes.

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSJA 18A:7G-9) for a thorough and efficient education. (See Note 2C).

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSJA 18A:7F-7 to represent the June 30, 2019 audited excess surplus that was appropriated in the 2020/2021 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSJA 18A:7F-7 to represent the June 30, 2020 audited excess surplus that is required to be appropriated in the 2021/2022 original budget certified for taxes.

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

10. *Fund Balance Policies*

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balances at year end.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. The District has no assigned fund balance at year end.

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2018-2019 and 2019-2020 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On February 1, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2019/2020. Also, during 2019/2020 the Board increased the original General Fund budget by \$37,218 and the original Special Revenue Fund budget by \$248,771. The General Fund increase was funded by the additional appropriation of capital reserve, and the reappropriation of prior year encumbrances and the Special Revenue Fund increase was funded by additional grant awards.

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information (Continued)

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

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

B. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019		\$ 1,191,759
Increased by:		
Interest Earnings	\$ 550	
Deposits of Unexpended Capital Outlay Projects	50,537	
Deposits of Unexpended Capital Projects	90,305	
Deposits Approved by Board Resolution	900,046	
Total Increases		<u>1,041,438</u>
Decreased by:		
Withdrawals Approved in District Budget	364,075	
Withdrawals Approved by Board Resolution	28,000	
Total Decreases		<u>392,075</u>
Balance, June 30, 2020		<u>\$ 1,841,122</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan. \$200,000 of the capital reserve balance at June 30, 2020 was designated and appropriated for use in the 2020/2021 original budget certified for taxes.

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve

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

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

The activity of the maintenance reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019		\$	75,963
Increased by:			
Interest Earnings	\$	50	
Deposits Approved by Board Resolution		<u>200,000</u>	
Total Increases			<u>200,050</u>
Balance, June 30, 2020		\$	<u>276,013</u>

The June 30, 2020 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$946,202.

D. Transfers to Capital Outlay

During the 2019/2020 school year, the district increased by \$3,081 non-equipment capital outlay accounts. Transfers totaling \$28,000 were made from the capital reserve account to capital outlay. The amounts were to fund projects that were approved in the District's Long Range Facilities Plan.

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2020 is \$1,000,000. Of this amount, \$500,000 was designated and appropriated in the 2020/2021 original budget certified for taxes and the remaining amount of \$500,000 will be appropriated in the 2021/2022 original budget certified for taxes.

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2020, the book value of the Board's deposits were \$2,647,140 and bank and brokerage firm balances of the Board's deposits amounted to \$4,264,564. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	<u>\$ 4,264,564</u>
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Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2020 none of the Board's bank balances were exposed to custodial credit risk.

Investments

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

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2020, the Board had no outstanding investments.

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

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

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

B. Receivables

Receivables as of June 30, 2020 for the district’s individual major funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Private Purpose Trust</u>	<u>Total</u>
Receivables:				
Intergovernmental				
Federal		\$ 265,944		\$ 265,944
State	\$ 29,668	44,029		73,697
Other	112,224	-	\$ 2,531,696	2,643,920
Gross Receivables	141,892	309,973	2,531,696	2,983,561
Less: Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 141,892</u>	<u>\$ 309,973</u>	<u>\$ 2,531,696</u>	<u>\$ 2,983,561</u>

C. Unearned Revenue

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

General Fund	
Tuition Charges Prepaid	\$ 4,000
Special Revenue	
Unencumbered Grant Draw Downs	<u>16,916</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 20,916</u>

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	<u>Balance, July 1, 2019</u>	<u>Increases</u>	<u>Transfers</u>	<u>Balance, June 30, 2020</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 28,106			\$ 28,106
Construction in Progress	29,419	-	\$ (29,419)	-
Total capital assets, not being depreciated	<u>57,525</u>	<u>-</u>	<u>(29,419)</u>	<u>28,106</u>
Capital assets, being depreciated:				
Improvements other than buildings	21,000			21,000
Buildings and Building Improvements	28,772,798	\$ 275,270	29,419	29,077,487
Machinery and equipment	647,176	-	-	647,176
Total capital assets being depreciated	<u>29,440,974</u>	<u>275,270</u>	<u>29,419</u>	<u>29,745,663</u>
Less accumulated depreciation for:				
Improvements other than buildings	(21,000)			(21,000)
Buildings and building improvements	(10,265,760)	(747,282)		(11,013,042)
Machinery and equipment	(393,911)	(36,771)	-	(430,682)
Total accumulated depreciation	<u>(10,680,671)</u>	<u>(784,053)</u>	<u>-</u>	<u>(11,464,724)</u>
Total capital assets, being depreciated, net	<u>18,760,303</u>	<u>(508,783)</u>	<u>\$ 29,419</u>	<u>18,280,939</u>
Governmental activities capital assets, net	<u>\$ 18,817,828</u>	<u>\$ (508,783)</u>	<u>\$ -</u>	<u>\$ 18,309,045</u>
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
	<u>July 1, 2019</u>			<u>June 30, 2020</u>
Business-type Activities:				
Capital assets, being depreciated:				
Machinery and equipment	\$ 2,589	-	-	\$ 2,589
Total capital assets being depreciated	<u>2,589</u>	<u>-</u>	<u>-</u>	<u>2,589</u>
Less accumulated depreciation for:				
Machinery and equipment	(2,589)	-	-	(2,589)
Total accumulated depreciation	<u>(2,589)</u>	<u>-</u>	<u>-</u>	<u>(2,589)</u>
Total capital assets, being depreciated, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental activities:

Instruction		
Regular		\$ 632
Total Instruction		<u>632</u>
Support Services		
School Administration Services		26,505
Plant Operations and Maintenance		751,399
Pupil Transportation		<u>5,517</u>
Total Support Services		<u>783,421</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 784,053</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2020, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 130,940
General Fund	Private Purpose Trust Fund	515,000
Enterprise Fund - Food Service	General Fund	<u>4,882</u>
Total		<u>\$ 650,822</u>

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

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

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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

Interfund transfers

	Transfer In:		
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Transfer Out:			
General Fund		\$ 311,575	\$ 311,575
Capital Projects Fund	\$ 90,305	-	90,305
 Total Transfers	<u>\$ 90,305</u>	<u>\$ 311,575</u>	<u>\$ 401,880</u>

The above transfer to the Capital Projects Fund is the result of revenues earned and/or other financing sources received in the General fund to finance expenditures in the capital projects and the return to the General Fund unexpended proceeds not utilized by the Capital Projects Fund.

F. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2020 are comprised of the following issues:

\$2,820,000, 2011 Refunding Bonds, due in annual installments of \$275,000 to \$280,000 through December 1, 2021, interest at 4.00%	\$555,000
\$8,515,000, 2012 Refunding Bonds, due in annual installments of \$460,000 to \$635,000 through February 1, 2031, interest at 3.00%	6,520,000
\$7,325,000, 2014 Redunding Bonds, due in annual installments of \$235,000 to \$905,000 through October 15, 2031, interest at 3.00% to 4.50%	<u>6,645,000</u>
 Total	<u>\$13,720,000</u>

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

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

Governmental Activities:

Fiscal Year Ending June 30,	<u>Bonds Payable</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2021	\$ 975,000	\$ 444,425	\$ 1,419,425
2022	1,005,000	411,100	1,416,100
2023	1,045,000	377,850	1,422,850
2024	1,080,000	343,825	1,423,825
2025	1,120,000	310,438	1,430,438
2026-2030	6,215,000	954,074	7,169,074
2031-2032	<u>2,280,000</u>	<u>79,013</u>	<u>2,359,013</u>
Total	<u>\$ 13,720,000</u>	<u>\$ 2,920,725</u>	<u>\$ 16,640,725</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2020 was as follows:

2.5% of Equalized Valuation Basis (Municipal)	\$ 46,034,130
Less: Net Debt	<u>13,720,000</u>
Remaining Borrowing Power	<u>\$ 32,314,130</u>

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2020, was as follows:

	<u>Balance, July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2020</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable	\$ 14,660,000		\$ 940,000	\$ 13,720,000	\$ 975,000
Add: Unamortized Premium	<u>586,189</u>	-	<u>72,895</u>	<u>513,294</u>	-
Net Bonds Payable	<u>15,246,189</u>	-	<u>1,012,895</u>	<u>14,233,294</u>	<u>975,000</u>
Net Pension Liability	<u>7,421,275</u>	-	<u>882,456</u>	<u>6,538,819</u>	-
Governmental activity Long-term liabilities	<u>\$ 22,667,464</u>	<u>\$ -</u>	<u>\$ 1,895,351</u>	<u>\$ 20,772,113</u>	<u>\$ 975,000</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

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

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

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

Fiscal Year Ended <u>June 30,</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2020	\$ 46,253	\$ 57,993	\$ 190,279
2019	37,574	34,447	200,259
2018	36,509	39,062	195,594

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2020, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2020, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees’ Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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

The following represents the membership tiers for PERS:

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

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

Teachers’ Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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

The following represent the membership tiers for TPAF:

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

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

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

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

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

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

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

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

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2019 is \$18.1 billion and the plan fiduciary net position as a percentage of the total pension liability is 56.27%. The collective net pension liability of the State funded TPAF at June 30, 2019 is \$61.5 billion and the plan fiduciary net position as a percentage of total pension liability is 26.95%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2018 which were rolled forward to June 30, 2019.

Actuarial Methods and Assumptions

In the July 1, 2018 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee’s annual compensation for fiscal year 2020.

PERS employers’ and TPAF State’s nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2020 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State’s annual pension contribution was less than the actuarial determined amount. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2019, 2018 and 2017 were equal to the required contributions.

During the fiscal years ended June 30, 2020, 2019 and 2018 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2020	\$ 352,990	\$ 1,612,072	\$ 17,816
2019	374,909	1,543,673	21,230
2018	348,402	1,152,984	21,749

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2020, 2019 and 2018 the District contributed \$1,420, \$1,829 and \$6,023, respectively for PERS and the State contributed \$1,578, \$2,058 and \$2,159, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$607,274 during the fiscal year ended June 30, 2020 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2018 through June 30, 2019. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits ("Division") administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2019 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2019.

At June 30, 2020, the District reported in the statement of net position (accrual basis) a liability of \$6,538,819 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2019. At June 30, 2019, the District's proportionate share was .03629 percent, which was a decrease of .00140 percent from its proportionate share measured as of June 30, 2018 of .03769 percent.

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$493,767 for PERS. The pension contribution made by the District during the current 2019/2020 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2020 with a measurement date of the prior fiscal year end of June 30, 2019. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2020 for contributions made subsequent to the measurement date. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 117,363	\$ 28,886
Changes of Assumptions	652,925	2,269,603
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		103,218
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>338,482</u>	<u>256,623</u>
Total	<u>\$ 1,108,770</u>	<u>\$ 2,658,330</u>

At June 30, 2020, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2021	\$ (57,810)
2022	(566,459)
2023	(570,362)
2024	(317,038)
2025	(37,891)
Thereafter	<u>-</u>
	<u>\$ (1,549,560)</u>

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2019 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	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2019	6.28%
2019	June 30, 2018	5.66%

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2057
Municipal Bond Rate *	From July 1, 2057 and Thereafter

* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 6.28%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.28 percent) or 1-percentage-point higher (7.28 percent) than the current rate:

	1% Decrease <u>5.28%</u>	Current Discount Rate <u>6.28%</u>	1% Increase <u>7.28%</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 8,259,591</u>	<u>\$ 6,538,819</u>	<u>\$ 5,088,825</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2019. A sensitivity analysis specific to the District's net pension liability at June 30, 2019 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2018 through June 30, 2019. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2019, the State's pension contribution was less than the actuarial determined amount.

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

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$2,782,880 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2020 the State's proportionate share of the net pension liability attributable to the District is \$47,181,320. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2019. At June 30, 2019, the State's share of the net pension liability attributable to the District was .07688 percent, which was an increase of .00045 percent from its proportionate share measured as of June 30, 2018 of .07643 percent.

