

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

Riverside, New Jersey
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

RIVERSIDE, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Prepared by

**Riverside Township Public School District
Finance Department**

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INTRODUCTORY SECTION

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Riverside Township Public School District

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Riverside, New Jersey 08075-3899
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Robin A. Ehrich
Superintendent of Schools
Ext. 1111

Jodi Lennon
Business Administrator/ Board Secretary
Ext. 1112

January 6, 2021

Honorable President and Members
of the Board of Education
Riverside Township Public School District
County of Burlington
Riverside, New Jersey

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Riverside Township Public School District for the fiscal year ended June 30, 2020, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Riverside Township Public 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, 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 district as of June 30, 2020, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The Comprehensive Annual Financial Report is presented in four sections as follows:

Introductory Section:

Section contains a Letter of Transmittal, Roster of Officials, Consultants and Advisors, and an Organizational Chart.

Financial Section:

Section contains the Independent Auditors’ Report and includes the Management’s Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information (RSI) and Other Supplementary Information.

Statistical Section:

Section contains selected financial trends, revenue and debt capacity, demographic, economic and other operating information, generally presented on a multi-year basis.

Single Audit Section:

The School District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB’s Circular 15-08 OMB, “*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*”. Information related to this Single Audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

REPORTING ENTITY AND ITS SERVICES

The Riverside Township Public School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14 as amended by GASB Statement No. 39. The Riverside Township Board of Education and its three schools constitute the district’s reporting entity.

The School District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular and vocational as well as special education for children with special needs. The School District’s enrollment, as of October 15th, for the current and past nine fiscal years are detailed below.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2019-2020	1,437	4.28%
2018-2019	1,378	-1.22%
2017-2018	1,395	-2.11%
2016-2017	1,425	1.14%
2015-2016	1,409	0.36%
2014-2015	1,404	-3.84%
2013-2014	1,460	1.53%
2012-2013	1,438	4.28%
2011-2012	1,379	-1.08%
2010-2011	1,394	1.46%

ECONOMIC CONDITION AND OUTLOOK

The ratables in Riverside Township continue to fluctuate each year, which has an impact on the taxpayer. However, revenue for tuition has increased and the board continues to support the budget with increased fund balance and raising the tax levy within the allowable 2% increase. Although State aid was cut, it still increased significantly and there is hope that it will increase again since Riverside is considered one of the “underfunded” school districts. This will assist the district in meeting his fiscal responsibility to provide a thorough and efficient education.

MAJOR INITIATIVES

The school district commits resources to the social, emotional, and ethical development as well as the intellectual and physical growth of students. We have contracted with ERNJ's Network for Educational Excellence through Equity (E3) to build equity practice and programming in our schools. Our elementary school has a nurse, and full-time guidance counselor, our MS/HS hosts a full time nurse and nurse's aide as well as a full guidance team for students in grades 6 – 12. The district has a child study team (two learning disabilities consultants, one psychologist, and a social worker) to address the specialized learning needs of our students. Students with unique learning challenges receive extensive support through Basic Skills instruction, English as a Second Language, and Special Education services. The district operates several specialized programs for students: an integrated preschool program for students with disabilities; an MD program in the ES and MS; and a CBI program for students in grades 6 -12. We have spent a significant amount of funds on purchasing Chromebooks for student and staff use. We anticipate having enough devices to run a one to one initiative by the end of the current calendar year. This will allow us to better support our Hybrid and All Remote learning platforms during the current pandemic. The school district reflects a community which takes pride in its continuing tradition of academic and co-curricular achievement. The richness of the academic program and extracurricular activities expands learning beyond the classroom boundaries. Our three schools provide an educational environment that motivates students to learn and fosters a sense of responsibility and problem solving in our young people. Staff and student security and safety training as well as expanded building security enhancements are provided in order to maintain a safe and secure school environment.

INTERNAL ACCOUNTING CONTROLS

Management of the School 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 and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be delivered; and (2) the valuation of costs and benefits require 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 evaluations by the district management.

