

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

Riverdale, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
of the
Riverdale Board of Education
Riverdale, New Jersey
For The Fiscal Year Ended June 30, 2020**

**Prepared by
Business Office**

**RIVERDALE BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

INTRODUCTORY SECTION

Letter of Transmittal	i-v
Organizational Chart	vi
Roster of Officials	vii
Consultants and Advisors	viii

FINANCIAL SECTION

Independent Auditor's Report	1-3
------------------------------	-----

REQUIRED SUPPLEMENTARY INFORMATION- PART I

Management's Discussion and Analysis	4-15
--------------------------------------	------

Basic Financial Statements

A. District-wide Financial Statements

A-1 Statement of Net Position	16
A-2 Statement of Activities	17

B. Fund Financial Statements

Governmental Funds

B-1 Balance Sheet	18
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	19
B-3 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the District-Wide Statements	20

Proprietary Funds

B-4 Statement of Net Position	21
B-5 Statement of Revenues, Expenses, and Changes in Net Position	22
B-6 Statement of Cash Flows	23

Fiduciary Funds

B-7 Statement of Fiduciary Net Position	24
B-8 Statement of Changes in Fiduciary Net Position	25

Notes to the Financial Statements	26-65
--	-------

**RIVERDALE BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

REQUIRED SUPPLEMENTARY INFORMATION – PART II

C. Budgetary Comparison Schedules

C-1	Budgetary Comparison Schedule – General Fund	66-72
C-2	Budgetary Comparison Schedule – Special Revenue Fund	73

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II

C-3	Notes to the Required Supplementary Information	74
-----	---	----

REQUIRED SUPPLEMENTARY INFORMATION – PART III

L. Schedules Related to Accounting and Reporting for Pensions and OPEB (GASB 68 and 75)

L-1	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	75
L-2	Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	76
L-3	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	77
L-4	Notes to Required Supplementary Information – Net Pension Liability	78
L-5	Required Supplementary Information – Schedule of Changes in the District’s Proportionate Share of Total OPEB Liability	79
L-6	Notes to Required Supplementary Information – OPEB Liability	80

OTHER SUPPLEMENTARY INFORMATION

D. School Level Schedules – Not Applicable

E. Special Revenue Fund

E-1	Combining Schedule of Program Revenues and Expenditures Special Revenue Fund – Budgetary Basis	81
E-2	Schedule of Preschool Education Aid Expenditures – Budgetary Basis – Not Applicable	82

F. Capital Projects Fund

F-1	Summary Schedule of Project Expenditures – Not Applicable	83
F-2	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Not Applicable	84

**RIVERDALE BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

G. Proprietary Funds

Enterprise Fund

G-1	Combining Statement of Net Position – Not Applicable	85
G-2	Combining Statement of Revenues, Expenses and Changes in Net Position – Not Applicable	85
G-3	Combining Statement of Cash Flows – Not Applicable	85

H. Fiduciary Funds

H-1	Combining Statement of Agency Assets and Liabilities	86
H-2	Combining Statement of Changes in Net Position – Not Applicable	87
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	87
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	88

I. Long-Term Debt

I-1	Schedule of Serial Bonds – Not Applicable	89
I-2	Schedule of Obligations under Capital Leases	90
I-3	Debt Service Fund Budgetary Comparison Schedule – Not Applicable	91

J. STATISTICAL SECTION (Unaudited)

J-1	Net Position by Component	92
J-2	Changes in Net Position	93
J-3	Fund Balances – Governmental Funds	94
J-4	Changes in Fund Balances - Governmental Funds	95
J-5	General Fund Other Local Revenues by Source	96
J-6	Assessed Value and Actual Value of Taxable Property	97
J-7	Property Tax Rates	98
J-8	Principal Property Taxpayers	99
J-9	Property Tax Levies and Collections	100
J-10	Ratios of Outstanding Debt by Type	101
J-11	Ratios of Net General Bonded Debt Outstanding	102
J-12	Computation of Direct and Overlapping Outstanding Bonded Debt	103
J-13	Legal Debt Margin Information	104
J-14	Demographic Statistics	105
J-15	Principal Employers	106
J-16	Full-Time Equivalent District Employees by Function/Program	107
J-17	Operating Statistics	108
J-18	School Building Information	109
J-19	Schedule of Required Maintenance for School Facilities	110
J-20	Schedule of Insurance	111

**RIVERDALE BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

K. SINGLE AUDIT SECTION		
K-1	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	112-113
K-2	Report on Compliance for each Major State Program; Report on Internal Control over Compliance; and Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08 – Independent Auditor’s Report	114-116
K-3	Schedule of Expenditures of Federal Awards	117
K-4	Schedule of Expenditures of State Financial Assistance	118
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	119-120
K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results	121
K-7	Summary Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	122
K-7	Summary Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs	123-124
K-8	Summary Schedule of Prior Year Findings	125

INTRODUCTORY SECTION



Riverdale PUBLIC SCHOOL

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January 20, 2021

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

Dear Board Members:

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

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

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

The District provides a full range of educational services appropriate to grade levels Prek through 8. These services include general, as well as special education for students designated as needing the same, via their IEP. The District completed the 2019/2020 fiscal year with an enrollment of 329 students, which is 12 students fewer than the previous year's enrollment.

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

Average Daily Enrollment		
Fiscal Year	Student Enrollment	Percent Change
2019-2020	329	-3.5%
2018-2019	341	2.4%
2017-2018	333	-1.4%
2016-2017	338	-1.1%
2015-2016	342	3.0%
2014-2015	332	0.6%
2013-2014	330	-0.9%
2012-2013	333	2.7%
2011-2012	324	6.8%
2010-2011	318	1.9%
2009-2010	312	6.9%

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

2) ECONOMIC CONDITION AND OUTLOOK: A Demographic Study authorized by the Board of Education was completed in September 1997, updated in July 2002, November 2007, February 2008, April 2009, December 2009, and again in March 2020. After consultation with the school district's architect, the Board was satisfied that the school capacity remains adequate for the near future.

3) MAJOR INITIATIVES: The Riverdale School District's goals reflect our belief that the education of our students remains our top priority. As a Pre-K-8 school District of 329 students, we have been able to personalize instruction by maintaining small class sizes, wherever possible, in an environment of high expectations for student achievement and excellence. Student performances on state and local assessments are clear examples of the district's effectiveness in attaining high levels of student achievement.

During the 2019/2020 school year, teachers and administrators were committed to examining instructional methodologies in the following curricular areas: differentiated instruction, writing process, language arts literacy, mathematics, student wellness, inclusion and special education. Through the continued efforts of the District, professional development activities were aligned to instructional improvement. The curriculum reflects a focus in integration of critical thinking skills, use of technological applications, organizational strategies and writing instruction throughout all disciplines. These efforts optimize the learning experiences for our students.

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

3) MAJOR INITIATIVES (Continued)

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

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

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

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

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

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2020.

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

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

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

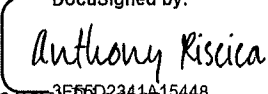
9) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

10) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board's audit committee selected the accounting firm of Lerch, Vinci, & Higgins, LLP,

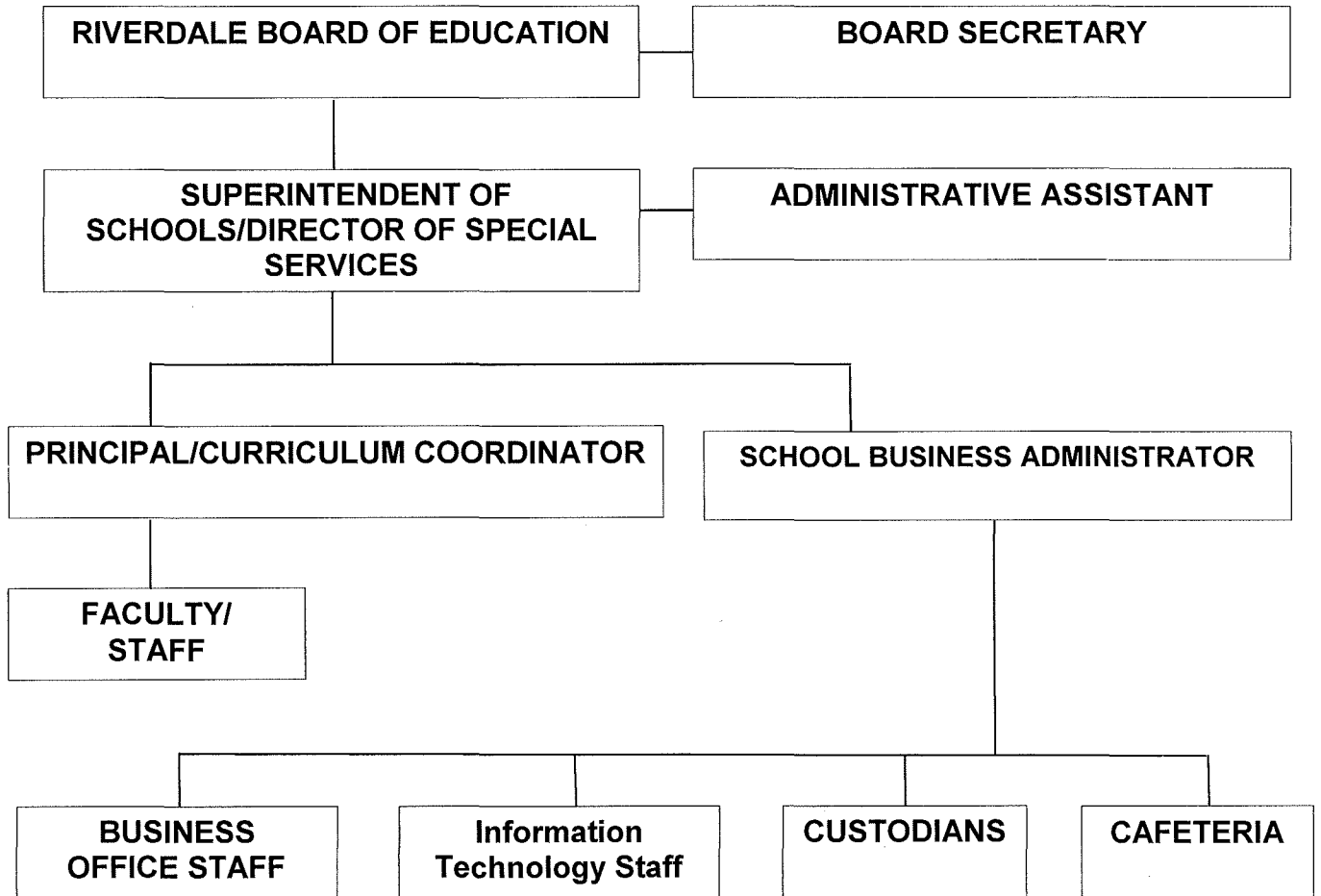
CPAs. In addition to meeting the requirements set forth in state statutes the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and state OMB Circular 15-08. The auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,

DocuSigned by:

Anthony Riscica
3F56D2341A15448...
Interim Superintendent

**RIVERDALE BOARD OF EDUCATION
ORGANIZATIONAL CHART**



RIVERDALE SCHOOL DISTRICT
RIVERDALE, NJ

ROSTER OF OFFICIALS

as of June 30, 2020

<u>Board Members</u>	<u>Term Expires</u>
Kelly Norris, President	2021
Jessica Rentas, Vice President	2022
Marybeth Miller	2020
Keith Hamilton	2021
Jill Morano	2021
Kathleen Miceli	2022
Annmarie Nadiroglu	2022

Other Officials:

Anthony Riscica, Interim Assistant Superintendent-Acting Superintendent
Jayson Gutierrez, Business Administrator/Board Secretary
Dawn Delasandro, Treasurer

**RIVERDALE SCHOOL DISTRICT
RIVERDALE, NEW JERSEY**

Consultants and Advisors

Architect

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

Audit Firm

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

Attorney

Sciarrillo, Cornell, Merlino, McKeever & Osborne
238 St. Paul Street
Westfield, NJ 07090

Official Depository

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

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
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
Riverdale Board of Education
Riverdale, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverdale Board of Education, as of and for the fiscal year ended June 30, 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 Riverdale 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 Riverdale Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Riverdale Board of Education.

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

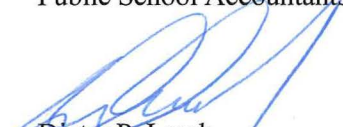
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated January 20, 2021 on our consideration of the Riverdale Board of Education’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Riverdale Board of Education’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Riverdale Board of Education’s internal control over financial reporting and compliance.



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



Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
January 20, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

This section of the Riverdale Board of Education's comprehensive annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2020. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34- Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2019-2020) and the prior year (2018-2019) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2019-2020 fiscal year are as follows:

- The assets and deferred outflows of resources of the Riverdale Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$6,175,494. (net position).
- The District's total net position increased \$624,870.
- Overall district revenues were \$10,213,734. General revenues accounted for \$8,236,557 or 81% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$1,977,177 or 19% of total revenues.
- The school district had \$9,495,119 in expenses for governmental activities; only \$1,887,052 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$8,236,553 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$3,084,585. Of this amount \$215,399 is available for spending at the District's discretion (unassigned fund balance – General Fund),

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

**Management’s Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2020**

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

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

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

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

Riverdale Board of Education Riverdale, New Jersey

Management's Discussion and Analysis (continued) Fiscal Year Ended June 30, 2020

District-Wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2020**

The district has three kinds of funds:

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

FINANCIAL ANALYSIS OF THE RIVERDALE BOARD OF EDUCATION AS A WHOLE

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

Table A-1 provides a summary of the school district's net position for 2020 and 2019.

Net position. The district's combined net position was \$6,175,494 on June 30, 2020. (See Table A-1).