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55% Based on Years of Service
Thereafter	2.75%-5.65% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2019 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	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

Fiscal Year	Measurement Date	Discount Rate
2020	June 30, 2019	5.60%
2019	June 30, 2018	4.86%

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

Period of Projected Benefit

Payments for which the Following
 Rates were Applied:

Long-Term Expected Rate of Return Through June 30, 2054

Municipal Bond Rate * From July 1, 2054
 and Thereafter

* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 5.60%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (4.60 percent) or 1-percentage-point higher (6.60 percent) than the current rate:

	1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 55,637,219</u>	<u>\$ 47,181,320</u>	<u>\$ 40,165,594</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2019. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2019 was not provided by the pension system.

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

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

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

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2018:

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u> -</u>
Total	<u>364,943</u>

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2019 is \$41.7 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2018 which were rolled forward to June 30, 2019.

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2018 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.28 billion to the OPEB plan in fiscal year 2019.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. over a period not to exceed thirty years. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2020, 2019 and 2018 were \$598,049, \$700,207 and \$744,688, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2018 through June 30, 2019. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$1,180,421. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2020 the State's proportionate share of the OPEB liability attributable to the District is \$28,230,841. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2019. At June 30, 2019, the state's share of the OPEB liability attributable to the District was .06765 percent, which was an increase of .00249 percent from its proportionate share measured as of June 30, 2018 of .06516 percent.

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions

The OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 3.05%
Rate Thereafter	1.55% to 3.05%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2019.
Long-Term Rate of Return	2.00%

*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

For the June 30, 2019 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the plan upon retirement.

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 2.00% as of June 30, 2019.

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2019	3.50%
2019	June 30, 2018	3.87%

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

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Changes in the Total OPEB Liability

The change in the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2020 (measurement date June 30, 2019) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2018 Measurement Date	\$ <u>30,045,672</u>
Changes Recognized for the Fiscal Year:	
Service Cost	1,444,526
Interest on the Total OPEB Liability	1,202,553
Differences Between Expected and Actual Experience	(4,041,920)
Changes of Assumptions	420,924
Gross Benefit Payments	(866,603)
Contributions from the Member	25,689
Net Changes	<u>\$ (1,814,831)</u>
Balance, June 30, 2019 Measurement Date	\$ <u>28,230,841</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% percent in 2018 to 3.50% percent in 2019.

The change in the total OPEB liability was based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2019.

**RIVER EDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.50%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

	1% Decrease <u>(2.50%)</u>	Current Discount Rate <u>(3.50%)</u>	1% Increase <u>(4.50%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 33,351,779	\$ 28,230,841	\$ 24,163,048

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 23,260,955	\$ 28,230,841	\$ 34,809,950

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019 were not provided by the pension system.

F. Tax Abatements

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

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

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

New Jersey Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of all schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. The Board expects ongoing actions will be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. These negative impacts may reduce or negatively affect property values within the School District. The declaration of a public health emergency remains in effect as of the date of audit. As part of a planned multi-stage approach to restart the State’s economy, Governor Murphy has signed a series of Executive Orders permitting the resumption of certain activities.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Board cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The Board cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain it facilities either before or after an outbreak of an infectious disease.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**RIVER EDGE BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 15,717,050		\$ 15,717,050	\$ 15,717,050	
Tuition from Individuals				48,369	\$ 48,369
Tuition from Other LEAs Within the State	569,360		569,360	568,771	(589)
Interest - Maintenance Reserve Fund	50		50	50	-
Interest - Capital Reserve Fund	550		550	550	-
Unrestricted Miscellaneous	166,221	-	166,221	168,809	2,588
Total Local Sources	16,453,231	-	16,453,231	16,503,599	50,368
State Sources					
Categorical Transportation Aid	19,622		19,622	19,622	
Extraordinary Aid	130,000		130,000	297,217	167,217
Categorical Special Education Aid	1,011,024		1,011,024	1,011,024	
Categorical Equalization Aid	1,018,367		1,018,367	1,018,367	
Categorical Security Aid	91,647		91,647	91,647	
On-behalf TPAF Pension System Payments Normal Cost (Non-Budget)				1,583,686	1,583,686
On-behalf TPAF Pension System Payments NCGI Premium (Non-Budget)				28,386	28,386
On-behalf TPAF Post-Retirement Medical (Non-Budget)				598,049	598,049
On-behalf TPAF Long-Term Disability Insurance (Non-Budget)				1,578	1,578
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	607,274	607,274
Total State Sources	2,270,660	-	2,270,660	5,256,850	2,986,190
Total Revenues	18,723,891	-	18,723,891	21,760,449	3,036,558
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	69,753	\$ 121	69,874	69,874	
Kindergarten	635,125	(6,449)	628,676	628,250	426
Grades 1-5	3,740,631	(94,360)	3,646,271	3,646,271	
Grades 6-8	753,125	9,906	763,031	763,031	
Regular Program - Home Instruction					
Salaries of Teachers	1,500	(1,185)	315	315	
Other Salaries for Instruction	57,668	3,582	61,250	61,250	
Purchased Professional - Educational Services	18,758	(3,589)	15,169		15,169
General Supplies	2,350	(33)	2,317	1,993	324
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	65,565	95,733	161,298	161,298	
Purchased Professional - Educational Services	85,000	(15,293)	69,707	67,500	2,207
Other Purchased Services	176,384	(76,471)	99,913	98,003	1,910
General Supplies	225,958	147,935	373,893	371,770	2,123
Textbooks	19,956	15,400	35,356	34,410	946
Other Objects	89,955	(20,491)	69,464	66,667	2,797
Total Regular Programs	5,941,728	54,806	5,996,534	5,970,632	25,902

**RIVER EDGE BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education					
Multiple Disabilities					
Salaries of Teachers	\$ 301,316	\$ (15,554)	\$ 285,762	\$ 285,762	
Other Salaries for Instruction	1,260,696	(16,019)	1,244,677	1,057,334	\$ 187,343
Purchased Technical Services	42,000	-	42,000	41,600	400
General Supplies	7,500	2,013	9,513	9,376	137
Other Objects	3,000	1,600	4,600	4,068	532
Total Multiple Disabilities	1,614,512	(27,960)	1,586,552	1,398,140	188,412
Resource Room/Resource Center					
Salaries of Teachers	613,413	2,326	615,739	615,739	
General Supplies	5,300	-	5,300	3,764	1,536
Total Resource Room/Resource Center	618,713	2,326	621,039	619,503	1,536
Autism					
Salaries of Teachers	86,759	352	87,111	87,111	
Other Salaries for Instruction	415,784	14,174	429,958	429,583	375
Purchased Professional - Educational Services	7,000	(351)	6,649		6,649
General Supplies	5,000	-	5,000	2,320	2,680
Total Autism	514,543	14,175	528,718	519,014	9,704
Home Instruction					
Salaries of Teachers	500	(476)	24	-	24
Total Home Instruction	500	(476)	24	-	24
Total Special Education	2,748,268	(11,935)	2,736,333	2,536,657	199,676
Basic Skills/Remedial					
Salaries of Teachers	420,375	15,888	436,263	436,263	
General Supplies	4,080	819	4,899	4,642	257
Textbooks	500	-	500	-	500
Total Basic Skills/Remedial	424,955	16,707	441,662	440,905	757
Bilingual Education					
Salaries of Teachers	183,981	4,097	188,078	188,078	
General Supplies	3,000	92	3,092	3,042	50
Total Bilingual Education	186,981	4,189	191,170	191,120	50
School Spon. Co/Extra Curr. Actvts-Inst					
Salaries	26,269	2,606	28,875	28,875	-
Total School Spon. Co/Extra Curr. Actvts-Inst	26,269	2,606	28,875	28,875	-
Total Instruction	9,328,201	66,373	9,394,574	9,168,189	226,385
Undistributed Expenditures					
Instruction					
Tuition to CSSD & Reg Day Schools	77,940	-	77,940		77,940
Tuition to Priv. Sch. For Disabled - W.I. State		10,230	10,230	10,170	60
Tuition to Priv. Sch. For the Disabled & Oth LEAs - Spl, O/S St	84,973	(27,415)	57,558	-	57,558
Tuition - Other	-	1,035	1,035	1,035	-
Total Undistributed Expenditures - Instruction	162,913	(16,150)	146,763	11,205	135,558

**RIVER EDGE BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Attendance and Social Work Services					
Salaries	\$ 500		\$ 500	\$ 500	
Purchased Professional and Technical Services	14,255	\$ 930	15,185	15,185	-
Total Attendance and Social Work Services	14,755	930	15,685	15,685	-
Health Services					
Salaries	213,020	312	213,332	213,332	
Supplies and Materials	8,327	7,760	16,087	16,087	-
Total Health Services	221,347	8,072	229,419	229,419	-
Speech, OT, PT & Related Services					
Salaries	179,347	(19,766)	159,581	159,085	\$ 496
Purchased Professional - Educational Services	30,000	102,799	132,799	129,965	2,834
Supplies and Materials	4,000	-	4,000	3,786	214
Other Objects	5,000	26,305	31,305	31,168	137
Total Speech, OT, PT & Related Services	218,347	109,338	327,685	324,004	3,681
Other Support Services-Extra Services					
Salaries	242,354	(13,950)	228,404	228,404	-
Total Other Support Services - Students - Extra Services	242,354	(13,950)	228,404	228,404	-
Other Support Services-Students-Guidance					
Salaries of Other Professional Staff	163,384	1,875	165,259	165,259	-
Other Salaries	5,432	(3,537)	1,895	1,895	-
Supplies and Materials	1,200	616	1,816	1,510	306
Total Other Support Services - Students - Guidance	170,016	(1,046)	168,970	168,664	306
Other Support Services-Students-Child Study Team					
Salaries of Other Professional Staff	490,846	(87,964)	402,882	399,606	3,276
Salaries of Secretarial and Clerical Assistants	53,793	(186)	53,607	53,605	2
Purchased Professional - Educational Services	18,666	-	18,666	18,613	53
Supplies and Materials	24,000	-	24,000	11,970	12,030
Total Other Support Services - Students - Child Study Team	587,305	(88,150)	499,155	483,794	15,361
Improvement of Instructional Services					
Salaries of Supervisor of Instruction	89,651	1	89,652	81,003	8,649
Salaries of Other Professional Staff	96,500	(48,310)	48,190	48,190	-
Purchased Professional - Educational Services	-	14,400	14,400	14,400	-
Other Purchased Prof and Tech Services	-	2,734	2,734	981	1,753
Other Purchased Svcs	315	(123)	192	-	192
Supplies and Materials	-	27,373	27,373	27,373	-
Total Improvement of Instructional Services	186,466	(3,925)	182,541	123,757	58,784

**RIVER EDGE BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Educational Media Services/School Library					
Salaries	\$ 135,224	\$ (1,061)	\$ 134,163	\$ 131,224	\$ 2,939
Salaries of Technology Coordinators	128,242	1,061	129,303	129,303	-
Supplies and Materials	11,282	-	11,282	8,977	2,305
Total Educational Media Serv./School Library	274,748	-	274,748	269,504	5,244
Staff Training Services					
Salaries of Other Professional Staff	55,000	14,075	69,075	69,075	
Purchased Professional - Educational Services	34,000	(10,200)	23,800	10,400	13,400
Total Staff Training Services	89,000	3,875	92,875	79,475	13,400
Support Services General Administration					
Salaries	337,450	-	337,450	337,450	
Legal Services	25,000	21,929	46,929	46,929	
Audit Fees	23,000	7,578	30,578	20,578	10,000
Architectural/Engineering Services	11,850	10,851	22,701	22,701	
Other Purchased Professional Services	5,745	70	5,815	5,815	
Purchased Technical Services		1,000	1,000	1,000	
Communications/Telephone	23,000	(1,451)	21,549	21,549	
Travel - All Other		5,881	5,881	5,881	
Miscellaneous Purchased Services	26,200	(4,297)	21,903	21,903	
BOE Other Purchased Services	5,000	(1,406)	3,594	3,594	
General Supplies	16,000	(3,761)	12,239	12,239	
Miscellaneous Expenditures	13,000	413	13,413	13,412	1
BOE Membership Dues and Fees	6,000	(3,299)	2,701	2,700	1
Total Support Services General Administration	492,245	33,508	525,753	515,751	10,002
Support Services School Administration					
Salaries of Principal/Asst. Principals	330,676	-	330,676	330,666	10
Salaries of Other Professional Staff	173,945	12,331	186,276	185,820	456
Salaries of Secretarial and Clerical Assistants	175,329	-	175,329	175,329	
Other Salaries	111,538	(24,200)	87,338	87,338	
Other Purchased Services (400-500)	1,500	1,738	3,238	3,238	
Supplies and Materials	19,200	(1,930)	17,270	14,498	2,772
Other Objects	3,000	3,449	6,449	6,449	-
Total Support Services School Administration	815,188	(8,612)	806,576	803,338	3,238
Support Services Central Services					
Salaries	336,315	23,816	360,131	360,130	1
Travel - All Other		679	679	605	74
Misc. Purchased Services	3,000	(3,000)			-
Supplies and Materials	15,846	551	16,397	14,113	2,284
Total Support Services Central Services	355,161	22,046	377,207	374,848	2,359
Admin. Info. Technology					
Other Purchased Services	18,186	(27)	18,159	18,159	-
Total Admin. Info. Technology	18,186	(27)	18,159	18,159	-