As part of the School 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.

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as re-appropriations of fund balance in the subsequent year.

ACCOUNTING SYSTEM AND REPORTS

The School District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The School District's accounting system is organized on the basis of funds. The funds are explained in "Notes to Financial Statements", Note 1.

OTHER INFORMATION

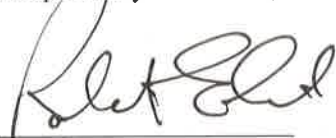
INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holt McNally & Associates, Inc., Certified Public Accountants & Advisors, was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also 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*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section of this report.

ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the 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 accomplished without the efficient and dedicated services of our business office staff.

Respectfully submitted,

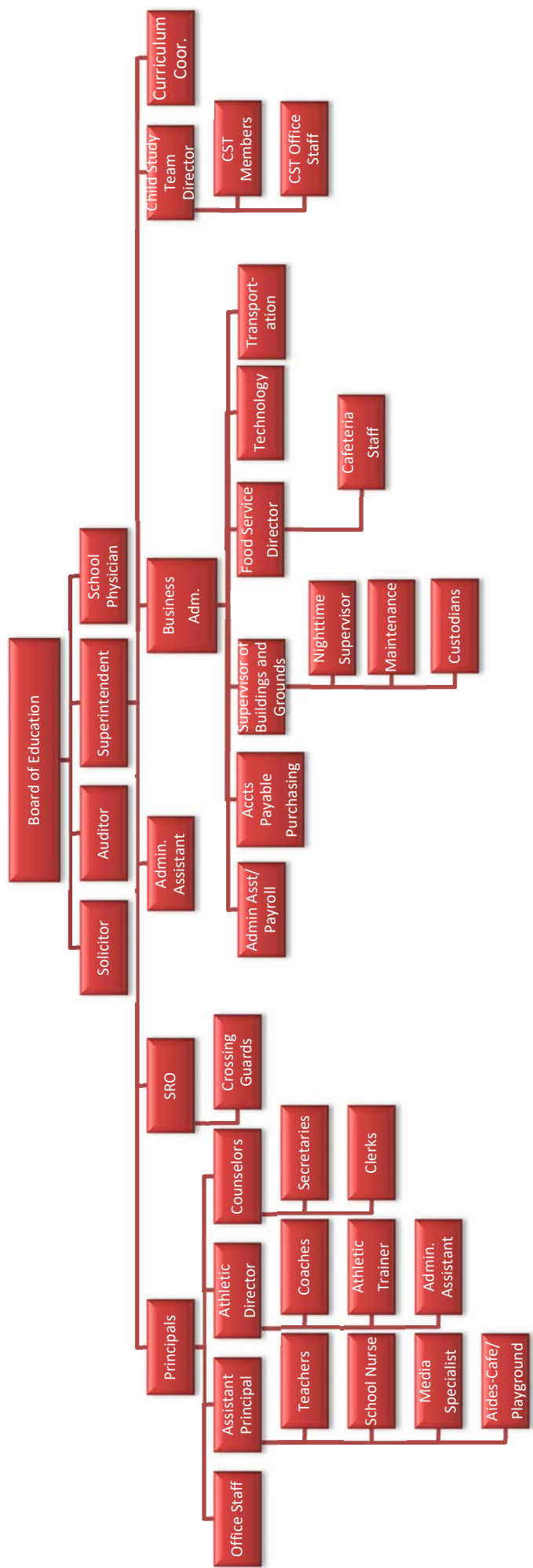


Superintendent



School Business Administrator/Board Secretary

RIVERSIDE TOWNSHIP BOARD OF EDUCATION ORGANIZATIONAL CHART



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RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

112 E. Washington Street
Riverside, New Jersey 08075

ROSTER OF OFFICIALS

JUNE 30, 2020

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Scott T. Parker, President	2021
Timothy McElroy, Vice President	2021
John Mongon	2021
Deborah Graf	2022
Bridget Winerling	2022
Joseph D'Agostino	2020
Michael Holak	2022
Maria Pinho	2020
William Greiner	2020
Rose Gonteski, Delanco Representative	2020