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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2020**

**Table A-1
Net Position
as of June 30, 2020 and 2019**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	\$ 3,211,631	\$ 2,633,403	\$ 50,794	\$ 43,910	\$ 3,262,425	\$ 2,677,313
Capital assets, net	<u>4,298,755</u>	<u>4,073,855</u>	<u>19,683</u>	<u>23,177</u>	<u>4,318,438</u>	<u>4,097,032</u>
Total Assets	<u>7,510,386</u>	<u>6,707,258</u>	<u>70,477</u>	<u>67,087</u>	<u>7,580,863</u>	<u>6,774,345</u>
Deferred Outflows of Resources	<u>275,672</u>	<u>241,125</u>	<u>-</u>	<u>-</u>	<u>275,672</u>	<u>241,125</u>
Total Assets and Deferred Outflows of Resources	<u>7,786,058</u>	<u>6,948,383</u>	<u>70,477</u>	<u>67,087</u>	<u>7,856,535</u>	<u>7,015,470</u>
Liabilities						
Non-Current liabilities	1,085,141	987,478			1,085,141	987,478
Other liabilities	<u>127,046</u>	<u>5,293</u>	<u>8,410</u>	<u>1,507</u>	<u>135,456</u>	<u>6,800</u>
Total Liabilities	<u>1,212,187</u>	<u>992,771</u>	<u>8,410</u>	<u>1,507</u>	<u>1,220,597</u>	<u>994,278</u>
Deferred Inflows of Resources	<u>459,217</u>	<u>469,444</u>	<u>1,227</u>	<u>1,124</u>	<u>460,444</u>	<u>470,568</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,671,404</u>	<u>1,462,215</u>	<u>9,637</u>	<u>2,631</u>	<u>1,681,041</u>	<u>1,464,846</u>
Net Position						
Net Investment in capital assets	4,254,317	4,003,970	19,683	23,177	4,274,000	4,027,147
Restricted	1,768,922	1,528,761			1,768,922	1,528,761
Unrestricted	<u>91,415</u>	<u>(46,563)</u>	<u>41,157</u>	<u>41,279</u>	<u>132,572</u>	<u>(5,284)</u>
Total Net Position	<u>\$ 6,114,654</u>	<u>\$ 5,486,168</u>	<u>\$ 60,840</u>	<u>\$ 64,456</u>	<u>\$ 6,175,494</u>	<u>\$ 5,550,624</u>

Table A-2 on the following page shows changes in net position for fiscal year 2020 and 2019.

Riverdale Board of Education
Riverdale, New Jersey

Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2020

Table A-2
Changes in Net Position
For the Fiscal Years Ended June 30, 2020 and 2019

	<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>
Revenues						
Program Revenues						
Charges for Services	\$ 22,575	\$ 27,000	\$ 48,258	\$ 76,575	\$ 70,833	\$ 103,575
Operating/Capital Grants and Contributions	1,864,477	1,852,760	41,867	44,103	1,906,344	1,896,863
General Revenues						
Property Taxes	8,227,378	8,075,240			8,227,378	8,075,240
State Aid		857			-	857
Miscellaneous	9,175	4,183	4	141	9,179	4,324
<u>Total Revenues</u>	<u>10,123,605</u>	<u>9,960,040</u>	<u>90,129</u>	<u>120,819</u>	<u>10,213,734</u>	<u>10,080,859</u>
Expenses						
Instruction						
Regular	4,669,037	4,521,420			4,669,037	4,521,420
Special Education	1,517,097	1,658,179			1,517,097	1,658,179
Other Instruction	225,973	234,222			225,973	234,222
School Sponsored Activities and Athletics	60,025	75,986			60,025	75,986
Support Services						
Student and Instruction Related Serv.	907,595	925,990			907,595	925,990
General Administrative Services	404,440	409,472			404,440	409,472
School Administrative Services	219,987	185,298			219,987	185,298
Central Services	285,157	268,329			285,157	268,329
Plant Operations and Maintenance	731,324	704,819			731,324	704,819
Pupil Transportation	472,470	435,676			472,470	435,676
Food Services			92,770	108,482	92,770	108,482
Technology Initiative			975	1,515	975	1,515
Interest on Long-Term Debt	2,014	3,338	-	-	2,014	3,338
<u>Total Expenses</u>	<u>9,495,119</u>	<u>9,422,729</u>	<u>93,745</u>	<u>109,997</u>	<u>9,588,864</u>	<u>9,532,726</u>
Change in Net Position	628,486	537,311	(3,616)	10,822	624,870	548,133
Net Position, Beginning of Year	5,486,168	4,948,857	64,456	53,634	5,550,624	5,002,491
Net Position, End of Year	<u>\$ 6,114,654</u>	<u>\$ 5,486,168</u>	<u>\$ 60,840</u>	<u>\$ 64,456</u>	<u>\$ 6,175,494</u>	<u>\$ 5,550,624</u>

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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2020**

Governmental Activities. The District's total revenues were \$10,123,605. The local share of the revenues, that included property taxes, investment earnings, and miscellaneous revenue, amounted to \$8,236,553 or 81% of total revenues. Funding from state and federal sources and charges for services amounted to \$1,887,052 or 19%. (See Figure A-2)

The District's expenses are predominantly related to instruction and support services. Instruction totaled \$6,472,132 (68%) and student support services and interest on long-term debt totaled \$3,022,987 (32%) of total expenditures. (See Figure A-3)

Figure A-2 Revenues by Sources – Governmental Activities
For Fiscal Year 2020

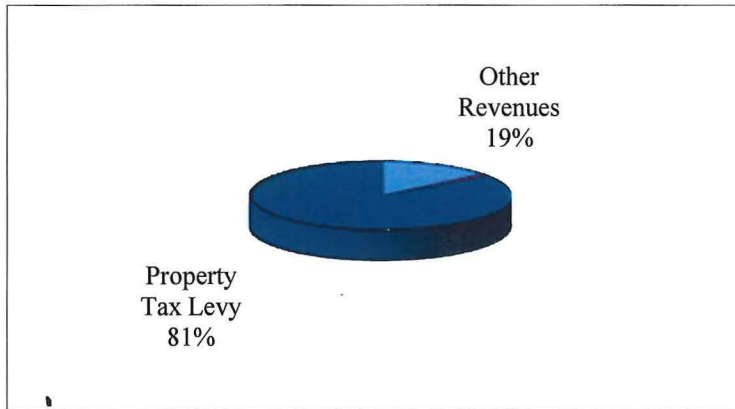
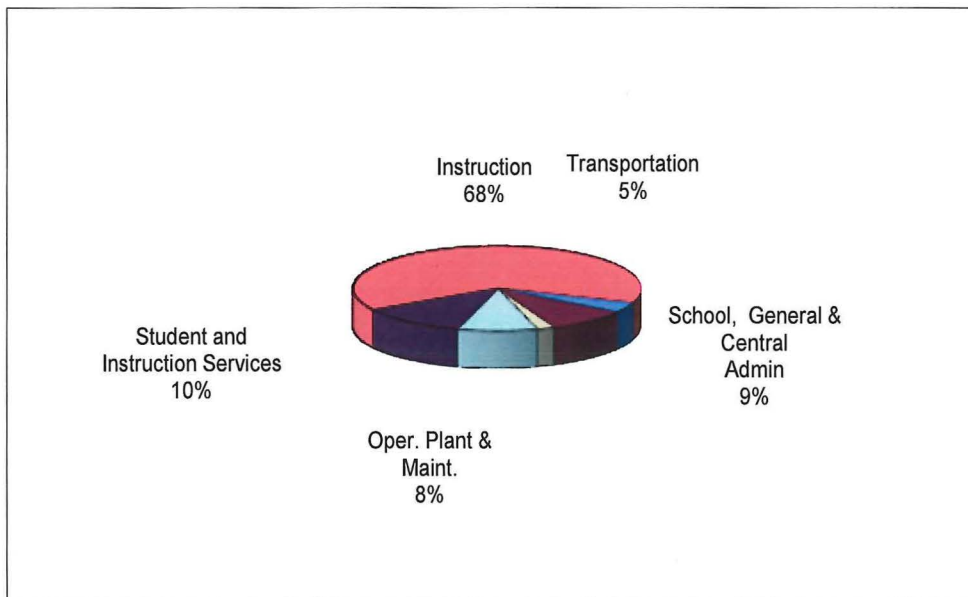


Figure A-3 Expenses by Function – Governmental Activities
For Fiscal Year 2020



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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2020**

**Table A-3
Cost and Net Cost of Services for Governmental Activities
For the Fiscal Years Ended June 30, 2019 and 2020**

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Governmental Activities				
Instruction				
Regular	4,669,037	\$ 4,521,420	\$ 3,887,310	\$ 3,733,046
Special Education	1,517,097	1,658,179	828,165	970,758
Other Instruction	225,973	234,222	147,104	141,495
School Sponsored Activities and Athletics	60,025	75,986	59,319	73,984
Support Services				
Student and Instruction Related Svcs.	907,595	925,990	778,305	794,598
General Administrative Services	404,440	409,472	400,045	397,123
School Administrative Services	219,987	185,298	179,934	142,369
Central Services	285,157	268,329	281,204	259,334
Plant Operations and Maintenance	731,324	704,819	662,934	682,812
Pupil Transportation	472,470	435,676	381,733	344,112
Interest on Long-Term Debt	2,014	3,338	2,014	3,338
	<u>2,014</u>	<u>3,338</u>	<u>2,014</u>	<u>3,338</u>
Total Governmental Activities	<u>\$ 9,495,119</u>	<u>\$ 9,422,729</u>	<u>\$ 7,608,067</u>	<u>\$ 7,542,969</u>

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2020 was \$93,745. These costs were funded by operating grants and charges for services (Detailed on Table A-2).

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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2020**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$3,084,585. At June 30, 2019, the fund balance was \$2,628,110.

Revenues for the District's governmental funds were \$9,697,660 while total expenditures were \$9,241,185.

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

The following schedule presents a summary of General Fund revenues for the fiscal years ended June 30, 2020 and 2019.

	Fiscal Year Ended <u>6/30/2020</u>	Fiscal Year Ended <u>6/30/2019</u>	Amount of Increase <u>(Decrease)</u>	Percent Change
Local Sources:				
Property Taxes	\$ 8,227,378	\$ 8,075,240	\$ 152,138	1.9%
Miscellaneous	31,750	31,183	567	1.8%
Intergovernmental				
State Sources	<u>1,309,730</u>	<u>1,240,293</u>	<u>69,437</u>	5.6%
 Total Revenues	 <u>\$ 9,568,858</u>	 <u>\$ 9,346,716</u>	 <u>\$ 222,142</u>	 2.4%

The General Fund revenues increased by \$222,142 or 2% from the previous year.

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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2020**

General Fund (Continued)

The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2020 and 2019.

	Fiscal Year Ended <u>6/30/2020</u>	Fiscal Year Ended <u>6/30/2019</u>	Amount of Increase <u>(Decrease)</u>	Percent Change
Instruction	\$ 5,969,439	\$ 5,942,488	\$ 26,951	0%
Support Services	2,699,201	2,656,191	43,010	2%
Debt Service	27,461	34,992	(7,531)	-22%
Capital Outlay	<u>416,282</u>	<u>80,415</u>	<u>335,867</u>	418%
 Total Expenditures	 <u>\$ 9,112,383</u>	 <u>\$ 8,714,086</u>	 <u>\$ 398,297</u>	 5%

Total General Fund expenditures decreased by \$398,297 or 5% from the previous year.

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

Revenues of the Special Revenue Fund were \$128,802 for the year ended June 30, 2020. Federal sources accounted for \$127,327 or 99% of Special Revenue Fund's revenue for the year.

Total Special Revenue Fund revenues decreased \$18,706 or 13% from the previous year.

Expenditures of the Special Revenue Fund were \$128,802. Instructional expenditures were \$116,221 or 90%.

Proprietary Funds

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

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

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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2020**

GENERAL FUND BUDGETARY HIGHLIGHTS

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

Over the course of the year, the District revised the annual operating budget several times. These budget amendments may fall into several categories as noted below.

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

Capital Assets. At the end of the fiscal year 2020, the school district had invested in land, buildings, machinery and equipment as stated in Table A-4 as follows:

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

	Governmental Activities		Business-Type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 11,800	\$ 11,800			\$ 11,800	\$ 11,800
Construction in Progress	145,857	8,325			145,857	
Buildings and Building Improvements	7,360,250	7,217,806			7,360,250	7,217,806
Machinery and Equipment	<u>538,645</u>	<u>413,234</u>	<u>\$ 48,104</u>	<u>\$ 48,104</u>	<u>586,749</u>	<u>461,338</u>
Total	8,056,552	7,651,165	48,104	48,104	8,104,656	7,690,944
Less: Accumulated Depreciation	<u>(3,757,797)</u>	<u>(3,577,310)</u>	<u>(28,421)</u>	<u>(24,927)</u>	<u>(3,786,218)</u>	<u>(3,602,237)</u>
Total	<u>\$ 4,298,755</u>	<u>\$ 4,073,855</u>	<u>\$ 19,683</u>	<u>\$ 23,177</u>	<u>\$ 4,318,438</u>	<u>\$ 4,088,707</u>

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

Debt Administration. As of June 30, 2020 the school district had long-term debt and outstanding long-term liabilities in the amount of \$1,085,141.

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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2020**

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

	<u>2020</u>	<u>2019</u>
Capital Lease Payable	\$ 44,438	\$ 69,885
Net Pension Liability	931,058	886,058
Compensated Absences Payable	<u>109,645</u>	<u>31,535</u>
Total	<u>\$ 1,085,141</u>	<u>\$ 987,478</u>

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

RIVERDALE BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2020

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,194,288	\$ 46,813	\$ 3,241,101
Receivables, net			
Receivables from Other Governments	17,170	1,969	19,139
Other	173	621	794
Inventory		1,391	1,391
Capital Assets, not being depreciated	157,657		157,657
Capital Assets, net of depreciation	<u>4,141,098</u>	<u>19,683</u>	<u>4,160,781</u>
 Total Assets	 <u>7,510,386</u>	 <u>70,477</u>	 <u>7,580,863</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows on Net Pension Liability	<u>275,672</u>	<u>-</u>	<u>275,672</u>
 Total Deferred Outflows of Resources	 <u>275,672</u>	 <u>-</u>	 <u>275,672</u>
 Total Assets and Deferred Outflows of Resources	 <u>7,786,058</u>	 <u>70,477</u>	 <u>7,856,535</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	120,424	4,850	125,274
Unearned Revenue	6,622	3,560	10,182
Noncurrent Liabilities			
Due within one year	26,336		26,336
Due beyond one year	<u>1,058,805</u>	<u>-</u>	<u>1,058,805</u>
 Total Liabilities	 <u>1,212,187</u>	 <u>8,410</u>	 <u>1,220,597</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows on Net Pension Liability	459,217		459,217
Deferred Commodities Revenue	<u>-</u>	<u>1,227</u>	<u>1,227</u>
 Total Deferred Inflows of Resources	 <u>459,217</u>	 <u>1,227</u>	 <u>460,444</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>1,671,404</u>	 <u>9,637</u>	 <u>1,681,041</u>
NET POSITION			
Net Investment in Capital Assets	4,254,317	19,683	4,274,000
Restricted for:			
Capital Projects	1,150,161		1,150,161
Other Purposes	618,761		618,761
Unrestricted	<u>91,415</u>	<u>41,157</u>	<u>132,572</u>
 Total Net Position	 <u>\$ 6,114,654</u>	 <u>\$ 60,840</u>	 <u>\$ 6,175,494</u>