**RIVER EDGE BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Required Maintenance for School Facilities					
Salaries	\$ 87,125	\$ 340	\$ 87,465	\$ 87,465	
Cleaning, Repair and Maintenance	250,000	(23,466)	226,534	189,964	\$ 36,570
General Supplies	1,000	150	1,150	950	200
Total Required Maintenance for School Fac.	338,125	(22,976)	315,149	278,379	36,770
Custodial Services					
Salaries	557,168	-	557,168	557,061	107
Salaries for Non-Instructional Aides	40,600	-	40,600	32,519	8,081
Cleaning, Repair and Maintenance	41,500	(500)	41,000	23,364	17,636
Other Purchased Property Services	11,800	261	12,061	12,061	
Insurance	72,224	-	72,224	72,224	
Miscellaneous Purchased Services	1,000	(963)	37	22	15
General Supplies	50,000	43,174	93,174	80,533	12,641
Energy (Natural Gas)	210,000	(80,969)	129,031	57,886	71,145
Energy (Electricity)	105,150	93,069	198,219	191,922	6,297
Other Objects	6,000	-	6,000	4,759	1,241
Total Custodial Services	1,095,442	54,072	1,149,514	1,032,351	117,163
Student Transportation Services					
Salaries for Non-Instructional Aides	18,500	(90)	18,410	18,410	
Salaries for Pupil Transportation (Bet Home & Sch) Sp Ed	26,500	2,072	28,572	28,572	
Contracted Services-Aid in Lieu Pymts - Non Pub	12,000	-	12,000	7,337	4,663
Contracted Services (Spl. Ed. Students) - Joint Agreements	45,000	(3,040)	41,960	29,739	12,221
Other Objects	10,000	8,534	18,534	11,679	6,855
Total Student Transportation Services	112,000	7,476	119,476	95,737	23,739
Unallocated Benefits - Employee Benefits					
Social Security Contributions	324,106	7,502	331,608	331,549	59
Other Retirement Contributions - PERS	400,634	-	400,634	354,410	46,224
Other Retirement Contributions - Regular	21,749	(3,117)	18,632	17,816	816
Workmen's Compensation	82,495	-	82,495	22,790	59,705
Health Benefits	3,503,636	(151,135)	3,352,501	3,054,968	297,533
Tuition Reimbursement	12,000	(8,284)	3,716	2,400	1,316
Other Employee Benefits	30,000	8,284	38,284	38,284	38,284
Unused Sick Payment to Terminated/Retired Staff	107,389	-	107,389	35,000	72,389
Total Unallocated Benefits - Employee Benefits	4,482,009	(146,750)	4,335,259	3,818,933	516,326
Interest Earned on Maintenance Reserve	50	-	50	-	50
On-behalf TPAF Pension System Payments					
Normal Cost (Non-Budget)				1,583,686	(1,583,686)
On-behalf TPAF Pension System Payments NCGI Premium (Non-Budget)				28,386	(28,386)
On-behalf TPAF Post-Retirement Medical (Non-Budget)				598,049	(598,049)
On-behalf TPAF Long-Term Disability Insurance (Non-Budget)				1,578	(1,578)
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	607,274	(607,274)
Total Undistributed Expenditures	9,875,657	(62,269)	9,813,388	11,690,380	(1,876,992)
Total Expenditures - Current Expenditures	19,203,858	4,104	19,207,962	20,858,569	(1,650,607)

**RIVER EDGE BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures					
Resource Room	-	\$ 2,033	\$ 2,033	\$ 1,768	265
Total Equipment	-	2,033	2,033	1,768	265
Facilities Acquisition and Construction Services					
Legal Services	\$ 4,500	-	4,500		4,500
Architectual/Engineering Services	39,200	3,081	42,281	5,044	37,237
Other Purchased Prof and Tech Services	8,800	-	8,800		8,800
Construction Services		28,000	28,000	28,000	
Assessment for Debt Service on SDA Funding	19,483	-	19,483	19,483	-
Total Facilities Acquis. and Const. Services	71,983	31,081	103,064	52,527	50,537
Interest Deposit on Capital Reserve	550	-	550	-	550
Total Capital Outlay	72,533	33,114	105,647	54,295	51,352
Total Expenditures	19,276,391	37,218	19,313,609	20,912,864	(1,599,255)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(552,500)	(37,218)	(589,718)	847,585	1,437,303
OTHER FINANCING SOURCES (USES)					
Transfers In				90,305	90,305
Transfers Out - Capital Reserve to Capital Projects	(311,575)	-	(311,575)	(311,575)	-
Total Transfers	(311,575)	-	(311,575)	(221,270)	90,305
Fund Balance, Beginning of Year	3,026,146	-	3,026,146	3,026,146	-
Fund Balance, End of Year	\$ 2,162,071	\$ (37,218)	\$ 2,124,853	\$ 3,652,461	\$ 1,527,608
Recapitulation of Fund Balance					
Restricted:					
Capital Reserve				\$ 1,641,122	
Capital Reserve - Designated in Subsequent Year's Expenditures				200,000	
Maintenance Reserve				276,013	
Excess Surplus- Designated in Subsequent Year's Expenditures				500,000	
Excess Surplus				500,000	
Unassigned				535,326	
Reconciliation to Governmental Funds Statements (GAAP):				3,652,461	
Less: State Aid Payments not Recognized on Budgetary Basis:					
Deferred State Aid Payments				(205,695)	
Extraordinary Aid				(297,217)	
Fund Balance Per Governmental Funds (GAAP)				\$ 3,149,549	

**RIVER EDGE BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 762,895	\$ 68,101	\$ 830,996	\$ 632,311	\$ (198,685)
Federal	438,042	151,269	589,311	569,686	(19,625)
Other	-	29,401	29,401	12,486	(16,915)
	<u>1,200,937</u>	<u>248,771</u>	<u>1,449,708</u>	<u>1,214,483</u>	<u>(235,225)</u>
Total Revenues					
EXPENDITURES					
Instruction					
Salaries	65,040	7,556	72,596	50,765	21,831
Other Purchased Services	753,087	(180,089)	572,998	470,964	102,034
General Supplies	28,800	98,371	127,171	111,823	15,348
Textbooks	42,720	(1,290)	41,430	41,428	2
Other Objects	-	15,682	15,682	9,103	6,579
	<u>889,647</u>	<u>(59,770)</u>	<u>829,877</u>	<u>684,083</u>	<u>145,794</u>
Total Instruction					
Support Services					
Personnel Services - Employee Benefits		13,375	13,375	-	13,375
Purchased Prof./Technical Services	53,041	263,324	316,365	261,913	54,452
Other Purchased Services	174,150	15,300	189,450	185,453	3,997
Miscellaneous Purchased Services	84,099	(1,649)	82,450	82,450	-
General Supplies	-	661	661	584	77
Other Objects	-	17,530	17,530	-	17,530
	<u>311,290</u>	<u>308,541</u>	<u>619,831</u>	<u>530,400</u>	<u>89,431</u>
Total Support Services					
Total Expenditures	<u>1,200,937</u>	<u>248,771</u>	<u>1,449,708</u>	<u>1,214,483</u>	<u>235,225</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

RIVER EDGE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibit C-1 and C-2)	\$ 21,760,449	\$ 1,214,483
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that State Aid payments recognized for GAAP statements, not recognized for GAAP statements (Current Year)	(502,912)	
State Aid payments recognized for GAAP statements, not recognized for budgetary statements (prior year)	<u>698,931</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2).	<u>\$ 21,956,468</u>	<u>\$ 1,214,483</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (Exhibits C-1 and C-2)	<u>\$ 20,912,864</u>	<u>\$ 1,214,483</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 20,912,864</u>	<u>\$ 1,214,483</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION
AND
OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.03629 %	0.03769 %	0.03760 %	0.03573 %	0.03456 %	0.03268 %	0.03037 %
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 6,538,819</u>	<u>\$ 7,421,275</u>	<u>\$ 8,754,643</u>	<u>\$ 10,582,561</u>	<u>\$ 7,758,672</u>	<u>\$ 6,118,767</u>	<u>\$ 5,804,444</u>
District's Covered Payroll	<u>\$ 2,698,289</u>	<u>\$ 2,656,870</u>	<u>\$ 2,633,343</u>	<u>\$ 2,563,059</u>	<u>\$ 2,406,632</u>	<u>\$ 2,275,030</u>	<u>\$ 2,203,935</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	242%	279%	332%	413%	322%	269%	263%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

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

PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Seven Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 352,990	\$ 374,909	\$ 348,402	\$ 317,431	\$ 260,627	\$ 269,417	\$ 228,837
Contributions in Relation to the Contractually Required Contributions	<u>352,990</u>	<u>374,909</u>	<u>348,402</u>	<u>317,431</u>	<u>260,627</u>	<u>269,417</u>	<u>228,837</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 2,689,438</u>	<u>\$ 2,698,289</u>	<u>\$ 2,656,870</u>	<u>\$ 2,633,343</u>	<u>\$ 2,563,059</u>	<u>\$ 2,406,632</u>	<u>\$ 2,275,030</u>
Contributions as a Percentage of Covered Payroll	13.13%	13.89%	13.11%	12.05%	10.17%	11.19%	10.06%

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

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0 %	0 %	0 %	0 %	0 %	0 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 47,181,320</u>	<u>\$ 48,628,419</u>	<u>\$ 50,470,552</u>	<u>\$ 61,819,569</u>	<u>\$ 50,399,597</u>	<u>\$ 38,293,955</u>	<u>\$ 38,852,868</u>
Total	<u>\$ 47,181,320</u>	<u>\$ 48,628,419</u>	<u>\$ 50,470,552</u>	<u>\$ 61,819,569</u>	<u>\$ 50,399,597</u>	<u>\$ 38,293,955</u>	<u>\$ 38,852,868</u>
District's Covered Payroll	<u>\$ 8,320,775</u>	<u>\$ 7,844,903</u>	<u>\$ 7,951,060</u>	<u>\$ 7,601,792</u>	<u>\$ 7,641,947</u>	<u>\$ 7,722,649</u>	<u>\$ 7,576,844</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

**RIVER EDGE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Change of Benefit Terms:

None.

Change of Assumptions:

Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4D.