OTHER OFFICIALS

Robin A. Ehrich, Superintendent
Jodi Lennon, Business Administrator/Board Secretary
Joseph F. Betley, Solicitor

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CONSULTANTS AND ADVISORS

AUDIT FIRM

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Holt McNally & Associates, Inc.
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ATTORNEY

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FINANCIAL SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Riverside Township Public School District
County of Burlington
Riverside, 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 Riverside Township Public School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 *Governmental 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 and requirements 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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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.

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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 Riverside Township Public School District, County of Burlington, State of New Jersey, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the 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, and the schedules related to accounting and reporting for pensions & other post-employment benefits, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 Riverside Township Public School District's basic financial statements. The introductory section, combining and individual fund statements long-term debt schedules and statistical section, are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements.

The combining and individual fund financial statements and long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the

basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and long-term debt schedules and the 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 and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, 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 6, 2021 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District'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 School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.

David T. McNally
Certified Public Accountant
Public School Accountant
No. 2616

Medford, New Jersey
January 6, 2021

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

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RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited)

As management of the Riverside Township Public School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components:

- 1) Government-Wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited) (Continued)

Overview of the Basic Financial Statements (continued)

Fund Financial Statements (continued)

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

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

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

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

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

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

Notes to the Basic Financial Statements

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

Financial Analysis of the School District as a Whole

Table 1 provides a summary of the School Districts net position for the fiscal years 2020 compared to fiscal year 2019.

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited) (Continued)

Table 1
Summary of Net Position

	June 30, <u>2020</u>	June 30, <u>2019</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 2,272,719	\$ 2,274,830	\$ (2,111)	-0.1%
Capital Assets, Net	9,032,950	8,830,107	202,843	2.3%
Total Assets	<u>11,305,669</u>	<u>11,104,937</u>	200,732	1.8%
Deferred Outflow of Resources	<u>1,016,153</u>	<u>1,441,142</u>	<u>(424,989)</u>	-29.5%
Current and other Liabilities	925,172	1,173,485	(248,313)	-21.2%
Noncurrent Liabilities	7,762,510	8,906,620	(1,144,110)	-12.8%
Total Liabilities	<u>8,687,682</u>	<u>10,080,105</u>	<u>(1,392,423)</u>	-13.8%
Deferred Inflow of Resources	<u>1,897,360</u>	<u>1,910,034</u>	<u>(12,674)</u>	-0.7%
Net Position:				
Net Investment in Capital Asset	6,864,550	6,104,794	759,756	12.4%
Restricted	1,399,386	1,319,757	79,629	6.0%
Unrestricted (Deficit)	<u>(6,527,156)</u>	<u>(6,868,611)</u>	341,455	-5.0%
Total Net Position	<u>\$ 1,736,780</u>	<u>\$ 555,940</u>	<u>\$ 1,180,840</u>	212.4%

Table 2 shows the changes in net position for fiscal year 2020 compared to fiscal year 2019.

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited) (Continued)