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

**RIVERDALE BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 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	\$ 4,669,037	\$ 22,575	\$ 759,152		\$ (3,887,310)		\$ (3,887,310)
Special Education	1,517,097		688,932		(828,165)		(828,165)
Other Instruction	225,973		78,869		(147,104)		(147,104)
School Sponsored Activities and Athletics	60,025		706		(59,319)		(59,319)
Support Services							
Student and Instruction Related Services	907,595		129,290		(778,305)		(778,305)
General Administration Services	404,440		4,395		(400,045)		(400,045)
School Administration Services	219,987		40,053		(179,934)		(179,934)
Central Services	285,157		3,953		(281,204)		(281,204)
Plant Operations and Maintenance	731,324		15,296	\$ 53,094	(662,934)		(662,934)
Pupil Transportation	472,470		90,737		(381,733)		(381,733)
Interest on Debt	2,014	-	-	-	(2,014)	-	(2,014)
Total Governmental Activities	9,495,119	22,575	1,811,383	53,094	(7,608,067)	-	(7,608,067)
Business-Type Activities							
Food Service	92,770	45,229	41,867	-	-	\$ (5,674)	(5,674)
Technology Initiative	975	3,029	-	-	-	2,054	2,054
Total Business-Type Activities	93,745	48,258	41,867	-	-	(3,620)	(3,620)
Total Primary Government	\$ 9,588,864	\$ 70,833	\$ 1,853,250	\$ 53,094	(7,608,067)	(3,620)	(7,611,687)
General Revenues							
Property Taxes, Levied for General Purposes					8,227,378		8,227,378
Miscellaneous Income					9,175	4	9,179
Total General Revenues					8,236,553	4	8,236,557
Change in Net Position					628,486	(3,616)	624,870
Net Position, Beginning of Year					5,486,168	64,456	5,550,624
Net Position, End of Year					\$ 6,114,654	\$ 60,840	\$ 6,175,494

FUND FINANCIAL STATEMENTS

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,186,762	\$ 7,526	\$ 3,194,288
Receivables			
Intergovernmental	8,308	8,862	17,170
Other		142	142
Interfunds Receivable	11,839	-	11,839
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 3,206,909	\$ 16,530	\$ 3,223,439
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 118,724	\$ 1,700	\$ 120,424
Interfunds Payable		11,808	11,808
Unearned Revenue	3,600	3,022	6,622
	<hr/>	<hr/>	<hr/>
Total Liabilities	122,324	16,530	138,854
Fund Balances			
Restricted Fund Balance			
Excess Surplus	405,191		405,191
Excess Surplus - Designated for Subsequent Year's Expenditures	398,818		398,818
Capital Reserve	748,161		748,161
Capital Reserve - Designated for Subsequent Year's Expenditures	302,000		302,000
Maintenance Reserve	343,761		343,761
Maintenance Reserve - Designated for Subsequent Year's Expenditures	75,000		75,000
Tuition Adjustments	100,000		100,000
Tuition Adjustments - Designated for Subsequent Year's Expenditures	100,000		100,000
Assigned			
Year End Encumbrances	352,224		352,224
Designated for Subsequent Year's Expenditures	44,031		44,031
Unassigned Fund Balance	215,399	-	215,399
	<hr/>	<hr/>	<hr/>
Total Fund Balances	3,084,585	-	3,084,585
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 3,206,909	\$ 16,530	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$8,056,552, and the accumulated depreciation is \$3,757,797. 4,298,755

Certain amounts resulting from the calculation of liabilities are reported as deferred outflows and deferred inflows of resources on the statement of net position and amortized over future years. (See Note 2A) (183,545)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 2A) (1,085,141)

Net position of governmental activities \$ 6,114,654

**RIVERDALE 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>Total Governmental Funds</u>
REVENUES			
Local Sources			
Property Tax Levy	\$ 8,227,378		\$ 8,227,378
Tuition	22,575		22,575
Interest	5,271		5,271
Miscellaneous	3,904	-	3,904
Total - Local Sources	8,259,128	-	8,259,128
State Sources	1,309,730		1,309,730
Federal Sources		\$ 127,327	127,327
Other Sources	-	1,475	1,475
Total Revenues	9,568,858	128,802	9,697,660
EXPENDITURES			
Current			
Instruction			
Regular Instruction	4,355,590	14,703	4,370,293
Special Education Instruction	1,369,770	76,408	1,446,178
Other Instruction	184,760	25,110	209,870
School-Sponsored Activities and Athletics	59,319		59,319
Support Services			
Student and Instruction Related Services	856,703	12,581	869,284
General Administrative Services	383,462		383,462
School Administrative Services	172,557		172,557
Central Services	281,204		281,204
Plant Operations and Maintenance	533,365		533,365
Pupil Transportation	471,910		471,910
Debt Service			
Principal	25,447		25,447
Interest and Other Charges	2,014		2,014
Capital Outlay	416,282	-	416,282
Total Expenditures	9,112,383	128,802	9,241,185
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	456,475	-	456,475
Fund Balance, Beginning of Year	2,628,110	-	2,628,110
Fund Balance, End of Year	<u>\$ 3,084,585</u>	<u>\$ -</u>	<u>\$ 3,084,585</u>

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

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

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 456,475

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

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

Capital Outlay	\$	416,282	
Depreciation Expense		(244,476)	
Incentive Contribution		<u>53,094</u>	
			224,900

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

Decrease in Compensated Absences		(78,110)	
Decrease in Pension Expense		<u>(226)</u>	
			(78,336)

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

Capital Leases			<u>25,447</u>
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Change in net position of governmental activities (Exhibit A-2) \$ 628,486

**RIVERDALE BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2020**

	Business-Type Activities - Enterprise Fund		
	Food Service	Non-Major Technology Initiative	Totals
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 43,371	\$ 3,442	\$ 46,813
Intergovernmental Receivable			
State	31		31
Federal	1,938		1,938
Other Accounts Receivable	621		621
Inventories	1,391	-	1,391
Total Current Assets	47,352	3,442	50,794
Capital Assets			
Equipment	48,104		48,104
Less: Accumulated Depreciation	(28,421)	-	(28,421)
Total Capital Assets	19,683	-	19,683
Total Assets	67,035	3,442	70,477
LIABILITIES			
Current Liabilities			
Accounts Payable	4,850		4,850
Unearned Revenue	3,560	-	3,560
Total Current Liabilities	8,410	-	8,410
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue	1,227	-	1,227
Total Liabilities and Deferred Inflows of Resources	9,637	-	9,637
NET POSITION			
Invested in Capital Assets	19,683		19,683
Unrestricted	37,715	3,442	41,157
Total Net Position	\$ 57,398	\$ 3,442	\$ 60,840

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

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

	Business-Type Activities - Enterprise Fund		
	<u>Food Service</u>	<u>Non-Major Technology Initiative</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for Services			
Daily Sales - Reimbursable Programs	\$ 30,490		\$ 30,490
Daily Sales - Non-Reimbursable Programs	14,739		14,739
Receipts from Customers	-	\$ 3,029	3,029
Total Operating Revenues	<u>45,229</u>	<u>3,029</u>	<u>48,258</u>
OPERATING EXPENSES			
Salaries and Wages	28,811		28,811
Purchased Services	7,041		7,041
Supplies and Materials	10,621	975	11,596
Repair and Maintenance	7,286		7,286
Cost of Sales - Reimbursable Programs	32,386		32,386
Cost of Sales - Non-Reimbursable Programs	3,131		3,131
Depreciation Expense	3,494	-	3,494
Total Operating Expenses	<u>92,770</u>	<u>975</u>	<u>93,745</u>
Operating Income (Loss)	<u>(47,541)</u>	<u>2,054</u>	<u>(45,487)</u>
NONOPERATING REVENUES			
Interest Earnings		4	4
State Sources			
State School Lunch Program	857		857
Federal Sources			
National Lunch Program	26,534		26,534
Food Distribution Program	14,476	-	14,476
Total Nonoperating Revenues	<u>41,867</u>	<u>4</u>	<u>41,871</u>
Change in Net Position	(5,674)	2,058	(3,616)
Net Position, Beginning of Year	<u>63,072</u>	<u>1,384</u>	<u>64,456</u>
Net Position, End of Year	<u>\$ 57,398</u>	<u>\$ 3,442</u>	<u>\$ 60,840</u>

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

**RIVERDALE BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Business-Type Activites - Enterprise Fund</u>		
	<u>Food Service</u>	<u>Non-Major Technology Initiative</u>	<u>Totals</u>
Cash Flows from Operating Activities			
Cash Received from Customers and Other Operating Activities	\$ 46,890	\$ 3,029	\$ 49,919
Cash Payments for Employees - Salaries and Benefits	(28,811)	-	(28,811)
Cash Payments to Suppliers for Goods and Services	(40,236)	(975)	(41,211)
Net Cash Provided (Used) by Operating Activities	(22,157)	2,054	(20,103)
Cash Flows from Noncapital Financing Activities			
Cash Received from State and Federal Subsidy Reimbursements	27,783	-	27,783
Net Cash Provided by Noncapital Financing Activities	27,783	-	27,783
Cash Flows from Capital and Related Financing Activities			
Purchases of capital assets	-	-	-
Net cash (used) by capital and related financing activities	-	-	-
Cash Flows from Investing Activities			
Interest Earnings	-	4	4
Net Cash Provided by Investing Activities	-	4	4
Net Increase in Cash and Cash Equivalents	5,626	2,058	7,684
Cash and Cash Equivalents, Beginning of Year	37,745	1,384	39,129
Cash and Cash Equivalents, End of Year	<u>\$ 43,371</u>	<u>\$ 3,442</u>	<u>\$ 46,813</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	\$ (47,541)	\$ 2,054	\$ (45,487)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation Expense	3,494		3,494
Non-Cash Federal Assistance-Food Distribution Program	14,476		14,476
Change in Assets, Liabilities and Deferred Inflows of Resources			
Increase/(Decrease) in Accounts Payable	4,850		4,850
(Increase)/Decrease in Inventory	903		903
Increase/(Decrease) in Unearned Revenue	2,053		2,053
(Increase)/Decrease in Accounts Receivable	(495)		(495)
Increase/(Decrease) in Deferred Commodities Revenue	103	-	103
Total Adjustments	25,384	-	25,384
Net Cash Provided (Used) by Operating Activities	<u>\$ (22,157)</u>	<u>\$ 2,054</u>	<u>\$ (20,103)</u>
Non-Cash Investing, Capital and Financing Activities			
Value Received - Food Distribution Program	\$ 14,579		\$ 14,579

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

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

	Unemployment Compensation <u>Trust Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 42,771	\$ 29,788
Due from Other Funds	<u>-</u>	<u>2,372</u>
Total Assets	<u>42,771</u>	<u>\$ 32,160</u>
LIABILITIES		
Due to Student Groups		\$ 22,614
Due to Other Funds	2,372	31
Payroll Deductions Payable	<u>-</u>	<u>9,515</u>
Total Liabilities	<u>2,372</u>	<u>\$ 32,160</u>
NET POSITION		
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 37,959</u>	

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

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

	Unemployment Compensation <u>Trust Fund</u>
ADDITIONS	
Contributions	
Employees	\$ <u>6,087</u>
Total Contributions	6,087
Investment Earnings	
Interest	<u>61</u>
Total Additions	<u>6,148</u>
DEDUCTIONS	
Unemployment Claims and Contributions	<u>10,494</u>
Total Deductions	<u>10,494</u>
Change in Net Position	(4,346)
Net Position, Beginning of Year	<u>42,305</u>
Net Position, End of Year	<u>\$ <u>37,959</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Riverdale Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of seven elected officials and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District. 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 Riverdale Board of Education this includes general operations, food service, technology initiative and student related activities of the District.

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

B. New Accounting Standards

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.

**RIVERDALE 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.

**RIVERDALE 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

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

District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

**RIVERDALE 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)

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

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

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

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

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

Additionally, the 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. 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.

**RIVERDALE 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)

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

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

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

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

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

1. *Cash, Cash Equivalents and Investments*

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

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

2. *Receivables*

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

3. *Inventories*

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Capital Assets*

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

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

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

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

5. *Deferred Outflows/Inflows of Resources*

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Compensated Absences

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

7. Pensions

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

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

8. Long-Term Obligations

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

9. Net Position/Fund Balance

District-Wide Statements

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

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

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.

**RIVERDALE 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)

Governmental Fund Statements (Continued)

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

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

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

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

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 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 (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 3).

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

Tuition Adjustments – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2019/2020 contract year and is required to be liquidated in the second year following the contract year with any remaining balance related to that contract year to be reserved and budgeted for property tax relief.

Tuition Adjustment – Designated for Subsequent Year's Expenditures – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2018/2019 contract year that is appropriated in the 2020/2021 original budget certified for taxes.

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

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

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

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.

**RIVERDALE 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)

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.

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 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.

**RIVERDALE 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)

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

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

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position - governmental activities as reported in the district-wide statement of net position. One element of that reconciliation explains that “deferred outflows and inflows related to net pension liability are amortized over future years and therefore are not reported in the funds”. The details of this \$(183,545) difference are as follows:

Deferred Outflows on Net	
Pension Liability	\$ 275,672
Deferred Inflows on Net	
Pension Liability	<u>(459,217)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (183,545)</u>

Another element of that reconciliation explains that “long-term liabilities, including capital leases payable, net pension liability and compensated absences are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(1,085,141) difference are as follows:

Capital Leases Payable	\$ (44,438)
Net Pension Liability	(931,058)
Compensated Absences	<u>(109,645)</u>
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (1,085,141)</u>

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2019/2020. Also, during 2019/2020 the Board increased the original budget by \$221,708. The increase was funded by the additional appropriation of grant awards and the reappropriation of prior year general fund encumbrances.

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

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. Excess Expenditures Over Appropriations

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriation resulted in an unfavorable variance.

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Capital Outlay			
Equipment			
Instruction – Grades 6-8	\$64,727	\$69,426	\$4,699

The above variances were offset with other available resources.

C. 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.

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve (Continued)

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		\$ 1,010,000
Increased by		
Deposits Approved by Board Resolution	\$ 200,000	
Interest Earnings	<u>1,161</u>	
		<u>201,161</u>
		1,211,161
Withdrawals		
Approved in District Budget		<u>161,000</u>
Balance, June 30, 2020		<u>\$ 1,050,161</u>

\$302,000 of the capital reserve balance at June 30, 2020 was designated and appropriated for use in the 2020/2021 original budget certified for taxes.