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

POSTEMPLOYMENT HEALTH BENEFIT PLAN

Last Three Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ 1,444,526	\$ 1,682,711	\$ 2,062,243
Interest on Total OPEB Liability	1,202,553	1,286,250	1,090,541
Differences Between Expected and Actual Experience	(4,041,920)	(3,330,222)	-
Changes of Assumptions	420,924	(3,447,891)	(4,575,186)
Gross Benefit Payments	(866,603)	(803,411)	(1,098,557)
Contribution from the Member	<u>25,689</u>	<u>27,767</u>	<u>40,452</u>
Net Change in Total OPEB Liability	(1,814,831)	(4,584,796)	(2,480,507)
Total OPEB Liability - Beginning	<u>30,045,672</u>	<u>34,630,468</u>	<u>37,110,975</u>
Total OPEB Liability - Ending	<u>\$ 28,230,841</u>	<u>\$ 30,045,672</u>	<u>\$ 34,630,468</u>
District's Proportionate Share of OPEB Liability	\$0	\$0	\$0
State's Proportionate Share of OPEB Liability	<u>28,230,841</u>	<u>30,045,672</u>	<u>34,630,468</u>
Total OPEB Liability - Ending	<u>\$ 28,230,841</u>	<u>\$ 30,045,672</u>	<u>\$ 34,630,468</u>
District's Covered Payroll	<u>\$ 11,019,064</u>	<u>\$ 10,501,773</u>	<u>\$ 10,584,403</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%

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

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

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

**RIVER EDGE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

RIVER EDGE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Title IA</u>	<u>Title IIA</u>	<u>Title III</u>	<u>Title III Immigrant</u>	<u>Title IV</u>	<u>IDEA Part B Basic</u>	<u>IDEA Part B Preschool</u>	<u>CARES Emergency Relief</u>	<u>Local Donations</u>	<u>Total Exhibit E-1A</u>	<u>Total</u>
REVENUES											
Intergovernmental											
State										\$ 632,311	\$ 632,311
Federal	\$ 69,173	\$ 15,891	\$ 13,626	\$ 3,167	\$ 7,589	\$ 420,759	\$ 17,923	\$ 21,558		-	569,686
Other	-	-	-	-	-	-	-	-	\$ 12,486	-	12,486
Total Revenues	\$ 69,173	\$ 15,891	\$ 13,626	\$ 3,167	\$ 7,589	\$ 420,759	\$ 17,923	\$ 21,558	\$ 12,486	\$ 632,311	\$ 1,214,483
EXPENDITURES											
Instruction											
Salaries	\$ 50,765										\$ 50,765
Other Purchased Services			\$ 1,400			\$ 158,731				\$ 310,833	470,964
General Supplies	15,108		3,367	\$ 3,167		36,486	\$ 1,049	\$ 20,974	\$ 3,383	28,289	111,823
Textbooks										41,428	41,428
Other Objects	-	-	-	-	-	-	-	-	9,103	-	9,103
Total Instruction	65,873	-	4,767	3,167	-	195,217	1,049	20,974	12,486	380,550	684,083
Support Services											
Salaries											-
Purchased Prof./Technical Services		\$ 15,891	8,859		\$ 7,589	212,700	16,874				261,913
Other Purchased Services	3,300					12,842				169,311	185,453
Miscellaneous Purchased Services										82,450	82,450
General Supplies	-	-	-	-	-	-	-	584	-	-	584
Total Support Services	3,300	15,891	8,859	-	7,589	225,542	16,874	584	-	251,761	530,400
Total Expenditures	\$ 69,173	\$ 15,891	\$ 13,626	\$ 3,167	\$ 7,589	\$ 420,759	\$ 17,923	\$ 21,558	\$ 12,486	\$ 632,311	\$ 1,214,483

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RIVER EDGE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Nonpublic Technology	Nonpublic Nursing	Nonpublic Textbooks	Nonpublic Security	Chapter 192		Chapter 193			Sub-Total
					Compensatory Education	ESL	Corrective Speech	Exam. & Classification	Supplemental Instruction	
REVENUES										
Intergovernmental										
State	\$ 28,289	\$ 82,450	\$ 41,428	\$ 169,311	\$ 23,601	\$ 14,972	\$ 91,505	\$ 108,143	\$ 72,612	\$ 632,311
Total Revenues	\$ 28,289	\$ 82,450	\$ 41,428	\$ 169,311	\$ 23,601	\$ 14,972	\$ 91,505	\$ 108,143	\$ 72,612	\$ 632,311
EXPENDITURES										
Instruction										
Other Purchased Services					\$ 23,601	\$ 14,972	\$ 91,505	\$ 108,143	\$ 72,612	\$ 310,833
General Supplies	\$ 28,289									28,289
Textbooks	-	-	\$ 41,428	-	-	-	-	-	-	41,428
Total Instruction	28,289	-	41,428	-	23,601	14,972	91,505	108,143	72,612	380,550
Support Services										
Other Purchased Services				\$ 169,311						169,311
Miscellaneous Purchased Services		\$ 82,450								82,450
Other Objects	-	-	-	-	-	-	-	-	-	-
Total Support Services	-	82,450	-	169,311	-	-	-	-	-	251,761
Total Expenditures	\$ 28,289	\$ 82,450	\$ 41,428	\$ 169,311	\$ 23,601	\$ 14,972	\$ 91,505	\$ 108,143	\$ 72,612	\$ 632,311

CAPITAL PROJECTS FUND

**RIVER EDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Issue/Project Title</u>	<u>Original Amount Authorized</u>	<u>Modified Authorization</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance Transferred</u>	<u>Unexpended Balance, June 30, 2020</u>
			<u>Prior Years</u>	<u>Current Year</u>		
Roosevelt Elementary Gymnasium HVAC Upgrades	\$ 336,575	\$ 336,575	\$ -	\$ 246,270	\$ 90,305	\$ -
	<u>\$ 336,575</u>	<u>\$ 336,575</u>	<u>\$ -</u>	<u>\$ 246,270</u>	<u>\$ 90,305</u>	<u>\$ -</u>

**RIVER EDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Revenues and Other Financing Sources	
Donation from Extended Day Care	\$ 25,000
Transfer from Capital Reserve	<u>311,575</u>
Total Revenues and Other Financing Sources	<u>336,575</u>
Expenditures and Other Financing Uses	
Construction Services	\$ 246,270
Transfers to General Fund - Capital Reserve	<u>90,305</u>
Total Expenditures and Other Financing Uses	<u>336,575</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources and Uses	-
Fund Balance, Beginning of Year	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>

**RIVER EDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
ROOSEVELT ELEMENTARY GYMNASIUM HVAC UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Donation from Extended Day Care		\$ 25,000	\$ 25,000	\$ 25,000
Local Share - Transfer from Capital Reserve	-	311,575	311,575	311,575
	-	336,575	336,575	336,575
EXPENDITURES AND OTHER FINANCING SOURCES				
Construction Services		246,270	246,270	336,575
Transfers Out	-	90,305	90,305	-
	-	336,575	336,575	336,575
Excess (deficiency) of Revenues over (under) Expenditures	\$ -	\$ -	\$ -	\$ -

Additional Project Information:

Project Number		N/A
Grant Date		N/A
Bond Authorization Date		N/A
Bonds Authorized		N/A
Bonds Issued		N/A
Original Authorized Cost	\$	336,575
Additional Authorized Cost/(Cancellation)		(90,305)
Revised Authorized Cost	\$	246,270
Percentage Increase over Original Authorized Cost		-27%
Percentage Completion		100%
Original Target Completion Date		6/30/2020
Revised Target Completion Date		6/30/2020

ENTERPRISE FUND

**RIVER EDGE BOARD OF EDUCATION
ENTERPRISE FUNDS - NON-MAJOR
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2020**

	Food Service Fund	Summer Enrichment Program Fund	Non-Major Enterprise Funds Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 8,201	\$ 38,972	\$ 47,173
Due from Other Funds	<u>-</u>	<u>4,882</u>	<u>4,882</u>
Total Current Assets	<u>8,201</u>	<u>43,854</u>	<u>52,055</u>
Capital Assets			
Machinery and Equipment	2,589		2,589
Less: Accumulated Depreciation	<u>(2,589)</u>	<u>-</u>	<u>(2,589)</u>
Total Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>8,201</u>	<u>43,854</u>	<u>52,055</u>
NET POSITION			
Unrestricted	<u>8,201</u>	<u>43,854</u>	<u>52,055</u>
Total Net Position	<u>\$ 8,201</u>	<u>\$ 43,854</u>	<u>\$ 52,055</u>

**RIVER EDGE BOARD OF EDUCATION
ENTERPRISE FUNDS - NON-MAJOR
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Food Service Fund	Summer Enrichment Program Fund	Non-Major Enterprise Funds Total
OPERATING REVENUES			
Local Sources			
Daily Sales / Program Fees - Non-reimbursable	\$ 9,904	\$ 63,235	\$ 73,139
Total Operating Revenues	<u>9,904</u>	<u>63,235</u>	<u>73,139</u>
OPERATING EXPENSES			
Salaries and Wages		51,980	51,980
Cost of Sales - Non-reimbursable	<u>6,372</u>	<u>6,351</u>	<u>12,723</u>
Total Operating Expenses	<u>6,372</u>	<u>58,331</u>	<u>64,703</u>
Operating Income	<u>3,532</u>	<u>4,904</u>	<u>8,436</u>
NON-OPERATING REVENUES			
Interest on Deposits	<u>-</u>	<u>498</u>	<u>498</u>
Total Non-Operating Revenues	<u>-</u>	<u>498</u>	<u>498</u>
Change in Net Position		5,402	8,934
Total Net Position Beginning of Year	<u>4,669</u>	<u>38,452</u>	<u>43,121</u>
Total Net Position End of Year	<u>\$ 8,201</u>	<u>\$ 43,854</u>	<u>\$ 52,055</u>

**RIVER EDGE BOARD OF EDUCATION
ENTERPRISE FUNDS - NON-MAJOR
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Food Service</u> <u>Fund</u>	<u>Summer</u> <u>Enrichment</u> <u>Program</u> <u>Fund</u>	<u>Non-Major</u> <u>Enterprise</u> <u>Funds</u> <u>Total</u>
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 9,904	\$ 8,090	\$ 17,994
Cash Payments for Employees			
Salaries and Benefits		(51,980)	(51,980)
Cash Payments to Suppliers for Goods and Services	<u>(6,372)</u>	<u>(6,351)</u>	<u>(12,723)</u>
Net Cash Provided by (Used for) Operating Activities	<u>3,532</u>	<u>(50,241)</u>	<u>(46,709)</u>
Cash Flows from Noncapital Financing Activities			
Cash Received (Paid) to/(from) Other Funds	<u>-</u>	<u>(4,882)</u>	<u>(4,882)</u>
Net Cash Provided (Used) by NonCapital Financing Activities	<u>-</u>	<u>(4,882)</u>	<u>(4,882)</u>
Cash Flows from Investing Activities			
Interest on Deposits	<u>-</u>	<u>498</u>	<u>498</u>
Net Cash Provided by Investing Activities	<u>-</u>	<u>498</u>	<u>498</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,532	(54,625)	(51,093)
Cash and Cash Equivalents, Beginning of Year	<u>4,669</u>	<u>93,597</u>	<u>98,266</u>
Cash and Cash Equivalents, End of Year	<u>\$ 8,201</u>	<u>\$ 38,972</u>	<u>\$ 47,173</u>
Reconciliation of Operating Income to			
Net Cash Provided by (Used for) Operating Activities			
Operating Income	\$ 3,532	\$ 4,904	\$ 8,436
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities			
Change in Liabilities (Decrease) in Unearned Revenue	<u>-</u>	<u>(55,145)</u>	<u>(55,145)</u>
Total Adjustments	<u>-</u>	<u>(55,145)</u>	<u>(55,145)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 3,532</u>	<u>\$ (50,241)</u>	<u>\$ (46,709)</u>

FIDUCIARY FUNDS

**RIVER EDGE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AS OF JUNE 30, 2020**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 6,869	\$ 92,645	\$ 99,514
Total Assets	<u>\$ 6,869</u>	<u>\$ 92,645</u>	<u>\$ 99,514</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 92,330	\$ 92,330
Accrued Salaries and Wages		315	315
Due to Student Groups	<u>\$ 6,869</u>	<u>-</u>	<u>6,869</u>
Total Liabilities	<u>\$ 6,869</u>	<u>\$ 92,645</u>	<u>\$ 99,514</u>

**RIVER EDGE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-8

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Balance, July 1, 2019</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance, June 30, 2020</u>
Elementary Schools				
Cherry Hill	\$ 3,571	\$ 157	\$ 146	\$ 3,582
Roosevelt	<u>3,329</u>	<u>2,682</u>	<u>2,724</u>	<u>3,287</u>
 Total All Schools	 <u>\$ 6,900</u>	 <u>\$ 2,839</u>	 <u>\$ 2,870</u>	 <u>\$ 6,869</u>