Table 2
Summary of Changes in Net Position

	June 30, <u>2020</u>	June 30, <u>2019</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 118,252	\$ 154,804	\$ (36,552)	-23.6%
Operating Grants & Contributions	7,654,764	8,418,380	(763,616)	-9.1%
General Revenues:				
Property Taxes	9,116,129	8,941,355	174,774	2.0%
Federal & State Aid	12,753,396	11,890,734	862,662	7.3%
Other General Revenues	1,868,674	2,310,297	(441,623)	-19.1%
Total Revenues	31,511,215	31,715,570	(204,355)	-0.6%
Function/Program Expenses:				
Regular Instruction	6,407,591	6,325,075	82,516	1.3%
Special Education Instruction	4,256,360	4,106,898	149,462	3.6%
Other Instruction	25,346	41,745	(16,399)	-39.3%
Tuition	2,529,584	2,203,800	325,784	14.8%
Student & Instruction Related Services	1,809,268	1,804,066	5,202	0.3%
General Administrative	855,398	834,045	21,353	2.6%
School Administrative Services	1,516,405	1,544,736	(28,331)	-1.8%
Plant Operations & Maintenance	1,956,400	2,007,524	(51,124)	-2.5%
Pupil Transportation	498,519	488,616	9,903	2.0%
Unallocated Benefits	5,075,908	6,124,358	(1,048,450)	-17.1%
On Behalf TPAF Pension and Social				
Security Contributions	4,219,893	4,255,089	(35,196)	-0.8%
Transfer to Charter Schools	57,928	53,204	4,724	100.0%
Interest & Other Charges	209,291	246,512	(37,221)	-15.1%
Capital Asset Adjustment	-	43,107	(43,107)	100.0%
Unallocated Depreciation	364,769	367,749	(2,980)	-0.8%
Food Service	547,715	584,295	(36,580)	-6.3%
Total Expenses	30,330,375	31,030,819	(700,444)	-2.3%
Change In Net Position	1,180,840	684,751	496,089	72.4%
Net Position - Beginning	555,940	(128,811)	684,751	-531.6%
Net Position - Ending	\$ 1,736,780	\$ 555,940	\$ 1,180,840	212.4%

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited) (Continued)

Governmental Activities

During the fiscal year 2020, the net position of governmental activities increased by \$1,158,117.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$1,475,490, with an unrestricted deficit balance of \$6,712,469. The deficit in unrestricted net position is primarily due to accounting treatment for bonds payable, compensated absences payable, GASB 68 net pension liability, and the last two state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

The School District’s governmental activities unrestricted net position had GASB 68 pension not been implemented would have been as follows:

Table 3
GASB 68 Effect on Unrestricted Net Position

Unrestricted Net Position (With GASB 68)	\$ (6,788,573)
Add back: PERS Pension Liability	5,092,180
Less: Deferred Outflows related to pensions	(964,089)
Add back: Deferred Inflows related to pensions	1,897,360
Unrestricted Net Position (Without GASB 68)	\$ (763,122)

Business-type Activities

During the fiscal year 2020, the net position of business-type activities increased by \$22,723.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$261,290.

General Fund Budgeting Highlights

Final budgeted revenues was \$22,765,847, which was equal to the original budget. Excluding nonbudgeted revenues, the School District’s actual revenues exceeded budgeted revenues by \$276,480.

Final budgeted appropriations was \$23,873,830, which was equal to the original budget. Excluding nonbudgeted expenditures, the School District’s budget appropriations exceeded actual expenditures by \$1,150,723.

The School District’s general fund balance – budgetary basis (Exhibit C-1) was \$2,629,304 at June 30, 2020, an increase of \$319,220 from the prior year.

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited) (Continued)

Governmental Funds

At the end of the current fiscal year, the School District’s governmental funds reported a combined ending fund balance of \$1,484,797, an increase of \$255,208 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District’s general fund increased by \$255,208 or 20.76% to \$1,484,797 at June 30, 2020, compared to an increase of \$121,419 in fund balance in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the general fund is as follows:

- The District had \$1,150,723 in unspent appropriations

Special revenue fund – There was no change in the fund balance for the special revenue fund.

Capital projects fund - There was no change in the fund balance for the capital projects fund.

Debt service fund - There was no change in the fund balance for the debt service fund.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District’s food service fund increased by \$22,723 or 9.52% to \$261,290 at June 30, 2020, compared to an increase of \$68,439 in fund balance in the prior fiscal year.

Capital Assets

The School District’s capital assets for its governmental and business-type activities as of June 30, 2020, totaled \$9,032,950 (net of accumulated depreciation). Capital assets includes construction in progress, land improvements, buildings and improvements and equipment. The School Districts “Net Investment in Capital Assets” component of net position represents capital assets, net of accumulated depreciation less any outstanding debt associated with the capital assets. There was a net increase in the School District’s investment in capital assets for the current fiscal year in the amount of \$202,844. Table 4 shows fiscal 2020 balances compared to 2019.