D. 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		\$ 418,761
Increased by		
Deposit Approved by Board Resolution	\$ 34,409	
Interest earnings	<u>591</u>	
		<u>35,000</u>
		453,761
Withdrawals		
Approved in District Budget		<u>35,000</u>
Balance, June 30, 2020		<u>\$ 418,761</u>

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Maintenance Reserve (Continued)

The June 30, 2020 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$418,761. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities. \$75,000 of the maintenance reserve balance at June 30, 2020 was designated and appropriated for use in the 2020/2021 original budget certified for taxes.

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 \$804,009. Of this amount, \$398,818 was designated and appropriated in the 2020/2021 original budget certified for taxes and the remaining amount of \$405,191 will be appropriated in the 2021/2022 original budget certified for taxes.

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2020, the book value of the Board's deposits were \$3,313,660 and bank and brokerage firm balances of the Board's deposits amounted to \$3,716,360. The Board's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ <u>3,716,360</u>

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

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

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.

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 in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise Fund</u>	<u>Total</u>
Receivables:				
Intergovernmental				
Federal		\$ 8,862	\$ 1,938	\$ 10,800
State	\$ 8,308		31	8,339
Other	-	142	621	763
Gross Receivables	<u>8,308</u>	<u>9,004</u>	<u>2,590</u>	<u>19,902</u>
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 8,308</u>	<u>\$ 9,004</u>	<u>\$ 2,590</u>	<u>\$ 19,902</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

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

	<u>Unearned</u>
General Fund	
Tuition	\$ 3,600
Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>3,022</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 6,622</u>

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>Decreases</u>	<u>Balance, June 30, 2020</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 11,800			\$ 11,800
Construction in Progress	8,325	\$ 145,857	\$ (8,325)	145,857
Total capital assets, not being depreciated	<u>20,125</u>	<u>145,857</u>	<u>(8,325)</u>	<u>157,657</u>
Capital assets, being depreciated:				
Buildings and Building Improvements	7,217,806	142,444		7,360,250
Machinery and equipment	413,234	189,400	(63,989)	538,645
Total capital assets being depreciated	<u>7,631,040</u>	<u>331,844</u>	<u>(63,989)</u>	<u>7,898,895</u>
Less accumulated depreciation for:				
Buildings and Building Improvements	(3,224,988)	(192,270)		(3,417,258)
Machinery and equipment	(352,322)	(52,206)	63,989	(340,539)
Total accumulated depreciation	<u>(3,577,310)</u>	<u>(244,476)</u>	<u>63,989</u>	<u>(3,757,797)</u>
Total capital assets, being depreciated, net	<u>4,053,730</u>	<u>87,368</u>	<u>-</u>	<u>4,141,098</u>
Governmental activities capital assets, net	<u>\$ 4,073,855</u>	<u>\$ 233,225</u>	<u>\$ (8,325)</u>	<u>\$ 4,298,755</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Business-type activities:

Capital assets, being depreciated:

Machinery and equipment	\$ 48,104	-	-	\$ 48,104
Total capital assets being depreciated	<u>48,104</u>	<u>-</u>	<u>-</u>	<u>48,104</u>

Less accumulated depreciation for:

Machinery and equipment	(24,927)	\$ (3,494)	-	(28,421)
Total accumulated depreciation	<u>(24,927)</u>	<u>(3,494)</u>	<u>-</u>	<u>(28,421)</u>

Total capital assets, being depreciated, net	<u>23,177</u>	<u>(3,494)</u>	<u>-</u>	<u>19,683</u>
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Business-type activities capital assets, net	<u>\$ 23,177</u>	<u>\$ (3,494)</u>	<u>\$ -</u>	<u>\$ 19,683</u>
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Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:

Instruction	
Regular	\$ 38,031
Total Instruction	<u>38,031</u>

Support Services	
Student and Instruction Related Services	3,707
Plant Operations and Maintenance of Plant	<u>202,738</u>

Total Support Services	<u>206,445</u>
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Total depreciation expense - governmental activities	<u>\$ 244,476</u>
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Business-Type Activities:

Food Service	<u>\$ 3,494</u>
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Construction and Other Significant Commitments

The District has the following active construction projects and other significant commitments as of June 30, 2020:

<u>Project/Purposes</u>	<u>Remaining Commitment</u>
Science Lab Renovations	\$ 93,273
Science Lab Furniture and Equipment	<u>61,625</u>
	<u>\$ 154,898</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

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	Payroll Agency Fund	\$ 31
General Fund	Special Revenue Fund	11,808
Payroll Agency Fund	Unemployment Compensation Trust Fund	<u>2,372</u>
		<u>\$ 14,211</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.

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

F. Leases

Capital Leases

The District is leasing copiers and LED retrofit equipment and improvements totaling \$141,284 under capital leases. The leases are for terms of 3 to 5 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Building and Building Improvements	\$ 94,088
Equipment and Supplies	<u>47,196</u>
Total	<u>\$ 141,284</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

Capital Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 were as follows:

Fiscal <u>Year Ending June 30</u>	Governmental <u>Activities</u>
2021	\$ 27,460
2022	<u>18,480</u>
Total minimum lease payments	45,940
Less: amount representing interest	<u>(1,502)</u>
Present value of minimum lease payments	<u>\$ 44,438</u>

G. Long-Term Debt

Statutory Borrowing Power

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

3% of Equalized Valuation Basis (Municipal)	\$ 27,435,876
Less: Net Debt	<u>-</u>
Remaining Borrowing Power	<u>\$ 27,435,876</u>

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

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

	Balance, <u>July 1, 2019</u>	<u>Increases</u>	<u>Reductions</u>	Balance, <u>June 30, 2020</u>	Due Within <u>One Year</u>
Governmental activities:					
Capital Leases	\$ 69,885		\$ 25,447	\$ 44,438	\$ 26,336
Net Pension Liability	886,058	\$ 45,000		931,058	
Compensated Absences Payable	<u>31,535</u>	<u>78,110</u>	<u>-</u>	<u>109,645</u>	<u>-</u>
Governmental activity Long-term liabilities	<u>\$ 987,478</u>	<u>\$ 123,110</u>	<u>\$ 25,447</u>	<u>\$ 1,085,141</u>	<u>\$ 26,336</u>

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

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

NOTE 5 OTHER INFORMATION

A. Risk Management

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

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

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

PIPNJ 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 respective insurance funds are on file with the School's Business Administrator.

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

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

Fiscal Year Ended <u>June 30,</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020	\$ 6,087	\$ 10,494	\$ 37,959
2019	6,206	4,822	42,305
2018	5,928	1,376	40,860

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

NOTE 5 OTHER INFORMATION (Continued)

B. Contingent Liabilities

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

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

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

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

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to 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

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.

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

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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.

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.

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

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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.

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 2020, 2019 and 2018 were equal to the required contributions.

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

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

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 unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-Behalf <u>TPAF</u>	<u>DCRP</u>
2020	\$ 50,262	\$ 483,354	\$ 8,228
2019	44,762	430,843	11,218
2018	42,205	286,146	12,614

In addition for fiscal years 2020, 2019 and 2018 the District contributed \$192, \$240 and \$786, respectively for PERS and the State contributed \$434, \$440 and \$317, 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 \$168,502 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.

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

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

To facilitate the separate (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 \$931,058 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 .00517 percent, which was an increase of .00067 percent from its proportionate share measured as of June 30, 2018 of .00450 percent.

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$50,488 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	\$ 16,711	\$ 4,113
Changes of Assumptions	92,970	323,167
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	14,697
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>165,991</u>	<u>117,240</u>
Total	<u>\$ 275,672</u>	<u>\$ 459,217</u>

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

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

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

Year Ending June 30,	<u>Total</u>
2021	\$ (17,542)
2022	(86,723)
2023	(71,313)
2024	(9,584)
2025	1,617
Thereafter	<u>-</u>
	<u>\$ (183,545)</u>

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.

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

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

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%

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

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 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>\$ 1,176,078</u>	<u>\$ 931,058</u>	<u>\$ 724,594</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.

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

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. 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 \$776,708 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 \$13,168,415. 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 .02146 percent, which was an increase of .00249 percent from its proportionate share measured as of June 30, 2018 of .01897 percent.

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

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 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.

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

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

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%

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

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

Fiscal Year	Measurement Date	Discount Rate
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>\$ 15,528,476</u>	<u>\$ 13,168,415</u>	<u>\$ 11,210,310</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.

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

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

D. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report 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.

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

NOTE 5 OTHER INFORMATION (Continued)

D. 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.

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

NOTE 5 OTHER INFORMATION (Continued)

D. 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 \$179,315, \$195,429 and \$184,815, 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 \$258,812. 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 \$6,756,198. 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 .01619 percent, which was an increase of .00074 percent from its proportionate share measured as of June 30, 2018 of .01545 percent.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions

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%.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions (Continued)

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.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Changes in the Total OPEB Liability

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

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2018 Measurement Date	\$ <u>7,124,657</u>
Changes Recognized for the Fiscal Year:	
Service Cost	321,905
Interest on the Total OPEB Liability	284,325
Differences Between Expected and Actual Experience	(874,177)
Changes of Assumptions	100,735
Gross Benefit Payments	(207,395)
Contributions from the Member	<u>6,148</u>
Net Changes	<u>(368,459)</u>
Balance, June 30, 2019 Measurement Date	\$ <u><u>6,756,198</u></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.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

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	\$ <u>7,981,740</u>	\$ <u>6,756,198</u>	\$ <u>5,782,695</u>

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)	\$ <u>5,566,806</u>	\$ <u>6,756,198</u>	\$ <u>8,330,709</u>

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.

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

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

NOTE 6 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

**RIVERDALE BOARD OF EDUCATION
GENERAL 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	\$ 8,227,378		\$ 8,227,378	\$ 8,227,378	
Tuition from Individuals	15,000		15,000	22,575	\$ 7,575
Interest	3,400		3,400	5,271	1,871
Unrestricted Miscellaneous Revenue	15,000	-	15,000	3,904	(11,096)
Total Local Sources	8,260,778	-	8,260,778	8,259,128	(1,650)
State Sources					
Special Education Aid	260,790		260,790	260,790	
Transportation Aid	90,222		90,222	90,222	-
Security Aid	11,114		11,114	11,114	
Extraordinary Aid	82,000		82,000		(82,000)
On-behalf TPAF Pension Benefit Contribution (Non-Budget)				474,843	474,843
On-behalf TPAF Pension NCGI Premium (Non-Budget)				8,511	8,511
On-behalf TPAF Post Retirement Medical Contribution (Non-Budget)				179,315	179,315
On-behalf TPAF Long-Term Disability Insurance (Non-Budget)				434	434
TPAF Social Security Contribution (Non-Budget)	-	-	-	168,502	168,502
Total State Sources	444,126	-	444,126	1,193,731	749,605
Total Revenues	8,704,904	-	8,704,904	9,452,859	747,955
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction					
Regular Programs					
Salaries of Teachers					
Preschool	82,400	\$ 1,744	84,144	84,144	-
Kindergarten	145,849	665	146,514	146,513	1
Grades 1-5	751,253	(11,738)	739,515	739,515	-
Grades 6-8	511,023	8,524	519,547	519,547	-
Regular Program - Home Instruction					
Other Salaries for Instruction	2,350	(2,340)	10		10
Purchased Professional-Educational Services	2,350	(2,349)	1		1
Regular Program - Undistributed Instruction					
Other Salaries for Instruction	64,354	9,089	73,443	73,443	-
Other Purchased Services	81,826	(13,910)	67,916	66,663	1,253
General Supplies	121,651	(3,407)	118,244	108,205	10,039
Textbooks	22,087	65,317	87,404	9,694	77,710
Other Objects	600	75	675	675	-
Total Regular Programs	1,785,743	51,670	1,837,413	1,748,399	89,014

**RIVERDALE BOARD OF EDUCATION
GENERAL 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>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 141,792	\$ (22,743)	\$ 119,049	\$ 119,048	\$ 1
Other Salaries for Instruction	57,091	(16,378)	40,713	40,712	1
General Supplies	1,577	(1,175)	402	402	-
Total Learning and/or Language Disabilities	200,460	(40,296)	160,164	160,162	2
Multiple Disabilities					
Salaries of Teachers	82,916	-	82,916	82,907	9
Other Salaries for Instruction	33,829	(1,859)	31,970	28,838	3,132
Purchased Professional-Educational Services	-	-	-	-	-
Other Purchased Services	-	-	-	-	-
General Supplies	635	499	1,134	1,134	-
Other Objects	250	(250)	-	-	-
Total Multiple Disabilities	117,630	(1,610)	116,020	112,879	3,141
Resource Room/Resource Center					
Salaries of Teachers	257,359	15,533	272,892	271,892	1,000
Other Salaries for Instruction	4,655	-	4,655	2,180	2,475
General Supplies	1,661	(1,157)	504	504	-
Textbooks	32	(32)	-	-	-
Total Resource Room/Resource Center	263,707	14,344	278,051	274,576	3,475
Total Special Education - Instruction	581,797	(27,562)	554,235	547,617	6,618
Basic Skills/Remedial Instruction					
Salaries of Teachers	111,858	2,000	113,858	108,293	5,565
General Supplies	380	(183)	197	197	-
Total Basic Skills/Remedial Instruction	112,238	1,817	114,055	108,490	5,565
School Sponsored Cocurricular Activities					
Salaries	30,337	-	30,337	19,290	11,047
Supplies and Materials	-	-	-	-	-
Other Objects	550	-	550	460	90
Total School Sponsored Cocurricular Activities	30,887	-	30,887	19,750	11,137
School Sponsored Athletics					
Salaries	16,699	-	16,699	10,799	5,900
Supplies and Materials	2,050	-	2,050	1,942	108
Other Objects	5,260	(150)	5,110	2,584	2,526
Total School Sponsored Athletics	24,009	(150)	23,859	15,325	8,534