**RIVER EDGE BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Balance, July 1, <u>2019</u>	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>2020</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 3,318	\$ 5,649,052	\$ 5,560,040	\$ 92,330
Accrued Salaries and Wages	<u>1,681</u>	<u>8,087,026</u>	<u>8,088,392</u>	<u>315</u>
 Total	 <u>\$ 4,999</u>	 <u>\$ 13,736,078</u>	 <u>\$ 13,648,432</u>	 <u>\$ 92,645</u>

LONG-TERM DEBT

RIVER EDGE BOARD OF EDUCATION
 LONG-TERM DEBT
 SCHEDULE OF SERIAL BONDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2019</u>	<u>Matured</u>	<u>Balance, June 30, 2020</u>						
			<u>Date</u>	<u>Amount</u>										
Refunding School Issue	3/17/2011	\$ 2,820,000	12/1/2020	\$ 280,000	4.000%	\$ 835,000	\$ 280,000	\$ 555,000						
			12/1/2021	275,000	4.000%									
Refunding School Issue	9/27/2012	8,515,000	2/1/2021	460,000	3.000%	6,955,000	435,000	6,520,000						
			2/1/2022	485,000	3.000%									
			2/1/2023	630,000	3.000%									
			2/1/2024	625,000	3.000%									
			2/1/2025	620,000	3.000%									
			2/1/2026	635,000	3.000%									
			2/1/2027	630,000	3.000%									
			2/1/2028	620,000	3.000%									
			2/1/2029	615,000	3.000%									
			2/1/2030	605,000	3.000%									
			2/1/2031	595,000	3.000%									
			Refunding School Issue	11/25/2014	7,325,000				10/15/2020	235,000	3.000%	6,870,000	225,000	6,645,000
									10/15/2021	245,000	4.000%			
10/15/2022	415,000	4.000%												
10/15/2023	455,000	3.000%												
10/15/2024	500,000	3.125%												
10/15/2025	520,000	4.500%												
10/15/2026	570,000	3.500%												
10/15/2027	620,000	3.500%												
10/15/2028	675,000	3.500%												
10/15/2029	725,000	3.500%												
10/15/2030	780,000	3.500%												
10/15/2031	905,000	3.500%												
						<u>6,870,000</u>	<u>225,000</u>	<u>6,645,000</u>						
						<u>\$ 14,660,000</u>	<u>\$ 940,000</u>	<u>\$ 13,720,000</u>						
						Budget Appropriation	<u>\$ 940,000</u>							

**RIVER EDGE BOARD OF EDUCATION
LONG-TERM DEBT
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 1,200,316		\$ 1,200,316	\$ 1,200,316	
Debt Service Aid	<u>216,384</u>	\$ -	<u>216,384</u>	<u>216,384</u>	<u>-</u>
Total Revenues	<u>1,416,700</u>	<u>-</u>	<u>1,416,700</u>	<u>1,416,700</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	940,000		940,000	940,000	
Interest	<u>476,700</u>	<u>-</u>	<u>476,700</u>	<u>476,700</u>	<u>-</u>
Total Expenditures	<u>1,416,700</u>	<u>-</u>	<u>1,416,700</u>	<u>1,416,700</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

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

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

	2011	2012	2013	2014	As of June 30, 2015	2016	2017	2018	2019	2020
				(Restated)						
Governmental Activities										
Net Investment in Capital Assets	\$ 2,287,210	\$ 2,299,398	\$ 2,248,154	\$ 2,706,552	\$ 3,085,602	\$ 3,171,066	\$ 3,302,158	\$ 3,599,095	\$ 4,353,219	\$ 4,755,910
Restricted	192,189	267,939	378,813	621,003	771,228	1,059,966	1,026,840	862,532	1,267,722	2,117,135
Unrestricted	<u>737,452</u>	<u>867,590</u>	<u>1,153,834</u>	<u>(4,790,997)</u>	<u>(4,795,691)</u>	<u>(5,168,198)</u>	<u>(5,940,047)</u>	<u>(6,649,994)</u>	<u>(7,028,819)</u>	<u>(7,188,430)</u>
Total Governmental Activities Net Position	<u>\$ 3,216,851</u>	<u>\$ 3,434,927</u>	<u>\$ 3,780,801</u>	<u>\$ (1,463,442)</u>	<u>\$ (938,861)</u>	<u>\$ (937,166)</u>	<u>\$ (1,611,049)</u>	<u>\$ (2,188,367)</u>	<u>\$ (1,407,878)</u>	<u>\$ (315,385)</u>
Business-Type Activities										
Net Investment in Capital Assets										
Unrestricted	<u>\$ 7,876</u>	<u>\$ 9,547</u>	<u>\$ 6,439</u>	<u>\$ 11,473</u>	<u>\$ 23,401</u>	<u>\$ 24,432</u>	<u>\$ 29,351</u>	<u>\$ 33,713</u>	<u>\$ 43,121</u>	<u>\$ 52,055</u>
Total Business-Type Activities Net Position	<u>\$ 7,876</u>	<u>\$ 9,547</u>	<u>\$ 6,439</u>	<u>\$ 11,473</u>	<u>\$ 23,401</u>	<u>\$ 24,432</u>	<u>\$ 29,351</u>	<u>\$ 33,713</u>	<u>\$ 43,121</u>	<u>\$ 52,055</u>
District-Wide										
Net Investment in Capital Assets	\$ 2,287,210	\$ 2,299,398	\$ 2,248,154	\$ 2,706,552	\$ 3,085,602	\$ 3,171,066	\$ 3,302,158	\$ 3,599,095	\$ 4,353,219	\$ 4,755,910
Restricted	192,189	267,939	378,813	621,003	771,228	1,059,966	1,026,840	862,532	1,267,722	2,117,135
Unrestricted	<u>745,328</u>	<u>877,137</u>	<u>1,160,273</u>	<u>(4,779,524)</u>	<u>(4,772,290)</u>	<u>(5,143,766)</u>	<u>(5,910,696)</u>	<u>(6,616,281)</u>	<u>(6,985,698)</u>	<u>(7,136,375)</u>
Total District Net Position	<u>\$ 3,224,727</u>	<u>\$ 3,444,474</u>	<u>\$ 3,787,240</u>	<u>\$ (1,451,969)</u>	<u>\$ (915,460)</u>	<u>\$ (912,734)</u>	<u>\$ (1,581,698)</u>	<u>\$ (2,154,654)</u>	<u>\$ (1,364,757)</u>	<u>\$ (263,330)</u>

Note 1 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions"

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 6,849,342	\$ 6,881,874	\$ 7,138,658	\$ 6,861,154	\$ 8,435,228	\$ 9,430,279	\$ 9,955,637	\$ 10,519,387	\$ 9,815,683	\$ 9,954,431
Special Education	2,600,471	2,840,848	3,189,561	3,355,024	3,738,680	4,062,713	4,963,621	5,047,628	4,842,425	4,553,682
Other Instruction	888,181	978,354	1,048,138	1,082,954	1,311,920	1,392,555	1,445,351	1,564,453	1,433,457	1,539,355
Support Services:										
Student and Instruction Related Services	2,367,895	2,206,225	2,286,215	2,341,688	2,529,563	2,681,295	3,174,664	3,564,459	3,488,444	3,434,252
General Administration Services	507,008	565,502	689,068	551,565	641,985	608,418	776,820	809,409	771,999	781,902
School Administration Services	745,602	852,329	908,472	886,780	1,047,441	1,156,852	1,356,528	1,419,337	1,347,533	1,286,182
Business/ Central Services	361,676	365,252	455,388	428,759	529,266	611,193	550,872	646,600	622,841	627,068
Plant Operations And Maintenance	1,982,410	1,967,932	1,955,808	1,966,031	2,009,615	2,191,767	2,427,827	2,531,844	2,415,012	2,470,310
Pupil Transportation	93,119	46,463	50,201	49,428	84,448	99,234	111,639	153,042	141,268	129,175
Interest On Long-Term Debt	833,366	831,774	680,039	725,695	632,909	625,235	596,212	566,638	532,632	496,981
Total Governmental Activities Expenses	17,229,070	17,536,553	18,401,548	18,249,078	20,961,055	22,859,541	25,359,171	26,822,797	25,411,294	25,273,338
Business-Type Activities:										
Food Service	16,445	15,273	16,848	16,452	14,222	19,509	11,428	10,135	9,989	6,372
Summer Enrichment Program	57,701	56,416	55,096	53,046	47,955	50,349	52,120	49,233	57,934	58,331
Total Business-Type Activities Expense	74,146	71,689	71,944	69,498	62,177	69,858	63,548	59,368	67,923	64,703
Total District Expenses	\$ 17,303,216	\$ 17,608,242	\$ 18,473,492	\$ 18,318,576	\$ 21,023,232	\$ 22,929,399	\$ 25,422,719	\$ 26,882,165	\$ 25,479,217	\$ 25,338,041
Program Revenues										
Governmental Activities:										
Charges For Services:										
Regular								\$ 46,095	\$ 51,965	\$ 48,368
Special Education	\$ 466,579	\$ 484,142	\$ 777,275	\$ 790,310	\$ 929,139	\$ 835,142	\$ 693,242	723,136	608,809	568,772
Operating Grants And Contributions	2,200,419	2,584,964	3,083,986	2,891,826	4,875,937	5,999,315	7,676,017	8,545,044	7,782,269	7,422,941
Capital Grants And Contributions	-	90,000	65,296	41,669	150,586	9,593	-	-	6,538	25,000
Total Governmental Activities Program Revenues	2,666,998	3,159,106	3,926,557	3,723,805	5,955,662	6,844,050	8,369,259	9,314,275	8,449,581	8,065,081
Business-Type Activities:										
Charges For Services										
Food Service	\$ 16,445	\$ 16,519	\$ 15,602	\$ 16,452	\$ 14,222	\$ 20,240	\$ 12,167	\$ 11,971	\$ 11,352	\$ 9,904
Summer Enrichment Program	58,330	56,841	53,105	57,943	59,763	50,530	56,235	51,717	65,607	63,235
Total Business Type Activities Program Revenues	74,775	73,360	68,707	74,395	73,985	70,770	68,402	63,688	76,959	73,139
Total District Program Revenues	\$ 2,741,773	\$ 3,232,466	\$ 3,995,264	\$ 3,798,200	\$ 6,029,647	\$ 6,914,820	\$ 8,437,661	\$ 9,377,963	\$ 8,526,540	\$ 8,138,220
Net (Expense)/Revenue										
Governmental Activities	\$ (14,562,072)	\$ (14,377,447)	\$ (14,474,991)	\$ (14,525,273)	\$ (15,005,393)	\$ (16,015,491)	\$ (16,989,912)	\$ (17,508,522)	\$ (16,961,713)	\$ (17,208,257)
Business-Type Activities	629	1,671	(3,237)	4,897	11,808	912	4,854	4,320	9,036	8,436
Total District-Wide Net Expense	\$ (14,561,443)	\$ (14,375,776)	\$ (14,478,228)	\$ (14,520,376)	\$ (14,993,585)	\$ (16,014,579)	\$ (16,985,058)	\$ (17,504,202)	\$ (16,952,677)	\$ (17,199,821)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes	\$ 12,867,707	\$ 12,983,676	\$ 13,243,350	\$ 13,508,217	\$ 13,850,746	\$ 14,308,961	\$ 14,707,943	\$ 15,106,738	\$ 15,408,873	\$ 15,717,050
Property Taxes Levied For Debt Service	1,256,360	1,255,573	1,211,928	1,186,228	1,188,351	1,200,950	1,215,370	1,197,136	1,200,358	1,200,316
Federal and State Aid - Unrestricted								277,149	762,964	997,591
Federal and State Aid - Restricted	219,274	217,099	233,024	243,431	272,955	274,243	269,763	209,954	212,442	216,384
Interest on Deposits	25,860	10,334	9,626	8,556	5,046	4,595	6,387	15,131	23,888	26,552
Miscellaneous Income	76,730	128,841	122,937	139,042	202,276	228,437	116,566	125,096	133,677	142,857
Donated Capital Assets					10,600					
Accrued Interest on Sale of Bonds										
Loss on Disposition of Capital Assets	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	14,445,931	14,595,523	14,820,865	15,085,474	15,529,974	16,017,186	16,316,029	16,931,204	17,742,202	18,300,750
Total Business-Type Activities	-	-	129	137	120	119	65	42	372	498
Total District-Wide	\$ 14,445,931	\$ 14,595,523	\$ 14,820,994	\$ 15,085,611	\$ 15,530,094	\$ 16,017,305	\$ 16,316,094	\$ 16,931,246	\$ 17,742,574	\$ 18,301,248
Change in Net Position										
Governmental Activities	\$ (116,141)	\$ 218,076	\$ 345,874	\$ 560,201	\$ 524,581	\$ 1,695	\$ (673,883)	\$ (577,318)	\$ 780,489	\$ 1,092,493
Business-Type Activities	629	1,671	(3,108)	5,034	11,928	1,031	4,919	4,362	9,408	8,934
Total District	\$ (115,512)	\$ 219,747	\$ 342,766	\$ 565,235	\$ 536,509	\$ 2,726	\$ (668,964)	\$ (572,956)	\$ 789,897	\$ 1,101,427