Table 4
Summary of Capital Assets

<u>Capital Asset (Net of Depreciation):</u>	<u>June 30,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Construction in Progress	\$ 666,560	\$ 286,749	379,811	100.0%
Land Improvements	47,767	58,515	(10,748)	-18.4%
Building and Improvements	7,946,994	8,242,245	(295,251)	-3.6%
Equipment	371,629	242,597	129,032	53.2%
	<u>\$ 9,032,950</u>	<u>\$ 8,830,106</u>	<u>\$ 202,844</u>	2.3%

Depreciation expense for the year was \$364,769. Additional information on the School District’s capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited) (Continued)

Debt Administration

Long-term debt – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$2,105,000, which represents a decrease of \$650,000 from the prior year.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Factors on the School District's Future

The Riverside Township Public School District has committed itself to strong financial controls. The School District spends a lot of time monitoring its budget, scrutinizing spending requests, and has been implementing even stronger internal controls. The School District commits itself to constantly reviewing the ways in which it conducts business, and making improvements whenever possible, in order to meet future challenges and maximize instructional spending.

Contacting the School Districts Financial Management

This financial report is designed to provide a general overview of the Riverside Township Public School District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator/Board Secretary's Office, Riverside Township Board of Education, 112 E. Washington Street, Riverside, New Jersey 08075

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTALS
Cash & Cash Equivalents	\$ 839,132	\$ 234,452	\$ 1,073,584
Receivables, Net (Note 4)	1,151,537	18,980	1,170,517
Inventory	-	14,893	14,893
Internal Balances	57,934	(57,934)	-
Restricted Assets:			
Capital Reserve Account - Cash	13,725	-	13,725
Capital Assets:			
Depreciable, Net (Note 5)	8,956,973	75,977	9,032,950
Total Assets	11,019,301	286,368	11,305,669
DEFERRED OUTFLOW OF RESOURCES			
Deferred Charges of Refunding of Debt (Note 7)	52,064	-	52,064
Deferred Outflows Related to Pensions (Note 8)	964,089	-	964,089
Total Deferred Outflow of Resources	1,016,153	-	1,016,153
Total Assets and Deferred Outflow of Resources	12,035,454	286,368	12,321,822
LIABILITIES			
Accounts Payable	198,457	15,116	213,573
Accrued Interest Payable	15,698	-	15,698
Unearned Revenue	379,074	9,962	389,036
PERS Pension Payable	306,865	-	306,865
Noncurrent Liabilities (Note 7):			
Due Within One Year	710,752	-	710,752
Due Beyond One Year	7,051,758	-	7,051,758
Total Liabilities	8,662,604	25,078	8,687,682
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions (Note 8)	1,897,360	-	1,897,360
Total Deferred Inflow of Resources	1,897,360	-	1,897,360
Total Liabilities and Deferred Inflow of Resources	10,559,964	25,078	10,585,042
NET POSITION			
Net Investment in Capital Assets	6,788,573	75,977	6,864,550
Restricted For:			
Capital Projects	13,725	-	13,725
Excess Surplus	1,385,661	-	1,385,661
Unrestricted	(6,712,469)	185,313	(6,527,156)
Total Net Position	\$ 1,475,490	\$ 261,290	\$ 1,736,780