**RIVERDALE BOARD OF EDUCATION
GENERAL 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>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Other Instructional Programs					
Salaries	\$ 11,796	\$ 150	\$ 11,946	\$ 11,946	
Supplies and Materials	490	-	490	37	\$ 453
Other Objects	610	-	610	-	610.00
Total Other Instructional Programs	<u>12,896</u>	<u>150</u>	<u>13,046</u>	<u>11,983</u>	<u>1,063</u>
Total Instruction	<u>2,547,570</u>	<u>25,925</u>	<u>2,573,495</u>	<u>2,451,564</u>	<u>\$ 121,931</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Regular	1,550,000	-	1,550,000	1,550,000	-
Tuition to County Voc. School Dist-Regular	154,511	-	154,511	127,224	27,287
Tuition to Private Schools - Disabled - W/I State	853,114	(193,073)	660,041	503,211	156,830
Total Undistributed Expenditures - Instruction	<u>2,557,625</u>	<u>(193,073)</u>	<u>2,364,552</u>	<u>2,180,435</u>	<u>184,117</u>
Attendance and Social Work Services					
Salaries	15,185	(5,245)	9,940	8,119	1,821
Total Attendance and Social Work Services	<u>15,185</u>	<u>(5,245)</u>	<u>9,940</u>	<u>8,119</u>	<u>1,821</u>
Health Services					
Salaries	58,418	(547)	57,871	57,862	9
Purchased Professional and Technical Services	3,705	(817)	2,888	2,844	44
Supplies and Materials	2,105	820	2,925	1,056	1,869
Other Objects	425	93	518	518	-
Total Health Services	<u>64,653</u>	<u>(451)</u>	<u>64,202</u>	<u>62,280</u>	<u>1,922</u>
Speech, OT, PT & Related Services					
Salaries	52,895	2,365	55,260	50,505	4,755
Purchased Professional - Technical Services	69,650	(19,905)	49,745	29,897	19,848
Supplies and Materials	500	-	500	315	185
Total Speech, OT, PT & Related Services	<u>123,045</u>	<u>(17,540)</u>	<u>105,505</u>	<u>80,717</u>	<u>24,788</u>
Other Support Serv. Students - Extra. Svcs.					
Salaries	40,402	-	40,402	30,008	10,394
Purchased Professional-Educational Services	50,000	18,540	68,540	50,860	17,680
Total Other Support Serv. Students - Extra. Svcs.	<u>90,402</u>	<u>18,540</u>	<u>108,942</u>	<u>80,868</u>	<u>28,074</u>
Guidance					
Salaries of Other Professional Staff	45,959	173	46,132	46,132	-
Salaries of Secretarial and Clerical Assistants	10,390	(1,300)	9,090	9,021	69
Other Purchased Professional & Technical Services	7,038	3,361	10,399	10,399	-
Supplies and Materials	2,500	(2,500)	-	-	-
Total Guidance	<u>65,887</u>	<u>(266)</u>	<u>65,621</u>	<u>65,552</u>	<u>69</u>

RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
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)					
Child Study Teams					
Salaries of Other Professional Staff	\$ 140,728	\$ (1,297)	\$ 139,431	\$ 139,331	\$ 100
Salaries of Secretarial and Clerical Assistants	18,987	2,323	21,310	20,408	902
Other Purchased Professional and Tech. Services	30,685	(3,300)	27,385	22,236	5,149
Supplies and Materials	1,400	76	1,476	1,235	241
Other Objects	300	25	325	325	-
Total Child Study Teams	<u>192,100</u>	<u>(2,173)</u>	<u>189,927</u>	<u>183,535</u>	<u>6,392</u>
Improvement of Inst. Serv.					
Salaries of Supervisors of Instruction	66,011	(8,045)	57,966	40,000	17,966
Other Purchased Professional and Technical Services	5,021	-	5,021	4,779	242
Total Improvement of Inst. Serv.	<u>71,032</u>	<u>(8,045)</u>	<u>62,987</u>	<u>44,779</u>	<u>18,208</u>
Educational Media Services/School Library					
Salaries	37,331	15,598	52,929	52,929	-
Purchased Professional and Technical Services	37,625	(370)	37,255	37,255	-
Supplies and Materials	4,800	(49)	4,751	4,751	-
Total Educational Media Serv./School Library	<u>79,756</u>	<u>15,179</u>	<u>94,935</u>	<u>94,935</u>	<u>-</u>
Instructional Staff Training Services					
Other Salaries	12,000	-	12,000		12,000
Purchased Professional/Educational Services	11,500	-	11,500	300	11,200
Other Purchased Services	7,040	-	7,040	4,508	2,532
Total Instructional Staff Training Services	<u>30,540</u>	<u>-</u>	<u>30,540</u>	<u>4,808</u>	<u>25,732</u>
Support Services General Administration					
Salaries	207,000	(7,700)	199,300	187,366	11,934
Legal Services	14,000	39,752	53,752	47,454	6,298
Audit Fees	21,500	-	21,500	21,500	-
Architectural/Engineering Services	3,000	(3,000)			-
Other Purchased Professional Services	3,920	229	4,149	4,149	-
Communications/Telephone	11,570	1,095	12,665	12,665	-
BOE Other Purchased Services	6,500	(2,672)	3,828	3,780	48
Miscellaneous Purchased Services	9,914	(2,718)	7,196	7,196	-
General Supplies	2,000	(816)	1,184	1,184	-
Miscellaneous Expenditures	2,500	(702)	1,798	1,798	-
BOE Membership Dues and Fees	4,183	(290)	3,893	3,889	4
Total Support Services General Administration	<u>286,087</u>	<u>23,178</u>	<u>309,265</u>	<u>290,981</u>	<u>18,284</u>
Support Services School Administration					
Salaries of Principal/Asst. Principals	80,000	-	80,000	80,000	-
Salaries of Secretarial and Clerical Assistants	25,000	-	25,000	23,309	1,691
Supplies and Materials	7,050	179	7,229	7,229	-
Other Objects	2,255	1,500	3,755	3,608	147
Total Support Services School Administration	<u>114,305</u>	<u>1,679</u>	<u>115,984</u>	<u>114,146</u>	<u>1,838</u>

RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
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)					
Central Services					
Salaries	\$ 160,000	\$ 8,553	\$ 168,553	\$ 168,511	\$ 42
Purchased Professional Services	14,333	-	14,333	13,018	1,315
Miscellaneous Purchased Services	1,550	-	1,550	724	826
Supplies and Materials	4,235	-	4,235	3,683	552
Miscellaneous Expenditures	1,955	-	1,955	1,924	31
Total Central Services	182,073	8,553	190,626	187,860	2,766
Admin. Info. Technology					
Purchased Technical Services	34,110	(3,025)	31,085	14,213	16,872
Supplies and Materials	2,250	16,826	19,076	10,459	8,617
Total Admin. Info. Technology	36,360	13,801	50,161	24,672	25,489
Required Maintenance for School Facilities					
Salaries	49,396	5,000	54,396	54,373	23
Cleaning, Repair and Maintenance Services	55,000	47,739	102,739	97,097	5,642
General Supplies	13,000	128	13,128	7,571	5,557
Total Required Maintenance for School Fac.	117,396	52,867	170,263	159,041	11,222
Custodial Services					
Salaries	143,682	(16,334)	127,348	101,813	25,535
Salaries of Non-Instructional Aides	22,492	-	22,492	22,367	125
Purchased, Professional and Technical Services	1,900	-	1,900	1,780	120
Cleaning, Repair and Maintenance Service	20,000	3,270	23,270	23,270	-
Insurance	56,805	-	56,805	51,529	5,276
Miscellaneous Purchased Services	1,650	397	2,047	687	1,360
General Supplies	27,390	7,540	34,930	21,636	13,294
Energy (Natural)	29,000	-	29,000	21,774	7,226
Energy (Electricity)	67,100	-	67,100	56,187	10,913
Other Objects	1,000	-	1,000	516	484
Interest - Energy Savings Impr Prog Bonds	1,077	-	1,077	-	1,077
Principal - Energy Impr Prog Bonds	16,685	-	16,685	16,685	-
Total Custodial Services	388,781	(5,127)	383,654	318,244	65,410
Student Transportation Services					
Salaries for Pupil Transportation					
(Between Home and School) - Regular	24,154	-	24,154	23,874	280
Lease Purchase Payments - School Buses	17,000	(11,080)	5,920	5,820	100
Contracted Serv.-Aid in Lieu of Payments-Non Public	61,800	-	61,800	30,747	31,053
Contracted Serv (Bet. Home and Sch)-Vendors	197,263	(17,000)	180,263	152,060	28,203
Contracted Serv (Other than Bet Home & Sch) - Vendors	12,750	-	12,750	5,840	6,910
Contracted Serv. (Reg. Students)-ESCs & CTSA's	29,000	74,948	103,948	91,063	12,885
Contracted Serv. (Spl.Ed.Students)-ESCs & CTSA's	234,280	(46,868)	187,412	151,296	36,116
General Supplies	3,000	-	3,000	1,075	1,925
Other Objects	2,000	-	2,000	406	1,594
Total Student Transportation Services	581,247	-	581,247	462,181	119,066

RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
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)					
Unallocated Benefits-Employee Benefits					
Social Security Contributions	\$ 77,000	-	\$ 77,000	\$ 72,751	\$ 4,249
Other Retirement Contributions - PERS	51,090	-	51,090	50,830	260
Other Retirement Contributions - Regular	13,330	-	13,330	8,228	5,102
Unemployment Compensation	6,000	-	6,000		6,000
Workmen's Compensation	29,842	-	29,842	26,331	3,511
Health Benefits	982,375	\$ (2,121)	980,254	836,699	143,555
Tuition Reimbursement	17,016	2,120	19,136	19,136	-
Other Employee Benefits	24,380	-	24,380	19,679	4,701
	<u>1,201,033</u>	<u>(1)</u>	<u>1,201,032</u>	<u>1,033,654</u>	<u>167,378</u>
On-behalf TPAF Pension Benefit Contribution (Non-Budget)				474,843	(474,843)
On-behalf TPAF Pension NCGI Premium (Non-Budget)				8,511	(8,511)
On-behalf TPAF Post Retirement Medical Contribution (Non-Budget)				179,315	(179,315)
On-behalf TPAF Long-Term Disability Insurance (Non-Budget)				434	(434)
On-behalf TPAF Social Security Contributions (Non-Budget)	-	-	-	168,502	(168,502)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>831,605</u>	<u>(831,605)</u>
Interest on Maintenance Reserve	200	-	200	-	200
	<u>6,197,707</u>	<u>(98,124)</u>	<u>6,099,583</u>	<u>6,228,412</u>	<u>(128,829)</u>
Total Undistributed Expenditures					
Total Expenditures - Current Expenditures	<u>8,745,277</u>	<u>(72,199)</u>	<u>8,673,078</u>	<u>8,679,976</u>	<u>(6,898)</u>
CAPITAL OUTLAY					
Equipment					
Instruction - Grades 1-5	2,719	88,097	90,816	80,084	10,732
Instruction - Grades 6-8	1,631	63,096	64,727	69,426	(4,699)
Undistributed Expenditures - Req Maint for School Facilities	8,800	-	8,800	-	8,800
Undistributed Expenditures - School Buses	-	25,376	25,376	25,376	-
	<u>13,150</u>	<u>176,569</u>	<u>189,719</u>	<u>174,886</u>	<u>14,833</u>
Total Equipment					
Facilities and Acquisition and Construction Services					
Architect and Engineering Services	60,000	1,550	61,550	46,175	15,375
Construction Services	459,000	58,332	517,332	195,221	322,111
Assessment for Debt Service on SDA Funding	16,125	-	16,125	16,125	-
	<u>535,125</u>	<u>59,882</u>	<u>595,007</u>	<u>257,521</u>	<u>337,486</u>
Total Facilities Acquis. and Const. Services					

**RIVERDALE BOARD OF EDUCATION
GENERAL 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>
EXPENDITURES					
CAPITAL OUTLAY (CONTINUED)					
Interest to Capital Reserve	\$ 200	-	\$ 200	-	\$ 200
Total Capital Outlay	<u>548,475</u>	<u>\$ 236,451</u>	<u>784,926</u>	<u>\$ 432,407</u>	<u>352,519</u>
Total Expenditures	<u>9,293,752</u>	<u>164,252</u>	<u>9,458,004</u>	<u>9,112,383</u>	<u>345,621</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(588,848)</u>	<u>(164,252)</u>	<u>(753,100)</u>	<u>340,476</u>	<u>1,093,576</u>
Fund Balance, Beginning of Year	<u>2,778,710</u>	-	<u>2,778,710</u>	<u>2,778,710</u>	-
Fund Balance, End of Year	<u>\$ 2,189,862</u>	<u>\$ (164,252)</u>	<u>\$ 2,025,610</u>	<u>\$ 3,119,186</u>	<u>\$ 1,093,576</u>
Restricted Fund Balance:					
Excess Surplus				\$ 405,191	
Excess Surplus - Designated for Subsequent Year's Expenditures				398,818	
Capital Reserve				748,161	
Capital Reserve - Designated for Subsequent Year's Expenditures				302,000	
Maintenance Reserve				343,761	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				75,000	
Tuition Reserve				100,000	
Tuition Reserve - Designated for Subsequent Year's Expenditures				100,000	
Assigned Fund Balance:					
Year-End Encumbrances				352,224	
Designated for Subsequent Year's Expenditures				44,031	
Unassigned Fund Balance:				<u>250,000</u>	
				3,119,186	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: State Aid Payments Not Recognized on GAAP Basis					
Delayed State Aid Payments			<u>\$ (34,601)</u>	<u>(34,601)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 3,084,585</u>	

**RIVERDALE BOARD OF EDUCATION
SPECIAL REVENUE 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					
Intergovernmental					
Federal	\$ 113,143	\$ 57,291	\$ 170,434	\$ 127,327	\$ (43,107)
Other	-	165	165	138	(27)
Total Revenues	<u>113,143</u>	<u>57,456</u>	<u>170,599</u>	<u>127,465</u>	<u>(43,134)</u>
EXPENDITURES					
Instruction					
Salaries	13,134	8,413	21,547	14,281	7,266
Tuition	64,809	11,599	76,408	76,408	-
General Supplies	23,666	3,757	27,423	24,195	3,228
Total Instruction	<u>101,609</u>	<u>23,769</u>	<u>125,378</u>	<u>114,884</u>	<u>10,494</u>
Support Services					
Purchased Professional/Educational Services	4,675	17,218	21,893	7,793	14,100
Other Purchased Services	5,584	17,606	23,190	4,650	18,540
General Supplies	1,275	(1,137)	138	138	-
Total Support Services	<u>11,534</u>	<u>33,687</u>	<u>45,221</u>	<u>12,581</u>	<u>32,640</u>
Total Expenditures	<u>113,143</u>	<u>57,456</u>	<u>170,599</u>	<u>127,465</u>	<u>43,134</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**RIVERDALE BOARD OF EDUCATION
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	(C-1) \$ 9,452,859	(C-2) \$	127,465
Difference - Budget to GAAP:			
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (prior year)	150,600		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (current year)	(34,601)		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Encumbrances, June 30, 2019			1,337
Encumbrances, June 30, 2020	-		-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) \$ <u>9,568,858</u>	(B-2) \$	<u>128,802</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ 9,112,383	(C-2) \$	127,465
Differences - Budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.			
Encumbrances, June 30, 2019			1,337
Encumbrances, June 30, 2020	-		-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>9,112,383</u>	(B-2) \$	<u>128,802</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION
AND
POST-EMPLOYMENT BENEFITS INFORMATION

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

**PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 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)	0.00517 %	0.00450 %	0.00456 %	0.00556 %	0.00485 %	0.00526 %	0.00496 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 931,058	\$ 886,058	\$ 1,060,527	\$ 1,647,171	\$ 1,088,127	\$ 984,142	\$ 947,534
District's Covered Payroll	330,602	340,186	300,757	276,965	317,879	311,078	310,024
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	282%	260%	353%	595%	342%	316%	306%
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.