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

	2011	2012	2013	2014	As of June 30, 2015	2016	2017	2018	2019	2020
General Fund										
Restricted	\$ 700,240	\$ 1,089,260	\$ 1,386,409	\$ 1,139,063	\$ 1,696,038	\$ 2,128,666	\$ 1,935,227	\$ 1,843,154	\$ 2,267,722	\$ 3,117,135
Assigned	279,046	191,156	125,808	213,100	154,208	42,540	113,777	8,725		
Committed									9,218	
Unassigned	144,604	125,766	126,986	134,713	136,602	142,189	157,610	150,943	50,275	32,414
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Total General Fund	<u>\$ 1,123,890</u>	<u>\$ 1,406,182</u>	<u>\$ 1,639,203</u>	<u>\$ 1,486,876</u>	<u>\$ 1,986,848</u>	<u>\$ 2,313,395</u>	<u>\$ 2,206,614</u>	<u>\$ 2,002,822</u>	<u>\$ 2,327,215</u>	<u>\$ 3,149,549</u>
All Other Governmental Funds										
Restricted	\$ 129,334	\$ 88,892	\$ 49,539	\$ 337,697	\$ 81,431	\$ 6,300	\$ 166,613	\$ 19,378		
Assigned		20,147	34,463							
Reserved										
Unreserved	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 129,334</u>	<u>\$ 109,039</u>	<u>\$ 84,002</u>	<u>\$ 337,697</u>	<u>\$ 81,431</u>	<u>\$ 6,300</u>	<u>\$ 166,613</u>	<u>\$ 19,378</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax Levy	\$ 14,124,067	\$ 14,239,249	\$ 14,455,278	\$ 14,694,445	\$ 15,039,097	\$ 15,509,911	\$ 15,923,313	\$ 16,303,874	\$ 16,609,231	\$ 16,917,366
Tuition Charges	466,579	484,142	777,275	790,310	929,139	835,142	693,242	769,231	660,774	617,140
Interest Earnings	25,860	10,334	9,626	8,556	5,046	4,595	6,387	15,131	23,888	206,895
Miscellaneous	76,730	128,841	122,937	139,132	204,514	240,118	120,353	131,490	152,398	
Other Local Sources										
State Sources	1,886,552	2,371,786	2,935,002	2,758,367	3,248,237	3,334,193	3,606,474	4,284,684	5,842,824	6,301,564
Federal Sources	533,141	520,277	447,304	418,469	419,537	489,106	532,620	469,192	475,824	569,686
Total Revenues	17,112,929	17,754,629	18,747,422	18,809,279	19,845,570	20,413,065	20,882,389	21,973,602	23,764,939	24,612,651
Expenditures										
Instruction										
Regular Instruction	6,849,342	6,964,044	7,138,658	6,861,154	7,276,076	7,688,490	7,760,867	8,335,373	8,599,358	9,032,332
Special Education Instruction	2,600,471	2,840,848	3,189,561	3,355,024	3,503,625	3,649,064	3,907,483	4,029,114	4,247,629	4,125,729
Other Instruction	888,181	978,354	1,048,138	1,082,954	1,181,662	1,202,944	1,213,206	1,321,808	1,301,625	1,426,432
Support Services:										
Student and Inst. Related Services	2,365,318	2,203,648	2,280,698	2,336,171	2,489,188	2,566,126	2,710,142	2,972,638	3,162,566	3,269,600
General Administration Services	507,008	565,502	572,140	551,565	523,122	585,023	638,475	669,832	693,003	723,566
School Administration Services	745,602	852,329	908,472	886,780	961,048	1,010,852	1,087,474	1,127,880	1,160,251	1,167,442
Business/ Central Services	361,676	365,252	455,388	428,759	458,049	495,774	448,738	521,206	550,721	580,989
Plant Operations And Maintenance	1,316,657	1,302,179	1,279,978	1,281,421	1,289,024	1,438,780	1,519,343	1,567,824	1,548,901	1,653,162
Pupil Transportation	93,119	46,463	50,201	49,428	77,859	90,116	91,978	130,674	127,757	119,095
Capital Outlay	22,672	149,138	108,713	380,509	412,049	22,002	38,770	238,967	655,313	275,270
Debt Service:										
Principal	595,000	620,000	797,467	804,317	770,000	815,000	840,000	865,000	900,000	940,000
Interest and Other Charges	833,828	813,839	710,014	689,829	615,162	597,478	572,381	544,313	512,800	476,700
Cost of Issuance of Refunding Bonds	69,079		116,928		111,175					
Payments to Refunding Escrow Agent	121,256	-	802,275	-	-	-	-	-	-	-
Total Expenditures	17,369,209	17,701,596	19,458,631	18,707,911	19,668,039	20,161,649	20,828,857	22,324,629	23,459,924	23,790,317
Excess (Deficiency) of Revenues Over (Under) Expenditures	(256,280)	53,033	(711,209)	101,368	177,531	251,416	53,532	(351,027)	305,015	822,334
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)		208,954								
Cancellation of Grant Receivable										
Accrued Interest on Sale of Bonds										
Bond Proceeds					7,325,000					
Payments to Refunding Escrow Agent	(2,698,000)		(8,085,000)		(7,746,275)					
Refunding Bond Proceeds	2,820,000		8,515,000							
Premium on Issuance of Refunding Bond	68,335		489,203		487,450					
Transfers In	472	5,593	113	301,245	-	86,947	200,000		354,920	401,880
Transfers Out	(472)	(5,593)	(113)	(301,245)	-	(86,947)	(200,000)	-	(354,920)	(401,880)
Total Other Financing Sources (Uses)	190,335	208,954	919,203	-	66,175	-	-	-	-	-
Net Change in Fund Balances	\$ (65,945)	\$ 261,987	\$ 207,994	\$ 101,368	\$ 243,706	\$ 251,416	\$ 53,532	\$ (351,027)	\$ 305,015	\$ 822,334
Debt Service as a Percentage of Noncapital Expenditures	9.33%	8.17%	8.18%	8.15%	7.77%	7.01%	6.79%	6.38%	6.20%	6.02%

* Noncapital expenditures are total expenditures less capital outlay.

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

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Interest on Deposits</u>	<u>Misc.</u>	<u>Total</u>
2011	\$ 466,579	\$ 25,388	\$ 76,730	\$ 568,697
2012	484,142	10,074	128,841	623,057
2013	777,275	9,513	122,937	909,725
2014	790,310	8,322	139,042	937,674
2015	929,139	5,046	202,276	1,136,461
2016	835,142	4,595	228,437	1,068,174
2017	693,242	6,387	116,566	816,195
2018	769,231	15,131	125,096	909,458
2019	660,774	23,888	133,677	818,339
2020	617,140	26,552	142,857	786,549

Source: School Districts' Financial Statements

RIVER EDGE BOARD OF EDUCATION
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
 (Unaudited)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
(1) 2011	\$ 11,268,700	\$ 1,424,860,900	N/A	N/A	\$ 109,821,000	\$ 11,628,300	\$ 70,523,500	\$ 1,628,102,400	\$ 6,992,114	\$ 1,635,094,514	\$ 1,845,519,614	\$ 0.871
2012	7,651,800	1,230,634,900	N/A	N/A	101,710,100	11,109,500	79,154,600	1,430,260,900	7,391,212	1,437,652,112	1,612,162,697	1.006
2013	7,651,800	1,230,141,600	N/A	N/A	101,255,800	11,109,500	79,154,600	1,429,313,300	4,948,498	1,434,261,798	1,650,484,645	1.025
2014	3,019,800	1,230,540,199	N/A	N/A	107,300,600	11,109,500	77,829,700	1,429,799,799	4,544,828	1,434,344,627	1,680,254,978	1.049
2015	3,035,800	1,237,865,699	N/A	N/A	110,334,400	9,957,700	76,839,700	1,438,033,299	4,509,632	1,442,542,931	1,652,674,244	1.075
2016	2,533,300	1,245,022,199	N/A	N/A	113,294,400	9,957,700	76,839,700	1,447,647,299	4,742,304	1,452,389,603	1,687,677,142	1.097
2017	2,533,300	1,247,329,199	N/A	N/A	113,994,900	9,957,700	76,787,900	1,450,602,999	4,715,220	1,455,318,219	1,706,636,057	1.121
2018	2,742,900	1,250,423,299	N/A	N/A	114,618,400	9,957,700	76,737,900	1,454,480,199	4,561,923	1,459,042,122	1,775,381,937	1.138
2019	2,056,800	1,259,335,899	N/A	N/A	113,564,500	9,957,700	76,737,900	1,461,652,799	4,435,777	1,466,088,576	1,853,854,418	1.154
2020	1,926,000	1,274,472,399	N/A	N/A	113,863,300	9,957,700	76,737,900	1,476,957,299	4,295,164	1,481,252,463	1,950,932,269	1.164

Source: County Abstract of Ratables

^a Tax rates are per \$100

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

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

<u>Calendar Year</u>	<u>Total Direct School Tax Rate</u>	<u>Overlapping Rates</u>				<u>Total</u>
		<u>Regional High School District</u>	<u>Municipality (2)</u>	<u>County</u>		
2011	\$ 0.871	\$ 0.869	\$ 0.697	\$0.234	\$ 2.671	
2012	(1) 1.006	0.998	0.816	0.245	3.065	
2013	1.025	1.001	0.842	0.264	3.132	
2014	1.049	1.039	0.862	0.273	3.223	
2015	1.075	0.999	0.868	0.275	3.217	
2016	1.097	1.023	0.880	0.286	3.286	
2017	1.121	1.052	0.895	0.294	3.362	
2018	1.138	1.062	0.897	0.298	3.395	
2019	1.154	1.077	0.929	0.308	3.468	
2020	1.164	1.136	0.943	0.327	3.570	

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

(2) - Includes Library Tax

Source: Tax Collector

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

Taxpayer	2020		Taxpayer	2011	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
River Terrace Gardens, LLC	\$ 21,816,700	1.47%	River Terrace Gardens, LLC	\$ 19,828,900	1.21%
River Edge Associates	19,446,100	1.31%	River Edge Associates	15,761,300	0.96%
Route 4 - Maint Street, LLC	14,382,000	0.97%	Route 4 - Maint Street, LLC	10,398,200	0.64%
New Bride Landing Apartments LLC	14,000,000	0.95%	Gainesborough COOP Corp.	10,040,000	0.61%
Paradigm Tax - ESS	9,844,800	0.66%	ESS WCOT Owner LLC, PTA	8,649,300	0.53%
Gainesborough Coop C/O Access Mgmt	8,600,000	0.58%	Verizon - New Jersey	7,502,187	0.46%
First Real Estate Investment of NJ	8,475,900	0.57%	River Terrace Gardens Assoc - R E Gardens	7,297,900	0.45%
Grand Four Associates	6,643,400	0.45%	Grand Four Associates	5,625,000	0.34%
Milpau, LLC.	5,427,200	0.37%	Milpau, LLC.	5,032,600	0.31%
River Terrace Gardens Assoc	4,596,200	0.31%	Verizon - New Jersey	4,066,200	0.25%
	<u>\$ 113,232,300</u>	<u>7.64%</u>		<u>\$ 94,201,587</u>	<u>5.76%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Local School Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 14,124,067	\$ 14,124,067	100.00%	
2012	14,239,249	14,239,249	100.00%	
2013	14,455,278	14,455,278	100.00%	
2014	14,694,445	14,694,445	100.00%	
2015	15,039,097	15,039,097	100.00%	
2016	15,509,911	15,509,911	100.00%	
2017	15,923,313	15,923,313	100.00%	
2018	16,303,874	16,303,874	100.00%	
2019	16,609,231	16,609,231	100.00%	
2020	16,917,366	16,917,366	100.00%	