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

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTALS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	
Governmental Activities:						
Instruction:						
Regular	\$ 6,407,591	\$ -	-	\$ (6,407,591)	\$ -	\$ (6,407,591)
Special Education	3,366,735	-	1,619,082	(1,747,653)	-	(1,747,653)
Other Special Instruction	889,625	-	-	(889,625)	-	(889,625)
Other Instruction	25,346	-	-	(25,346)	-	(25,346)
Support Services & Undistributed Costs:						
Tuition	2,529,584	-	-	(2,529,584)	-	(2,529,584)
Student & Instruction Related Services	1,809,268	-	-	(1,809,268)	-	(1,809,268)
School Administrative Services	1,516,405	-	467,811	(1,048,594)	-	(1,048,594)
General & Business Administrative Services	855,398	-	-	(855,398)	-	(855,398)
Plant Operations & Maintenance	1,956,400	-	-	(1,956,400)	-	(1,956,400)
Pupil Transportation	498,519	-	-	(498,519)	-	(498,519)
Unallocated Employee Benefits	5,075,908	-	897,646	(4,178,262)	-	(4,178,262)
On Behalf TPAF Pension and Social Security Contributions	4,219,893	-	4,219,893	-	-	-
Transfer to Charter Schools	57,928	-	-	(57,928)	-	(57,928)
Interest & Other Changes on Long Term Debt	209,291	-	-	(209,291)	-	(209,291)
Capital Asset Adjustments	-	-	-	-	-	-
Unallocated Depreciation	364,769	-	-	(364,769)	-	(364,769)
Total Governmental Activities	29,782,660	-	7,204,432	(22,578,228)	-	(22,578,228)

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

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTALS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
Business-Type Activities:					
Food Service	547,715	118,252	450,332	-	20,869
Total Business-Type Activities	547,715	118,252	450,332	-	20,869
Total Primary Government	<u>\$ 30,330,375</u>	<u>\$ 118,252</u>	<u>\$ 7,654,764</u>	<u>(22,578,228)</u>	<u>(22,557,359)</u>
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes, Net				8,358,099	8,358,099
Taxes Levied for Debt Service				758,030	758,030
Federal & State Aid Not Restricted				12,753,396	12,753,396
Tuition Received				1,848,236	1,848,236
Miscellaneous Income				18,584	1,854
Total General Revenues, Special Items, Extraordinary Items & Transfers				23,736,345	23,738,199
Change In Net Position				1,158,117	22,723
Net Position - Beginning				317,373	238,567
Net Position - Ending				<u>\$ 1,475,490</u>	<u>\$ 261,290</u>
				<u>\$</u>	<u>\$ 1,736,780</u>

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

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B. Fund Financial Statements

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Governmental Funds

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RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2020

ASSETS	GENERAL	SPECIAL REVENUE	TOTALS
Cash & Cash Equivalents	\$ 793,562	\$ 45,570	\$ 839,132
Accounts Receivable:			
Receivables - Other - Net	396,720	254,549	651,269
Intergovernmental - State	257,259	-	257,259
Intergovernmental - Federal	5,853	237,156	243,009
Interfund Receivables	70,042	-	70,042
Restricted Cash & Cash Equivalents	13,725	-	13,725
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 1,537,161	\$ 537,275	\$ 2,074,436
	<hr/>	<hr/>	<hr/>
LIABILITIES & FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 52,364	\$ 146,093	\$ 198,457
Interfund Payables	-	12,108	12,108
Unearned Revenue	-	379,074	379,074
	<hr/>	<hr/>	<hr/>
Total Liabilities	52,364	537,275	589,639
	<hr/>	<hr/>	<hr/>
Fund Balances:			
Restricted for:			
Excess Surplus - Current Year	775,874	-	775,874
Excess Surplus - Prior Year Designated for Subsequent Year's Expenditures	609,787	-	609,787
Capital Reserve Account	13,725	-	13,725
Assigned to:			
Designated by the BOE for Subsequent Year's Expenditures	557,508	-	557,508
Unassigned:			
General Fund	(472,097)	-	(472,097)
	<hr/>	<hr/>	<hr/>
Total Fund Balances	1,484,797	-	1,484,797
	<hr/>	<hr/>	<hr/>
Total Liabilities & Fund Balances	\$ 1,537,161	\$ 537,275	
	<hr/>	<hr/>	
Amounts reported for <i>governmental activities</i> 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 \$17,021,126 and the accumulated depreciation is \$8,064,153. (See Illustrative Note 5)			\$ 8,956,973
Accrued interest payable is not recorded in the fund financial Statements due to the fact that the payable is not due in the current period.			(15,698)
Accrued pension contributions for June 30, 2020 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.			(306,865)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.			(933,271)
Unamortized bond issuance loss on refunding is not recorded in the fund financials But is recorded on the government-wide financials			52,064
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Illustrative Note 7)			(7,762,510)
			<hr/>
Net Position of Governmental Activities			\$ 1,475,490
			<hr/>