**RIVERDALE 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	\$ 50,262	\$ 44,762	\$ 42,205	\$ 49,408	\$ 41,674	\$ 43,333	\$ 41,595
Contributions in Relation to the Contractually Required Contributions	<u>50,262</u>	<u>44,762</u>	<u>42,205</u>	<u>49,408</u>	<u>41,674</u>	<u>43,333</u>	<u>41,595</u>
Contribution Deficiency (Excess)	-	-	-	-	-	-	-
District's Covered Payroll	330,602	340,186	300,757	276,965	317,879	311,078	310,024
Contributions as a Percentage of Covered Payroll	15.20%	13.16%	14.03%	17.84%	13.11%	13.93%	13.42%

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

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

**TEACHERS PENSION AND ANNUITY FUND
Last 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)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>13,168,415</u>	<u>12,068,545</u>	<u>13,864,693</u>	<u>15,095,090</u>	<u>14,296,105</u>	<u>11,971,862</u>	<u>11,605,771</u>
Total	\$ 13,168,415	\$ 12,068,545	\$ 13,864,693	\$ 15,095,090	\$ 14,296,105	\$ 11,971,862	\$ 11,605,771
District's Covered Payroll	2,231,537	2,309,943	2,162,491	1,917,997	1,933,044	1,946,722	2,087,474
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered 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.

**RIVERDALE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 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 5.

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

Postemployment Health Benefit Plan

Last Three Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ 321,905	\$ 361,346	\$ 438,703
Interest on Total OPEB Liability	284,325	305,403	261,220
Differences Between Expected and Actual Experience	(874,177)	(801,186)	
Changes of Assumptions	100,735	(817,590)	(1,091,346)
Gross Benefit Payments	(207,395)	(190,511)	(246,312)
Contribution from the Member	<u>6,148</u>	<u>6,584</u>	<u>9,070</u>
Net Change in Total OPEB Liability	(368,459)	(1,135,954)	(628,665)
Total OPEB Liability - Beginning	<u>7,124,657</u>	<u>8,260,611</u>	<u>8,889,276</u>
Total OPEB Liability - Ending	<u>\$ 6,756,198</u>	<u>\$ 7,124,657</u>	<u>\$ 8,260,611</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>6,756,198</u>	<u>7,124,657</u>	<u>8,260,611</u>
Total OPEB Liability - Ending	<u>\$ 6,756,198</u>	<u>\$ 7,124,657</u>	<u>\$ 8,260,611</u>
District's Covered Payroll	<u>\$ 2,562,139</u>	<u>\$ 2,650,129</u>	<u>\$ 2,463,248</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.

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

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

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

	<u>IDEA Part B Basic</u>	<u>IDEA Part B Preschool</u>	<u>NCLB Title I</u>	<u>NCLB Title II-A</u>	<u>NCLB Title IV</u>	<u>Local</u>	<u>Total 2020</u>
REVENUES							
Intergovernmental							
Federal	\$ 73,170	\$ 3,238	\$ 25,510	\$ 13,563	\$ 11,846		\$ 127,327
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	\$ 138	<u>138</u>
Total Revenues	<u>\$ 73,170</u>	<u>\$ 3,238</u>	<u>\$ 25,510</u>	<u>\$ 13,563</u>	<u>\$ 11,846</u>	<u>\$ 138</u>	<u>\$ 127,465</u>
EXPENDITURES							
Instruction							
Salaries for Instruction			\$ 12,761	\$ 1,520			\$ 14,281
Tuition	\$ 73,170	\$ 3,238					76,408
General Supplies	<u>-</u>	<u>-</u>	12,349	-	\$ 11,846	-	<u>24,195</u>
Total Instruction	<u>73,170</u>	<u>3,238</u>	<u>25,110</u>	<u>1,520</u>	<u>11,846</u>	<u>-</u>	<u>114,884</u>
Support Services							
Purchased Professional/Educational Services				7,793			7,793
Other Purchased Services			400	4,250			4,650
General Supplies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	\$ 138	<u>138</u>
Total Support Services	<u>-</u>	<u>-</u>	<u>400</u>	<u>12,043</u>	<u>-</u>	<u>138</u>	<u>12,581</u>
Total Expenditures	<u>\$ 73,170</u>	<u>\$ 3,238</u>	<u>\$ 25,510</u>	<u>\$ 13,563</u>	<u>\$ 11,846</u>	<u>\$ 138</u>	<u>\$ 127,465</u>

**RIVERDALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES
PRESCHOOL ALL PROGRAMS - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOT APPLICABLE

CAPITAL PROJECTS FUND

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

NOT APPLICABLE

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

NOT APPLICABLE

ENTERPRISE FUND

EXHIBIT G-1

**RIVERDALE BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2020**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

**RIVERDALE BOARD OF EDUCATION
AGENCY FUNDS
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES
AS OF JUNE 30, 2020**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 22,614	\$ 7,174	\$ 29,788
Due from Other Funds	-	2,372	2,372
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 22,614</u>	<u>\$ 9,546</u>	<u>\$ 32,160</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 9,515	\$ 9,515
Due to Other Funds		31	31
Due to Student Groups	\$ 22,614	-	22,614
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>\$ 22,614</u>	<u>\$ 9,546</u>	<u>\$ 32,160</u>

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

THIS STATEMENT IS NOT APPLICABLE

**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>Decreases</u>	<u>Balance, June 30, 2020</u>
Elementary School				
Programs and Activities	\$ 19,260	\$ 41,197	\$ 37,843	\$ 22,614
Athletics	-	1,820	1,820	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total All Schools	<u>\$ 19,260</u>	<u>\$ 43,017</u>	<u>\$ 39,663</u>	<u>\$ 22,614</u>

**RIVERDALE 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>Decreases</u>	Balance, June 30, <u>2020</u>
ASSETS				
Cash	\$ 8,608	\$ 3,634,770	\$ 3,636,204	\$ 7,174
Due From Other Funds	<u>1,475</u>	<u>5,864</u>	<u>4,967</u>	<u>2,372</u>
	<u>\$ 10,083</u>	<u>\$ 3,640,634</u>	<u>\$ 3,641,171</u>	<u>\$ 9,546</u>
 LIABILITIES				
Payroll Deductions and Withholdings	\$ 10,053	\$ 1,544,243	\$ 1,544,781	\$ 9,515
Accrued Salaries and Wages	-	2,096,390	2,096,390	-
Due To Other Funds - General Fund	<u>30</u>	<u>1</u>	<u>-</u>	<u>31</u>
Total	<u>\$ 10,083</u>	<u>\$ 3,640,634</u>	<u>\$ 3,641,171</u>	<u>\$ 9,546</u>

LONG-TERM DEBT

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

NOT APPLICABLE

**RIVERDALE BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2019</u>	<u>Increased</u>	<u>Matured</u>	<u>Balance, June 30, 2020</u>
Copiers-3	\$ 47,196	0.45%	\$ 22,002		\$ 9,840	\$ 12,162
LED Retrofit Equipment	94,088	2.24%	<u>47,883</u>	<u>-</u>	<u>15,607</u>	<u>32,276</u>
			<u>\$ 69,885</u>	<u>\$ -</u>	<u>\$ 25,447</u>	<u>\$ 44,438</u>

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

NOT APPLICABLE

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014 (Restated)	2015	2016	2017	2018	2019	2020
Governmental activities										
Invested in capital assets, net of related debt	\$ 4,454,224	\$ 4,593,297	\$ 4,937,669	\$ 4,800,412	\$ 4,612,005	\$ 4,423,483	\$ 4,264,764	\$ 4,107,541	\$ 4,003,970	\$ 4,254,317
Restricted	173,243	471,703	761,897	962,090	962,172	875,956	1,115,415	1,196,492	1,528,761	1,768,922
Unrestricted	804,054	879,909	775,471	(190,381)	(230,720)	(418,641)	(544,985)	(355,176)	(46,563)	91,415
Total governmental activities net position	<u>\$ 5,431,521</u>	<u>\$ 5,944,909</u>	<u>\$ 6,475,037</u>	<u>\$ 5,572,121</u>	<u>\$ 5,343,457</u>	<u>\$ 4,880,798</u>	<u>\$ 4,835,194</u>	<u>\$ 4,948,857</u>	<u>\$ 5,486,168</u>	<u>\$ 6,114,654</u>
Business-type activities										
Invested in capital assets, net of related debt		\$ 2,316	\$ 1,737	\$ 9,370	\$ 7,879	\$ 9,119	\$ 12,773	\$ 26,671	\$ 23,177	\$ 19,683
Restricted										
Unrestricted	\$ 12,042	16,004	22,031	12,642	20,198	21,188	30,752	26,963	41,279	41,157
Total business-type activities net position	<u>\$ 12,042</u>	<u>\$ 18,320</u>	<u>\$ 23,768</u>	<u>\$ 22,012</u>	<u>\$ 28,077</u>	<u>\$ 30,307</u>	<u>\$ 43,525</u>	<u>\$ 53,634</u>	<u>\$ 64,456</u>	<u>\$ 60,840</u>
District-wide										
Invested in capital assets, net of related debt	\$ 4,454,224	\$ 4,595,613	\$ 4,939,406	\$ 4,809,782	\$ 4,619,884	\$ 4,432,602	\$ 4,277,537	\$ 4,134,212	\$ 4,027,147	\$ 4,274,000
Restricted	173,243	471,703	761,897	962,090	962,172	875,956	1,115,415	1,196,492	1,528,761	1,768,922
Unrestricted	816,096	895,913	797,502	(177,739)	(210,522)	(397,453)	(514,233)	(328,213)	(5,284)	132,572
Total district net position	<u>\$ 5,443,563</u>	<u>\$ 5,963,229</u>	<u>\$ 6,498,805</u>	<u>\$ 5,594,133</u>	<u>\$ 5,371,534</u>	<u>\$ 4,911,105</u>	<u>\$ 4,878,719</u>	<u>\$ 5,002,491</u>	<u>\$ 5,550,624</u>	<u>\$ 6,175,494</u>

RIVERDALE 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	\$ 3,109,283	\$ 3,285,868	\$ 3,520,307	\$ 3,553,560	\$ 4,288,907	\$ 4,269,838	\$ 4,334,901	\$ 4,509,295	\$ 4,521,420	\$ 4,669,037
Special education	1,083,073	1,324,189	1,324,401	1,619,403	1,747,281	2,094,539	2,286,141	2,268,424	1,658,179	1,517,097
Other instruction	77,082	64,166	95,630	107,595	133,987	118,468	140,511	240,515	234,222	225,973
School Sponsored Activities and Athletics	46,182	44,620	53,725	54,988	55,775	58,279	64,221	73,906	75,986	60,025
Support Services:										
Student & instruction related services	727,129	725,022	742,748	820,422	841,953	933,331	939,725	883,134	925,990	907,595
School Administrative services	155,359	158,062	160,922	168,892	197,204	170,633	193,458	196,383	185,298	219,987
General administration	377,459	377,719	401,219	354,101	346,971	392,220	461,031	418,131	409,472	404,440
Central Services	184,050	173,254	180,530	193,217	181,511	214,617	222,078	261,622	268,329	285,157
Plant operations and maintenance	617,942	594,606	586,531	640,255	626,950	678,014	756,127	731,890	704,819	731,324
Pupil transportation	330,178	345,811	321,239	432,568	525,741	530,445	531,828	541,819	435,676	472,470
Interest on long-term debt	23,744	14,363	7,989	1,999	1,561	1,101	3,525	3,441	3,338	2,014
Total governmental activities expenses	6,731,481	7,107,680	7,395,241	7,947,000	8,947,841	9,461,485	9,933,546	10,128,560	9,422,729	9,495,119
Business-type activities:										
Food Service	82,704	85,691	77,998	86,928	77,995	93,542	94,851	104,886	108,482	92,770
Technology Initiative	-	-	-	-	-	-	-	992	1,515	975
Total business-type activities expense	82,704	85,691	77,998	86,928	77,995	93,542	94,851	105,878	109,997	93,745
Total district expenses	\$ 6,814,185	\$ 7,193,371	\$ 7,473,239	\$ 8,033,928	\$ 9,025,836	\$ 9,555,027	\$ 10,028,397	\$ 10,234,438	\$ 9,532,726	\$ 9,588,864
Program Revenues										
Governmental activities:										
Charges for Services	\$ 28,680	\$ 25,200	\$ 86,068	\$ 51,493	\$ 99,986	\$ 37,480	\$ 58,848	\$ 45,000	\$ 27,000	\$ 22,575
Operating grants and contributions	569,945	755,121	935,149	909,178	1,445,832	1,654,938	2,009,248	2,265,596	1,852,760	1,811,383
Capital grants and contributions	84,859	-	-	-	-	-	-	-	-	53,094
Total governmental activities program revenues	683,484	780,321	1,021,217	960,671	1,545,818	1,692,418	2,068,096	2,310,596	1,879,760	1,887,052
Business-type activities:										
Charges for services										
Food service	\$ 60,843	\$ 62,505	\$ 52,121	\$ 54,260	\$ 53,568	\$ 58,686	\$ 70,268	\$ 74,572	\$ 73,900	\$ 45,229
Technology Initiative	-	-	-	-	-	-	-	1,212	2,675	3,029
Operating grants and contributions	21,655	29,464	31,307	30,885	30,463	37,048	37,752	40,158	44,103	41,867
Total business type activities program revenues	82,478	91,969	83,428	85,145	84,031	95,734	108,020	115,942	120,678	90,125
Total district program revenues	\$ 765,962	\$ 872,290	\$ 1,104,645	\$ 1,045,816	\$ 1,629,849	\$ 1,788,152	\$ 2,176,116	\$ 2,426,538	\$ 2,000,438	\$ 1,977,177
Net (Expense)/Revenue										
Governmental activities	\$ (6,047,997)	\$ (6,327,359)	\$ (6,374,024)	\$ (6,986,329)	\$ (7,402,023)	\$ (7,769,067)	\$ (7,865,450)	\$ (7,817,964)	\$ (7,542,969)	\$ (7,608,067)
Business-type activities	(226)	6,278	5,430	(1,783)	6,036	2,192	13,169	10,064	10,681	(3,620)
Total district-wide net expense	\$ (6,048,223)	\$ (6,321,081)	\$ (6,368,594)	\$ (6,988,112)	\$ (7,395,987)	\$ (7,766,875)	\$ (7,852,281)	\$ (7,807,900)	\$ (7,532,288)	\$ (7,611,687)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 6,611,738	\$ 6,816,628	\$ 6,888,062	\$ 7,004,522	\$ 7,144,612	\$ 7,280,360	\$ 7,761,669	\$ 7,916,902	\$ 8,075,240	\$ 8,227,378
Unrestricted state & federal aid	7,092	11,802	-	-	4,016	4,430	8,671	9,106	857	-
Investment earnings	-	-	-	-	-	-	-	-	-	-
Miscellaneous income	45,441	12,317	16,090	26,425	24,731	21,618	49,506	5,619	4,183	9,175
Cancellation of Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Total governmental activities	6,664,271	6,840,747	6,904,152	7,030,947	7,173,359	7,306,408	7,819,846	7,931,627	8,080,280	8,236,553
Business-type activities:										
Miscellaneous Income	-	-	18	27	29	38	49	45	141	4
Total business-type activities	-	-	18	27	29	38	49	45	141	4
Total district-wide	\$ 6,664,271	\$ 6,840,747	\$ 6,904,170	\$ 7,030,974	\$ 7,173,388	\$ 7,306,446	\$ 7,819,895	\$ 7,931,672	\$ 8,080,421	\$ 8,236,557
Change in Net Position										
Governmental activities	\$ 616,274	\$ 513,388	\$ 530,128	\$ 44,618	\$ (228,664)	\$ (462,659)	\$ (45,604)	\$ 113,663	\$ 537,311	\$ 628,486
Business-type activities	(226)	6,278	5,448	(1,756)	6,065	2,230	13,218	10,109	10,822	(3,616)
Total district	\$ 616,048	\$ 519,666	\$ 535,576	\$ 42,862	\$ (222,599)	\$ (460,429)	\$ (32,386)	\$ 123,772	\$ 548,133	\$ 624,870