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Total District</u>	<u>Population</u>	(1) <u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases</u>			
2011	\$ 20,400,000		\$ 20,400,000	11,353	\$ 1,797
2012	19,780,000	\$ 126,784	19,906,784	11,420	1,743
2013	19,480,000	59,317	19,539,317	11,449	1,707
2014	18,735,000		18,735,000	11,480	1,632
2015	18,080,000		18,080,000	11,490	1,574
2016	17,265,000		17,265,000	11,517	1,499
2017	16,425,000		16,425,000	11,509	1,427
2018	15,560,000		15,560,000	11,525	1,350
2019	14,660,000		14,660,000	11,483	1,277
2020	13,720,000		13,720,000	11,435	1,200

(1) - Estimated

Source: District records

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Debt	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2011	\$ 20,400,000		\$ 20,400,000	1.25%	\$ 1,797
2012	19,780,000		19,780,000	1.38%	1,732
2013	19,480,000		19,480,000	1.36%	1,701
2014	18,735,000		18,735,000	1.31%	1,632
2015	18,080,000		18,080,000	1.25%	1,574
2016	17,265,000		17,265,000	1.19%	1,499
2017	16,425,000		16,425,000	1.13%	1,427
2018	15,560,000		15,560,000	1.07%	1,350
2019	14,660,000		14,660,000	1.00%	1,277
2020	13,720,000		13,720,000	0.94%	1,200

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

RIVER EDGE BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
FOR YEAR ENDED DECEMBER 31, 2019
(Unaudited)

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Borough of River Edge	\$ 12,851,569		\$ 12,851,569
Regional School District	3,068,270	\$ 3,068,270	
Local School District	<u>14,155,000</u>	<u>14,155,000</u>	<u>-</u>
	<u>\$ 30,074,839</u>	<u>\$ 17,223,270</u>	12,851,569
 Overlapping Debt Apportioned to the Municipality:			
Bergen County			
County of Bergen (3); (A)			14,482,867
Bergen County Utilities Authority - Water Pollution Control (2); (B)			<u>2,091,580</u>
 Total Direct and Overlapping Debt			<u>\$ 29,426,016</u>

(A) The debt for this entity was apportioned to the Borough of River Edge by dividing the Municipality's 2019 equalized value by the total 2019 equalized value for County of Bergen.

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

Sources:

- (1) Borough of River Edge 2019 Annual Debt Statement.
- (2) BCUA 2019 audit.
- (3) County of Bergen 2019 Annual Debt Statement

**RIVER EDGE BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
AS OF JUNE 30, 2020
(Unaudited)**

Legal Debt Margin Calculation for Fiscal Year 2020

Equalized valuation basis	
2019	\$ 1,923,480,457
2018	1,837,392,874
2017	<u>1,763,222,316</u>
	<u>\$ 5,524,095,647</u>
Average equalized valuation of taxable property	<u>\$ 1,841,365,216</u>
Debt limit (2.5% of average equalization value)	46,034,130
Total Net Debt Applicable to Limit	<u>13,720,000</u>
Legal debt margin	<u>\$ 32,314,130</u>

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 46,355,838	\$ 45,270,222	\$ 43,775,847	\$ 42,423,181	\$ 41,262,018	\$ 41,472,291	\$ 41,667,556	\$ 42,729,914	\$ 44,134,580	\$ 46,034,130
Total net debt applicable to limit	<u>20,400,000</u>	<u>19,780,000</u>	<u>19,480,000</u>	<u>18,735,000</u>	<u>18,080,000</u>	<u>17,265,000</u>	<u>16,425,000</u>	<u>15,560,000</u>	<u>14,660,000</u>	<u>13,720,000</u>
Legal debt margin	<u>\$ 25,955,838</u>	<u>\$ 25,490,222</u>	<u>\$ 24,295,847</u>	<u>\$ 23,688,181</u>	<u>\$ 23,182,018</u>	<u>\$ 24,207,291</u>	<u>\$ 25,242,556</u>	<u>\$ 27,169,914</u>	<u>\$ 29,474,580</u>	<u>\$ 32,314,130</u>
Total net debt applicable to the limit as a percentage of debt limit	44.01%	43.69%	44.50%	44.16%	43.82%	41.63%	39.42%	36.41%	33.22%	29.80%

Source: Annual Debt Statements

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income(1)</u>	<u>School District Population (2)</u>
2011	6.3	\$ 69,053	11,353
2012	6.4	72,152	11,420
2013	6.6	71,679	11,449
2014	4.6	74,452	11,480
2015	3.6	77,666	11,490
2016	3.4	79,145	11,517
2017	3.3	81,483	11,509
2018	2.8	85,951	11,525
2019	2.5	N/A	11,483
2020	N/A	N/A	11,435

N/A - Not Available

Source: United States Bureau of Census
School District Records

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

(2) Estimated

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

	<u>2020</u>		<u>2011</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>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>2020</u>
Instruction										
Regular	72.0	72.0	74.0	74.0	76.5	77.1	77.4	78.8	78.8	83.5
Special education	29.0	34.0	40.0	47.0	47.0	49.0	49.0	52.0	51.0	50.0
Other instruction	3.0	3.0	3.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0
Co-curricular activities										
Support Services:										
Student and instruction related services	12.5	11.5	11.5	17.0	17.5	18.5	17.0	17.0	17.0	18.0
General administration Services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
School administration Services	4.0	4.0	4.0	6.0	6.0	6.0	6.7	6.7	6.7	8.0
Central services	4.0	4.5	4.5	5.5	5.5	7.0	8.0	8.0	8.0	8.0
Plant operations and maintenance	8.0	8.0	8.0	9.0	9.0	9.0	10.0	10.0	10.0	12.0
Pupil transportation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-
Total	<u>136.5</u>	<u>141.0</u>	<u>149.0</u>	<u>166.5</u>	<u>169.5</u>	<u>173.6</u>	<u>175.1</u>	<u>179.5</u>	<u>178.5</u>	<u>185.5</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary					
2011	1,197	\$ 15,727,374	\$ 13,139	4.38%	105.00	01:13.8		1,197	1,153	-0.08%	96.32%
2012	1,179	16,118,619	13,671	4.05%	105.00	01:13.8		1,169	1,132	-2.34%	96.83%
2013	1,202	16,923,234	14,079	2.98%	105.00	01:13.8		1,196	1,153	2.29%	96.40%
2014	1,167	16,833,256	14,424	2.45%	106.00	01:14.4		1,166	1,121	-2.49%	96.14%
2015	1,205	17,759,653	14,738	2.18%	109.00	01:11.1		1,201	1,169	3.00%	97.34%
2016	1,170	18,727,169	16,006	8.60%	107.00	01:11		1,177	1,133	-2.00%	96.26%
2017	1,183	19,377,706	16,380	2.34%	108.00	01:11		1,188	1,146	0.93%	96.46%
2018	1,192	20,676,349	17,346	5.90%	108.00	01:11		1,201	1,148	1.09%	95.57%
2019	1,237	21,391,811	17,293	-0.30%	109.00	01:13		1,241	1,219	3.33%	98.23%
2020	1,258	22,098,347	17,566	1.58%	111.00	01:11		1,257	1,218	1.29%	96.90%

Sources: District records

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>District Building</u>										
<u>Cherry Hill Elementary School</u>										
Square Feet	101,900	101,900	101,900	101,900	101,900	101,900	101,900	101,900	101,900	101,900
Capacity (students)	850	850	850	850	850	850	850	850	850	850
Enrollment	720	727	745	730	760	667	690	710	741	755
<u>Roosevelt Elementary School</u>										
Square Feet	63,520	63,520	63,520	63,250	63,250	63,250	63,250	63,250	63,250	63,250
Capacity (students)	596	596	596	596	596	596	596	596	596	596
Enrollment	477	452	457	437	445	503	493	482	496	503

Number of Schools at June 30, 2020
 Elementary = 2

Source: District Records

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

	<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>2020</u>
<u>School Facilities</u>										
Cherry Hill School	\$ 104,287	\$ 142,159	\$ 153,759	\$ 123,998	\$ 124,109	\$ 142,655	\$ 160,014	\$ 146,315	\$ 131,517	\$ 166,292
Roosevelt School	<u>120,787</u>	<u>135,294</u>	<u>106,362</u>	<u>69,959</u>	<u>113,568</u>	<u>155,938</u>	<u>99,321</u>	<u>124,664</u>	<u>111,201</u>	<u>112,087</u>
Total School Facilities	<u>225,074</u>	<u>277,453</u>	<u>260,121</u>	<u>193,957</u>	<u>237,677</u>	<u>298,593</u>	<u>259,335</u>	<u>270,979</u>	<u>242,718</u>	<u>278,379</u>
Grand Total	<u>\$ 225,074</u>	<u>\$ 277,453</u>	<u>\$ 260,121</u>	<u>\$ 193,957</u>	<u>\$ 237,677</u>	<u>\$ 298,593</u>	<u>\$ 259,335</u>	<u>\$ 270,979</u>	<u>\$ 242,718</u>	<u>\$ 278,379</u>

Source: District Records

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

**RIVER EDGE BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2020
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Great American Insurance		
Property - Blanket Building & Contents	\$ 56,256,310	\$ 5,000
Flood and Earthquake (per occurrence and annual aggregate)	5,000,000	50,000
Automobile Liability	1,000,000	
General Liability - General Aggregate	2,000,000	
EDP Equipment	5,000,000	
Crime Coverage - Selective Insurance Company of America		
Public Employee Dishonesty - per employee/per loss	100,000/500,000	5,000/100,000
Commercial Umbrella Policy - Great American Insurance Insurance Co. (each occurrence and general aggregate)	9,000,000	
Commercial Umbrella Excess - Fireman's Fund Insurance Company (each occurrence and general aggregate)	50,000,000	
Cyber Liability - Indian Harbor (aggregate limit)	6,000,000	
Surety Bonds		
Treasurer of School Monies	210,000	
Board Secretary/Business Administrator	200,000	

Source: School District's records

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRIS SOHN, CPA
CHRISTOPHER M. VINCI, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the River Edge Board of Education as of and for the fiscal year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the River Edge Board of Education's basic financial statements and have issued our report thereon dated February 2, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

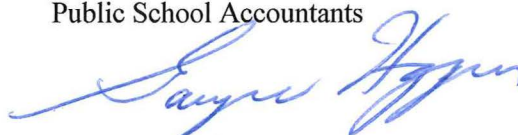
As part of obtaining reasonable assurance about whether the River Edge Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have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

Purpose of this Report

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



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



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
February 2, 2021



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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ROBERT LERCH, CPA
CHRIS SOHN, CPA
CHRISTOPHER M. VINCI, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major State Program

We have audited the River Edge Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the River Edge Board of Education's major state programs for the fiscal year ended June 30, 2020. The River Edge Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major State Program

In our opinion, the River Edge Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

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

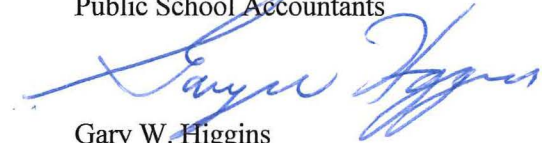
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the River Edge Board of Education, as of and for the fiscal year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated February 2, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
February 2, 2021