RIVERDALE BOARD OF EDUCATION
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
General Fund										
Restricted	\$ 711,422	\$ 1,071,340	\$ 1,242,195	\$ 1,445,070	\$ 1,448,630	\$ 1,294,524	\$ 1,491,892	\$ 1,788,344	\$ 2,320,427	\$ 2,472,931
Committed						16,305	15,290			-
Assigned	67,258	48,169	64,957	44,739	25,887	5,751	80,935	57,216	164,252	396,255
Unassigned	248,564	236,112	231,816	231,035	230,248	148,355	148,532	149,920	143,431	215,399
Total general fund	<u>\$ 1,027,244</u>	<u>\$ 1,355,621</u>	<u>\$ 1,538,968</u>	<u>\$ 1,720,844</u>	<u>\$ 1,704,765</u>	<u>\$ 1,464,935</u>	<u>\$ 1,736,649</u>	<u>\$ 1,995,480</u>	<u>\$ 2,628,110</u>	<u>\$ 3,084,585</u>
All Other Governmental Funds										
Reserved/Restricted	\$ (6,597)	\$ 14,547	\$ 14,547	\$ 14,546	\$ 14,546	\$ 14,546				
Unreserved	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ (6,597)</u>	<u>\$ 14,547</u>	<u>\$ 14,547</u>	<u>\$ 14,546</u>	<u>\$ 14,546</u>	<u>\$ 14,546</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax levy	\$ 6,611,738	\$ 6,816,628	\$ 6,888,062	\$ 7,004,522	\$ 7,144,612	\$ 7,280,360	\$ 7,761,669	\$ 7,916,902	\$ 8,075,240	\$ 8,227,378
Interest earnings		991	2,017	3,682	3,876	3,249	3,403	4,106	4,183	5,271
Tuition	28,680	25,200	86,068	51,493	99,986	37,480	58,848	45,000	27,000	22,575
Miscellaneous	45,441	11,349	14,073	22,743	20,855	18,369	46,103	1,513		3,904
State sources	559,144	643,792	821,653	786,964	814,670	835,559	989,812	1,103,307	1,240,293	1,309,730
Federal sources	102,752	123,108	113,496	122,214	113,265	100,694	118,724	91,729	145,703	127,327
Other sources						3,842	6,497	4,624	1,805	1,475
Total revenue	7,347,755	7,621,068	7,925,369	7,991,618	8,197,264	8,279,553	8,985,056	9,167,181	9,494,224	9,697,660
Expenditures										
Instruction										
Regular Instruction	3,098,042	3,282,837	3,503,483	3,536,948	3,893,919	3,766,221	3,747,118	3,887,200	4,222,775	4,370,293
Special education instruction	1,083,073	1,326,361	1,324,401	1,619,403	1,671,679	1,971,182	2,090,704	2,058,108	1,573,130	1,446,178
Other instruction	77,085	64,427	95,630	107,595	118,205	96,625	113,113	191,928	206,137	209,870
School sponsored activities and athletics	46,182	44,821	53,725	54,988	55,775	58,279	64,221	68,947	74,574	59,319
Support Services:										
Student & inst. related services	722,349	727,153	741,984	819,658	807,908	878,262	859,323	778,896	880,933	869,284
General administration	385,710	379,279	401,219	354,101	338,919	370,315	394,872	406,631	416,166	383,462
School administrative services	153,971	158,852	160,922	168,892	170,260	141,232	157,995	160,490	170,230	172,557
Central services	184,050	174,131	180,530	193,217	181,511	214,617	222,078	241,715	261,983	281,204
Plant operations and maintenance	449,967	416,571	401,569	452,109	429,792	481,615	504,485	520,820	505,523	533,365
Pupil transportation	326,751	345,944	321,239	432,568	525,741	530,445	531,828	538,978	434,736	471,910
Other Support Services										
Capital outlay	242,942	27,231	274,932	59,675	9,045	-	170,087	19,645	80,415	416,282
Debt service:										
Principal	295,000	305,000	318,770	8,590	9,028	9,489	31,041	31,551	31,654	25,447
Interest and other charges	27,938	18,940	10,398	1,999	1,561	1,101	3,525	3,441	3,338	2,014
Total expenditures	7,093,060	7,271,547	7,788,802	7,809,743	8,213,343	8,519,383	8,890,390	8,908,350	8,861,594	9,241,185
Excess (Deficiency) of revenues over (under) expenditures	254,695	349,521	136,567	181,875	(16,079)	(239,830)	94,666	258,831	632,630	456,475
Other Financing sources (uses)										
Transfers in		21,143		1		-	14,546			-
Transfers out		(21,143)		(1)		-	(14,546)			-
Capital Lease Proceeds			46,780				162,502			
Cancellation of Accounts Receivable										
Total other financing sources (uses)	-	-	46,780	-	-	-	162,502	-	-	-
Net change in fund balances	\$ 254,695	\$ 349,521	\$ 183,347	\$ 181,875	\$ (16,079)	\$ (239,830)	\$ 257,168	\$ 258,831	\$ 632,630	\$ 456,475
Debt service as a percentage of noncapital expenditures	4.71%	4.47%	4.38%	0.14%	0.13%	0.12%	0.40%	0.39%	0.40%	0.31%

* Noncapital expenditures are total expenditures less capital outlay.

EXHIBIT J-5

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

<u>Fiscal Year Ended June 30</u>	<u>Tuition</u>	<u>Other</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 22,575	\$ 3,904	\$ 5,271	\$ 31,750
2019	27,000	-	4,183	31,183
2018	45,000	1,513	4,106	50,619
2017	58,848	46,103	3,403	108,354
2016	37,480	18,369	3,249	59,098
2015	99,986	20,855	3,876	124,717
2014	51,493	22,743	3,682	77,918
2013	86,068	14,073	2,017	102,158
2012	25,200	11,326	991	37,517
2011	28,680	45,441	-	74,121

* Source: School District's Financial Statements

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

Fiscal Year Ended June 30.	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2011	\$ 25,297,000	\$ 574,725,450	\$ 624,200	\$ 1,700	\$ 218,808,300	\$ 43,401,400	\$ 1,460,800	\$ 864,318,850	\$ 7,430,677	\$ 871,749,527	\$ 894,021,098	\$ 0.734
2012	24,519,800	574,056,730	624,200	5,600	259,597,000	43,301,400	1,452,800	903,557,530	7,245,200	910,802,730	854,563,669	0.749
2013	18,334,400	481,793,800	465,400	5,600	209,935,500	42,536,200	40,794,000	793,864,900	7,430,677	801,295,577	882,433,241	0.864
2014	18,334,400	481,745,500	465,400	5,600	208,547,800	42,536,200	40,794,000	792,428,900	7,245,200	799,674,100	868,202,233	0.881
2015	18,334,400	481,688,400	465,400	5,600	205,831,900	41,226,600	40,794,000	788,346,300	7,245,200	795,591,500	856,801,548	0.904
2016	18,192,800	471,545,300	465,400	5,600	192,456,200	41,226,600	40,794,000	764,685,900	7,245,200	771,931,100	836,741,274	0.969
2017	18,553,400	478,727,300	465,400	5,600	190,231,300	41,234,100	40,792,600	770,009,700	7,245,200	777,254,900	876,544,767	1.006
* 2018	20,161,900	523,199,500	502,200	4,300	210,538,000	45,123,700	46,132,400	845,662,000	7,255,500	852,917,500	943,477,908	0.935
2019	20,005,700	536,368,900	516,200	4,300	214,503,600	45,954,500	47,180,800	864,534,000	7,255,500	871,789,500	934,293,752	0.941
2020	20,069,400	535,770,700	525,100	4,300	213,142,800	46,009,800	47,237,200	862,759,300	7,255,500	870,014,800	940,169,968	0.962

Source: County Abstract of Ratables

a Tax rates are per \$100

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

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

<u>Calendar Year</u>	<u>Total</u>	<u>Local School District</u>	<u>Municipality</u>	<u>County</u>
2020	\$1.907	\$0.962	\$0.681	\$0.264
2019	1.883	0.941	0.660	0.282
*2018	1.883	0.935	0.661	0.287
2017	2.019	1.006	0.721	0.292
2016	1.960	0.969	0.722	0.269
2015	1.857	0.904	0.683	0.270
2014	1.843	0.881	0.685	0.277
2013	1.814	0.864	0.673	0.277
2012	1.517	0.749	0.539	0.229
2011	1.492	0.734	0.526	0.232

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

(1) Revaluation

Source: Tax Collector

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

Taxpayer	2020		2011	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Newark Metro Multifamily Xchange L	\$ 45,700,000	5.30%		
Riverdale Crossing, LLC	44,153,600	5.12%	\$ 48,155,500	5.57%
Target Corp Prop Tax Dept T-2247	21,112,700	2.45%	22,045,500	2.55%
Cresskill Hills, LLC	17,275,300	2.00%	17,780,900	2.06%
Riverdale Quarry, LLC	16,074,000	1.86%	14,688,900	1.70%
HD Development of Maryland, INC	15,205,700	1.76%	14,433,800	1.67%
Riverdale Square, LLC	10,585,500	1.23%	10,000,000	1.16%
Filtra CORP	7,979,000	0.92%	7,666,300	0.89%
Verizon-NJ, Prop. Tax Dept.	7,265,500	0.84%	7,430,677	0.86%
SSTI 112 SR23 LLC/PTA-STR #4032	7,108,700	0.82%	6,700,000	0.78%
Cho & Nam Associates, LLC	7,037,600	0.82%	6,604,200	0.76%
Segal Associates of New Jersey, LP	5,081,600	0.59%	5,850,600	0.68%
90 Riverdale, LLC			4,340,600	0.50%
	<u>\$ 204,579,200</u>	<u>23.71%</u>	<u>\$165,696,977</u>	<u>19.17%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 6,611,738	\$ 6,611,738	100.00%	-
2012	6,816,628	6,816,628	100.00%	-
2013	6,888,062	6,888,062	100.00%	-
2014	7,004,522	7,004,522	100.00%	-
2015	7,144,612	7,144,612	100.00%	-
2016	7,280,360	7,280,360	100.00%	-
2017	7,761,669	7,761,664	100.00%	-
2018	7,916,902	7,916,902	100.00%	-
2019	8,075,240	8,075,240	100.00%	-
2020	8,227,378	8,227,378	100.00%	-

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Population	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Project Anticipation Notes	Capital Leases				
2011	\$ 621,000	N/A	N/A	-	N/A	\$ 621,000	3,911	\$ 159	
2012	316,000	N/A	N/A	-	N/A	316,000	4,090	77	
2013	-	N/A	\$ 44,010	-	N/A	44,010	4,182	11	
2014	-	N/A	35,420	-	N/A	35,420	4,253	8	
2015	-	N/A	26,392	-	N/A	26,392	4,244	6	
2016	-	N/A	16,903	-	N/A	16,903	4,227	4	
2017	-	N/A	133,090	-	N/A	133,090	4,212	32	
2018	-	N/A	101,539	-	N/A	101,539	4,180	24	
2019	-	N/A	69,885	-	N/A	69,885	4,135 *	17	
2020	-	N/A	44,438	-	N/A	44,438	4,135	11	

Source: District records

* Estimate

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2011	\$ 621,000		\$ 621,000	0.07%	\$ 159
2012	316,000		316,000	0.03%	77
2013	-		-	0.00%	-
2014	-		-	0.00%	-
2015	-		-	0.00%	-
2016	-		-	0.00%	-
2017	-		-	0.00%	-
2018	-		-	0.00%	-
2019	-		-	0.00%	-
2020	-		-	0.00%	-

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

RIVERDALE BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
AS OF DECEMBER 31, 2019
(Unaudited)

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt			
Borough of Riverdale (1)	\$ 10,787,902	\$ 6,499,845	\$ 4,288,057
 Total Direct Debt	 <u>\$ 10,787,902</u>	 <u>\$ 6,499,845</u>	 4,288,057
Net Overlapping Debt of School District:			
County of Morris - Borough's Share			<u>3,552,616</u>
 Total Direct and Overlapping Debt			 <u>\$ 7,840,673</u>

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

(1) Borough of Riverdale 2019 Annual Debt Statement

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income</u>	<u>Population</u>
2020	2.4%	\$ 98,842 *	4,135 *
2019	2.4%	98,842 *	4,135
2018	3.2%	98,842	4,180
2017	3.5%	93,555	4,212
2016	3.7%	90,853	4,227
2015	4.7%	88,219	4,244
2014	5.2%	84,260	4,253
2013	7.6%	80,805	4,182
2012	9.9%	79,765	4,090
2011	9.5%	76,727	3,911

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

* Estimate

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

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

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Instruction										
Regular	24.0	23.8	23.4	23.4	24.5	23.7	24.00	24.10	23.00	22.30
Special education	9.5	8.2	7.6	7.6	9.0	8.2	7.2	6.3	7.2	7.2
Support Services:										
Student & instruction related services	14.2	13.9	13.7	14.8	10.5	10.5	10.1	9.2	7.8	7.8
General administration	2.0	2.0	2.0	2.0	1.4	1.4	1.5	1.5	2	2
School administrative services	1.0	1.0	1.0	1.0	1.5	1.5	1	1	1	1
Other administrative services									0.09	0.09
Central services	3.3	3.3	3.3	3.3	1.3	1.3	1.3	1.3	1	1
Administrative Information Technology										
Plant operations and maintenance	4.5	4.0	4.0	4.0	4.0	4.0	4.1	4.1	4.5	4.5
Pupil transportation	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Total	<u>58.8</u>	<u>56.5</u>	<u>55.3</u>	<u>56.4</u>	<u>52.5</u>	<u>50.9</u>	<u>49.5</u>	<u>47.8</u>	<u>46.9</u>	<u>46.2</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Pupil/Teacher Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School	Senior High School				
2011	318.0	\$ 6,527,180	\$ 20,526	-1.47%	29.5	1:11	N/A	N/A	318.2	305.1	3.04%	95.88%
2012	341.5	6,920,376	20,265	-1.27%	27.7	1:12	N/A	N/A	341.5	329.9	7.32%	96.60%
2013	333.3	7,463,164	22,392	10.50%	30.0	1:11	N/A	N/A	333.3	318.9	-2.40%	95.68%
2014	330.5	7,739,479	23,417	4.58%	31.2	1:11	N/A	N/A	330.5	317.7	-0.84%	96.12%
2015	332.4	8,193,709	24,650	5.26%	31.8	1:11	N/A	N/A	332.4	318.3	0.57%	95.76%
2016	342.0	8,508,793	24,880	0.93%	33.5	1:10	N/A	N/A	336.4	323.0	1.20%	96.02%
2017	338.0	8,685,737	25,697	3.29%	31.0	1:11	N/A	N/A	341.0	327.1	1.37%	95.92%
2018	333.0	8,853,713	26,588	3.46%	31.0	1:11	N/A	N/A	335.3	323.8	-1.67%	96.57%
2019	334.0	8,746,187	26,186	-1.51%	32.0	1:10	N/A	N/A	338.0	323.2	0.81%	95.62%
2020	295.0	8,797,442	29,822	13.88%	33.5	1:09	N/A	N/A	322.2	316.9	-4.67%	98.36%

Sources: District records

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

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District Building										
<u>Elementary</u>										
Square Feet	73,120	73,120	73,120	73,120	73,120	73,120	73,120	73,120	73,120	73,210
Capacity (students)	520	520	520	520	520	520	520	520	520	520
Enrollment	295	334	333	338	342	332	330	333	342	318
Number of Schools at June 30										
Elementary =	1	1	1	1	1	1	1	1	1	1

Source: District Records

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

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

11-000-261-xxx

School Facilities	Project #	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Riverdale Public School	N/A	\$ 159,041	\$ 95,822	\$ 129,177	\$ 113,857	\$ 93,162	\$ 81,014	\$ 95,976	\$ 76,841	\$ 100,272	\$ 86,202

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

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - General Security - Pooled Insurance Limit Blanket Building & Contents per Statement of Values	\$ 27,070,828	\$ 5,000
Flood/Earthquake	5,000,000	50,000
Inland Marine:		
EDP Equipment	2,000,000	5,000
Contractors Equipment	250,000	1,000
Crime Coverage	500,000	5,000
Boiler & Machinery - Included in Property Value	27,070,828	1,000
Comprehensive/Commercial General Liability:		
Zurich Ins. Co.		
General Aggregate Limit	3,000,000	1,000
Comprehensive Auto Liability	1,000,000	1,000
Catastrophe Liability	9,000,000	
Excess Liability in Excess of \$10m as a Group Shared Limit	50,000,000	
Public Official Bonds -		
Western Surety Company		
Treasurer of School Monies	200,000	
Business Administrator/Board Secretary	155,000	

Source: Riverdale School District records.

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
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
Riverdale Board of Education
Riverdale, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverdale Board of Education as of and for the fiscal year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Riverdale Board of Education’s basic financial statements and have issued our report thereon dated January 20, 2021.

Internal Control Over Financial Reporting

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

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

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

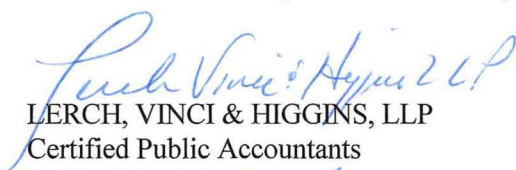
Compliance and Other Matters

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

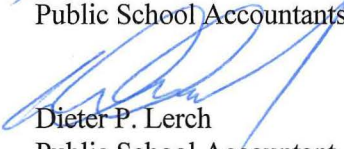
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Riverdale Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated January 20, 2021.

Purpose of this Report

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



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



Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
January 20, 2021



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
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**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
Riverdale Board of Education
Riverdale, New Jersey

Report on Compliance for Each Major State Program

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

Management's Responsibility

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

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

Opinion on Each Major Federal and State Program

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with New Jersey OMB Circular 15-08 which are described in the accompanying schedule of findings and questioned costs as item 2020-001. Our opinion on each major state program is not modified with respect to these matters.

The Riverdale Board of Education's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Riverdale Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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


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


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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverdale Board of Education, as of and for the fiscal year ended June 30, 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 January 20, 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 are presented for purposes of additional analysis and are 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 are fairly stated in all material respects in relation to the basic financial statements as a whole.


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


Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
January 20, 2021

**RIVERDALE 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	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2019			Carryover/ (Walkover) A/R	Carryover/ (Walkover) Def. Rev.	Cash Received	Budgetary Expenditures	A/R Rev. Adj.	Unearned Rev. Adj.	Balance, June 30, 2020			GAAP Receivable
						Unearned Revenue	(Accounts Receivable)	Due to Grantor							Unearned Revenue	(Accounts Receivable)	Due to Grantor	
U.S. Department of Agriculture Passed-through State Department of Education																		
National School Lunch Program																		
Cash Assistance	10.555	201NJ304N1099	N/A	7/1/19-6/30/20	\$ 26,534					\$ 24,596	\$ 26,534				\$ (1,938)		\$ (1,938)	
Cash Assistance	10.555	191NJ304N1099	N/A	7/1/18-6/30/19	33,071		\$ (2,279)			2,279								
Non-Cash Assistance	10.555	201NJ304N1099	N/A	7/1/19-6/30/20	14,579					14,579	13,352			\$ 1,227				
Non-Cash Assistance	10.555	191NJ304N1099	N/A	7/1/18-6/30/19	10,018	\$ 1,124	-	-	-	-	1,124	-	-	-	-	-	-	
Total U.S. Department of Agriculture/Child Nutrition Cluster						1,124	(2,279)	-	-	-	41,454	41,010	-	-	1,227	(1,938)	-	(1,938)
U.S. Department of Education Passed-through State Department of Education																		
I.D.E.A. Part B, Basic	84.027A	H027A190100	NCLB444004	7/1/19-9/30/20	73,170					73,170	73,170			-	-		-	
I.D.E.A. Part B, Basic	84.027A	H027A180100	NCLB444004	7/1/18-6/30/19	72,360									-	-		-	
I.D.E.A. Part B, Preschool	84.173A	H173A190114	NCLB444004	7/1/19-9/30/20	3,238					3,238	3,238							
I.D.E.A. Part B, Preschool	84.173A	H173A180114	NCLB444004	7/1/18-6/30/19	3,195	-	(3,195)	-	-	3,195	-	-	-	-	-	-	-	
Total Special Education Cluster (IDEA)						-	(3,195)	-	-	-	79,603	76,408	-	-	-	-	-	
NCLB Title I	84.010A	S010A190030	NCLB444004	7/1/19-9/30/20	33,019			\$ (31,049)	\$ 31,049	25,510	25,510			38,558	(38,558)		-	
NCLB Title I	84.010A	S010A180030	NCLB444004	7/1/18-6/30/19	38,035	26,049	(29,094)	31,049	(31,049)	3,045		\$ (5,000)	\$ 5,000	-	-		-	
NCLB Title II A	84.367A	S367A190029	NCLB444004	7/1/19-9/30/20	9,988			(4,896)	4,896	7,755	13,563			1,321	(7,129)		(5,808)	
NCLB Title II A	84.367A	S367A180029	NCLB444004	7/1/18-6/30/19	9,519	4,494	(9,706)	4,896	(4,896)	4,810			402	-	-		-	
NCLB Title IV Part A	84.424	S424A190031	NCLB444004	7/1/19-9/30/20	10,000			(3,876)	3,876	8,792	11,846			2,030	(5,084)		(3,054)	
NCLB Title IV Part A	84.424	S424A180031	NCLB444004	7/1/18-6/30/19	10,000	2,876	(5,983)	-	3,876	2,107	-	-	1,000	-	-		-	
Cares Act	84.425D	S425D200027	CARES444004	3/13/20-9/30/20	34,406	-	-	-	-	-	-	-	-	34,406	(34,406)		-	
Total U.S. Department of Education						33,419	(47,978)	-	-	-	131,622	127,327	(5,000)	6,402	76,315	(85,177)	-	(8,862)
Total Federal Financial Assistance						\$ 34,543	\$ (50,257)	\$ -	\$ -	\$ -	\$ 173,076	\$ 168,337	\$ (5,000)	\$ 6,402	\$ 77,542	\$ (87,115)	\$ -	\$ (10,800)

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

**RIVERDALE 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				Balance, June 30, 2020				MEMO		
				Accounts Receivable	Unearned Revenue	Due to Grantor	Cash Received	Budgetary Expenditures	Accounts Receivable Adjustment	Unearned Revenue	(Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education														
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	\$ 260,790				\$ 235,872	\$ 260,790			\$ (24,918)		\$ 260,790	
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	224,270	\$ (21,317)			21,317							
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	11,114				10,052	11,114			(1,062)		11,114	
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	11,114	(1,056)		\$ -	1,056							
Total State Aid Public - Cluster				(22,373)	-	-	268,297	271,904	-	-	(25,980)	-	-	271,904
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	90,222				81,601	90,222			(8,621)		90,222	
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	90,222	(8,576)			8,576							
Additional Nonpublic Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20												
Additional Nonpublic Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	6,380	(6,380)			6,380							
Total Transportation Aid - Cluster				(14,956)	-	-	96,557	90,222	-	-	(8,621)	-	-	90,222
Extraordinary Aid	19-495-034-5120-044	7/1/18-6/30/19	119,651	(119,651)			119,651							
On-Behalf TPAF Pension - Normal Cost	20-495-034-5094-002	7/1/19-6/30/20	474,843				474,843	474,843					474,843	
On-Behalf TPAF Pension - NCGI Premium	20-495-034-5094-004	7/1/19-6/30/20	8,511				8,511	8,511					8,511	
On Behalf TPAF Post Retirement Medical Benefits	20-495-034-5094-001	7/1/19-6/30/20	179,315				179,315	179,315					179,315	
On Behalf TPAF Long Term Disability Insurance	20-495-034-5094-001	7/1/19-6/30/20	434				434	434					434	
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	7/1/19-6/30/20	168,502				160,194	168,502			(8,308)		168,502	
Total General Fund State Aid				(156,980)	-	-	1,307,802	1,193,731	-	-	(42,909)	-	-	1,193,731
Enterprise Funds														
National School Lunch Program (State Share)	20-100-010-3350-023	7/1/19-6/30/20	857				826	857			(31)		857	
National School Lunch Program (State Share)	19-100-010-3350-023	7/1/18-6/30/19	1,221	(82)			82		\$ -					
Total Enterprise Fund/Child Nutrition Cluster				(82)	-	-	908	857	-	-	(31)	-	(31)	857
Total State Financial Assistance Subject to Single Audit Determination				(157,062)	-	-	1,308,710	1,194,588	-	-	(42,940)	-	(31)	1,194,588
Less:														
State Financial Assistance Programs Not Subject to Major Program Determination														
On-Behalf TPAF Pension - Normal Cost	20-495-034-5094-002	7/1/19-6/30/20	474,843				(474,843)	(474,843)					(474,843)	
On-Behalf TPAF Pension - NCGI Premium	20-495-034-5094-004	7/1/19-6/30/20	8,511				(8,511)	(8,511)					(8,511)	
On Behalf TPAF Post Retirement Medical Benefits	20-495-034-5094-001	7/1/19-6/30/20	179,315				(179,315)	(179,315)					(179,315)	
On Behalf TPAF Long Term Disability Insurance	20-495-034-5094-001	7/1/19-6/30/20	434				(434)	(434)					(434)	
State Financial Assistance Amount Utilized for Calculation to Determine Single Audit and Major Programs.				\$ (157,062)	\$ -	\$ -	\$ 645,607	\$ 531,485	\$ -	\$ -	\$ (42,940)	\$ -	\$ (31)	\$ 531,485

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$115,999 for the general fund and an increase of \$1,337 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 1,309,730	\$ 1,309,730
Special Revenue Fund	\$ 127,327		127,327
Food Service Fund	<u>41,010</u>	<u>857</u>	<u>41,867</u>
Total Financial Assistance	<u>\$ 168,337</u>	<u>\$ 1,310,587</u>	<u>\$ 1,478,924</u>

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

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$168,502 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 \$483,354, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$179,315 and TPAF Long-Term Disability Insurance in the amount of \$434 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 payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

NOTE 7 DE MINIMIS INDIRECT COST RATE

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

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

Part 2 – Schedule of Financial Statement Findings

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

There are none.

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

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

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

CURRENT YEAR FEDERAL AWARDS

Not Applicable

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

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

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

CURRENT YEAR STATE AWARDS

Finding 2020-001

Our audit of certain purchases revealed that detailed documentation for amounts charged per vendor invoices for interactive smartboards and building renovations awarded through Cooperative Purchasing agreements was not available to support items purchased.

Criteria or specific requirement:

Internal control procedures related to purchasing in accordance with the Public School Contracts Law.

Condition:

- a) Supporting Cooperative Purchasing detail was not available to support the acquisition of interactive smartboards.
- b) Detailed vendor invoices were not provided to support hourly rates and percentage of markup on materials in accordance with the Cooperative Purchasing agreements.

Context:

See Condition.

Effect:

Noncompliance with requirements of the Public School Contracts Law.

Cause:

Unknown.

Recommendation:

It is recommended that detailed documentation for contracts awarded through Cooperative Purchasing agreements be obtained to support items purchased and services rendered.

View of Responsible Officials and Planned Corrective Actions:

Management has reviewed this finding and has indicated it will revise its procedures to ensure corrective action is taken.

**RIVERDALE 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 Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

There were none.