**RIVER EDGE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2019		Deferred Revenue Carryover Amount	A/R Carryover Amount	Cash Received	Budgetary Expenditures	June 30, 2020		Memo GAAP Receivables
						(Account Receivable)	Unearned Revenue					Unearned Revenue	(Account Receivable)	
U.S. Department of Education Passed-through State Department of Education														
Special Revenue Fund														
I.D.E.A. Part B, Basic Regular	84.027	H027A190100	IDEA441020	7/1/19-9/30/20	\$ 394,261			\$ 64,276	\$ (265,842)	\$ 423,123	\$ 420,759	\$ 37,778	\$ (236,980)	\$ (199,202)
I.D.E.A. Part B, Preschool	84.173	H173A190114	IDEA441020	7/1/19-9/30/20	17,294			6,021	(17,881)	27,849	17,923	5,392	(7,326)	(1,934)
I.D.E.A. Part B, Basic Regular	84.027	H027A180100	IDEA441019	7/1/18-6/30/19	347,922	\$ (265,842)	\$ 64,276	(64,276)	265,842					
I.D.E.A. Part B, Preschool	84.173	H173A180114	IDEA441019	7/1/18-6/30/19	16,418	(17,881)	6,021	(6,021)	17,881	-	-	-	-	-
Total Special Education Cluster (IDEA)						(283,723)	70,297	-	-	450,972	438,682	43,170	(244,306)	(201,136)
Title III	84.365	S365A190030	ESEA441020	7/1/19-9/30/20	21,984			10,324	(22,008)	16,103	13,626	18,682	(27,889)	(9,207)
Title III	84.365	S365A180030	ESEA441019	7/1/18-6/30/19	26,260	(22,008)	10,324	(10,324)	22,008					
Title III - Immigrant	84.365	S365A190030	ESEA441020	7/1/19-9/30/20	5,556			3,417	(4,917)	4,666	3,167	5,806	(5,807)	(1)
Title III - Immigrant	84.365	S365A180030	ESEA441019	7/1/18-6/30/19	5,037	(4,917)	3,417	(3,417)	4,917	-	-	-	-	-
Total English Language Acquisition Cluster						(26,925)	13,741	-	-	20,769	16,793	24,488	(33,696)	(9,208)
Title I	84.010	S010A180030	ESEA441019	7/1/18-6/30/19	73,922	(34,882)	9,680	(9,680)	34,882					
Title I	84.010	S010A190030	ESEA441020	7/1/19-9/30/20	69,651			9,680	(34,882)	68,360	69,173	10,158	(36,173)	(26,015)
Title II A	84.367A	S367A180029	ESEA441019	7/1/18-6/30/19	17,444	(11,439)	4,023	(4,023)	11,439					
Title II A	84.367A	S367A190029	ESEA441020	7/1/19-9/30/20	14,567			4,023	(11,439)	19,069	15,891	2,699	(6,937)	(4,238)
Title IV	84.424	S424A190031	ESEA441020	7/1/19-9/30/20	10,000			1,032	(7,832)	10,600	7,589	3,443	(7,232)	(3,789)
Title IV	84.424	S424A180031	ESEA441019	7/1/18-6/30/19	10,000	(7,832)	1,032	(1,032)	7,832					
CARES Emergency Relief Grant	84.425D	S425D200027	N/A	3/13/20-9/30/22	55,998	-	-	-	-	-	21,558	34,440	(55,998)	(21,558)
Total Special Revenue Fund						(364,801)	98,773	-	-	569,770	569,686	118,398	(384,342)	(265,944)
Total Federal Awards						\$ (364,801)	\$ 98,773	\$ -	\$ -	\$ 569,770	\$ 569,686	\$ 118,398	\$ (384,342)	\$ (265,944)

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

**RIVER EDGE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2019		Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2020			MEMO		
				Unearned Rev./ (Acct.Receiv.)	Due to Grantor				Unearned Revenue	(Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Expenditures	
State Department of Education														
General Fund														
Special Education Categorical Aid	19-495-034-5120-089	7/1/18-6/30/19	1,011,024	\$ (95,774)		\$ 95,774							*	
Special Education Categorical Aid	20-495-034-5120-089	7/1/19-6/30/20	1,011,024			913,875	\$ 1,011,024		\$ (97,149)				*	\$ 1,011,024
Equalization aid	19-495-034-5120-078	7/1/18-6/30/19	813,663	(77,078)		77,078							*	
Equalization aid	20-495-034-5120-078	7/1/19-6/30/20	1,018,367			920,513	1,018,367		(97,854)				*	1,018,367
Security Categorical Aid	19-495-034-5120-084	7/1/18-6/30/19	91,647	(8,682)		8,682							*	
Security Categorical Aid	20-495-034-5120-084	7/1/19-6/30/20	91,647	-	-	82,841	91,647	-	(8,806)	-			*	91,647
Total State Aid Public Cluster				(181,534)	-	2,098,763	2,121,038	-	(203,809)	-			*	2,121,038
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	19,622	(1,859)		1,859							*	
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	19,622			17,736	19,622		(1,886)				*	19,622
Non Public Transportation Reimbursement	19-495-034-5120-014	7/1/18-6/30/19	2,900	(2,900)	-	2,900	-	-	-	-			*	-
Total Transportation Cluster				(4,759)	-	22,495	19,622	-	(1,886)	-			*	19,622
Extraordinary Aid	19-495-034-5120-044	7/1/18-6/30/19	515,538	(515,538)		515,538							*	
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	297,217			297,217			(297,217)				*	297,217
On-Behalf TPAF Normal Costs	20-495-034-5094-002	7/1/19-6/30/20	1,583,686			1,583,686	1,583,686						*	1,583,686
On-Behalf TPAF NCGI Premium	20-495-034-5094-004	7/1/19-6/30/20	28,386			28,386	28,386						*	28,386
On-Behalf TPAF Long-Term Disability Insurance	20-495-034-5094-004	7/1/19-6/30/20	1,578			1,578	1,578						*	1,578
On-Behalf TPAF Post-Retiremenis Medical Contributions	20-495-034-5094-001	7/1/19-6/30/20	598,049			598,049	598,049						*	598,049
On-behalf TPAF Soc. Sec. Contributions	19-495-034-5094-003	7/1/18-6/30/19	592,146	(58,045)		58,045							*	
On-behalf TPAF Soc. Sec. Contributions	20-495-034-5094-003	7/1/19-6/30/20	607,274	-	-	577,606	607,274	-	(29,668)	-			*	\$ (29,668) 607,274
Total General Fund				(759,876)	-	5,484,146	5,256,850	-	(532,580)	-			*	(29,668) 5,256,850
Special Revenue Fund														
New Jersey Nonpublic Aid														
Textbook Aid	19-100-034-5120-064	7/1/18-6/30/19	42,720		\$ 1,348			\$ 1,348					*	
Textbook Aid	20-100-034-5120-064	7/1/19-6/30/20	41,430	-	-	41,430	41,428	-	-	\$ 2			*	41,428
Total Textbook Aid Cluster				-	1,348	41,430	41,428	1,348	-	2			*	41,428
Nursing Aid	19-100-034-5120-070	7/1/18-6/30/19	84,099		386			386					*	
Nursing Aid	20-100-034-5120-070	7/1/19-6/30/20	82,450	-	-	82,450	82,450	-	-	-			*	82,450
Total Nursing Aid Cluster				-	386	82,450	82,450	386	-	-			*	82,450
Technology Aid	19-100-034-5120-373	7/1/18-6/30/19	28,800		232			232					*	
Technology Aid	20-100-034-5120-373	7/1/19-6/30/20	28,296	-	-	28,296	28,289	-	-	7			*	28,289
Total Technology Aid Cluster				-	232	28,296	28,289	232	-	7			*	28,289
Auxiliary Services														
Compensatory Education	19-100-034-5120-067	7/1/18-6/30/19	95,601		56,515			56,515					*	
Compensatory Education	20-100-034-5120-067	7/1/19-6/30/20	54,026			49,483	23,601		(4,543)	30,425			*	(4,543) 23,601
English as a Second Language	19-100-034-5120-067	7/1/18-6/30/19	14,840		2,243			2,243					*	
English as a Second Language	20-100-034-5120-067	7/1/19-6/30/20	17,207	-	-	9,100	14,972	-	(8,107)	2,235			*	(8,107) 14,972
Total Auxiliary Services Aid				-	58,758	58,583	38,573	58,758	-	(12,650)	32,660		*	(12,650) 38,573

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**RIVER EDGE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2019		Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2020			MEMO		
				Unearned Rev./ (Acct.Receiv.)	Due to Grantor				Unearned Revenue	(Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Expenditures	
Handicapped Services														
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	99,994	\$ 12,053				\$ 12,053						
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	100,982			\$ 82,937	\$ 91,505		\$ (18,045)	\$ 9,477		(18,045)	\$ 91,505	
Examination & Classification	19-100-034-5120-066	7/1/18-6/30/19	125,949	16,008				16,008						
Examination & Classification	20-100-034-5120-066	7/1/19-6/30/20	141,022			132,059	108,143		(8,963)	32,879		(8,963)	108,143	
Supplementary Instruction	19-100-034-5120-066	7/1/18-6/30/19	98,328	14,574				14,574						
Supplementary Instruction	20-100-034-5120-066	7/1/19-6/30/20	97,461	-	-	93,090	72,612	-	(4,371)	24,849		(4,371)	72,612	
Total Handicapped Aid				-	42,635	308,086	272,260	42,635	-	(31,379)	67,205	(31,379)	272,260	
Security Aid	19-100-034-5120-509	7/1/18-6/30/19	174,150		1,461			1,461						
Security Aid	20-100-034-5120-509	7/1/19-6/30/20	169,350	-	-	169,350	169,311	-	-	39		-	169,311	
Total Security Aid Cluster				-	1,461	169,350	169,311	1,461	-	39		-	169,311	
Total Special Revenue Fund				-	104,820	688,195	632,311	104,820	-	(44,029)	99,913	(44,029)	632,311	
Debt Service Fund														
Debt Service Aid-State Support	20-495-034-5120-075	7/1/19-6/30/20	216,384	-	-	216,384	216,384	-	-	-		-	216,384	
Total Debt Service Fund				-	-	216,384	216,384	-	-	-		-	216,384	
Total				\$ (759,876)	104,820	6,388,725	6,105,545	104,820	-	(576,609)	99,913	(73,697)	6,105,545	
State Financial Assistance Not Subject to Single Audit Determination														
General Fund														
On-Behalf TPAF Normal Costs						(1,583,686)	(1,583,686)						(1,583,686)	
On-Behalf TPAF NCGI Premium						(28,386)	(28,386)						(28,386)	
On-Behalf TPAF Long-Term Disability Insurance						(1,578)	(1,578)						(1,578)	
On-Behalf TPAF Post-Retirements Medical Contributions						(598,049)	(598,049)						(598,049)	
Total State Financial Assistance Subject to Single Audit				\$ (759,876)	\$ 104,820	\$ 4,177,026	\$ 3,893,846	\$ 104,820	\$ -	\$ (576,609)	\$ 99,913	\$ (73,697)	\$ 3,893,846	

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$196,019 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general fund. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 5,452,869	\$ 5,452,869
Special Revenue Fund	\$ 569,686	632,311	1,201,997
Debt Service Fund	-	216,384	216,384
	<u>\$ 569,686</u>	<u>\$ 6,301,564</u>	<u>\$ 6,871,250</u>
Total Financial Assistance			

**RIVER EDGE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

TPAF Social Security contributions in the amount of \$607,274 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2020. The amount reported as TPAF Pension System Contributions in the amount of \$1,612,072, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$598,049 and TPAF Long-Term Disability Insurance in the amount of \$1,578 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2020.

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

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

**RIVER EDGE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Part I – Summary of Auditor’s Results

Financial Statement Section

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

Federal Awards Section

Not Applicable

**RIVER EDGE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Part I – Summary of Auditor’s Results

State Awards Section

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

GMIS Number(s)	Name of State Program
20-495-034-5120-089	Special Education Categorical Aid
20-495-034-5120-078	Equalization Aid
20-495-034-5120-084	Security Categorical Aid

**RIVER EDGE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Part 2 – Schedule of Financial Statement Findings

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

There are none.

**RIVER EDGE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

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

CURRENT YEAR FEDERAL AWARDS

Not Applicable.

CURRENT YEAR STATE AWARDS

There are none.

**RIVER EDGE BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

STATUS OF PRIOR YEAR FINDINGS

There were none.