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

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS
Revenues:				
Local Sources:				
Local Tax Levy	\$ 8,358,099	\$ -	\$ 758,030	\$ 9,116,129
Tuition	1,848,236	-	-	1,848,236
Miscellaneous	18,584	377,883	-	396,467
Total Revenues - Local Sources	<u>10,224,919</u>	<u>377,883</u>	<u>758,030</u>	<u>11,360,832</u>
State Sources	16,454,927	696,503	-	17,151,430
Federal Sources	45,439	1,012,507	-	1,057,946
Total Revenues	<u>26,725,285</u>	<u>2,086,893</u>	<u>758,030</u>	<u>29,570,208</u>
Expenditures:				
Current Expense				
Instruction - Regular Programs	6,407,591	-	-	6,407,591
Special Education	2,127,464	1,239,271	-	3,366,735
Other Special Instruction	889,625	-	-	889,625
Other Instruction	25,346	-	-	25,346
Support Services:				
Tuition	2,529,584	-	-	2,529,584
Student & Instruction Related				
Services	1,809,268	-	-	1,809,268
School Administrative Services	1,048,594	467,811	-	1,516,405
General Administrative Services	855,398	-	-	855,398
Plant Operations & Maintenance	1,956,400	-	-	1,956,400
Pupil Transportation	498,519	-	-	498,519
Employee Benefits	7,951,706	-	-	7,951,706
Debt Service:				
Principal	-	-	650,000	650,000
Interest & Other Charges	129,477	-	108,030	237,507
Capital Outlay	183,177	379,811	-	562,988
Total Expenditures	<u>26,412,149</u>	<u>2,086,893</u>	<u>758,030</u>	<u>29,257,072</u>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	<u>313,136</u>	<u>-</u>	<u>-</u>	<u>313,136</u>
Other Financing Sources/(Uses):				
Transfer to Charter Schools	(57,928)	-	-	(57,928)
Transfers Out	-	-	-	-
Total Other Financing Sources/(Uses)	<u>(57,928)</u>	<u>-</u>	<u>-</u>	<u>(57,928)</u>
Net Change in Fund Balances	255,208	-	-	255,208
Fund Balance - July 1	<u>1,229,589</u>	<u>-</u>	<u>-</u>	<u>1,229,589</u>
Fund Balance - June 30	<u>\$ 1,484,797</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,484,797</u>

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

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 255,208

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period:

Depreciation Expense	\$ (364,769)	
Capital Outlays	<u>562,988</u>	198,219

Amortization of losses on early extinguishments of debt and premiums from refunded debt issuances are recorded when incurred in the governmental funds but are accrued and expensed over time in the statement of activities.

Current Year	182,741	
Prior Year	<u>(160,364)</u>	22,377

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

650,000

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

26,474

Net Difference Accrued interest on bonds is not recorded in fund financial statements

Current Year	(15,698)	
Prior Year	<u>20,562</u>	4,864

Increase in accrual for compensated absences

975

Change in Net Position of Governmental Activities

\$ 1,158,117

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Proprietary Funds

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**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2020**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS <u>FOOD SERVICE</u>
Current Assets:	
Cash & Cash Equivalents	\$ 234,452
Accounts Receivable:	
State	1,960
Federal	17,020
Inventories	<u>14,893</u>
Total Current Assets	<u>268,325</u>
Noncurrent Assets:	
Furniture, Machinery & Equipment	260,749
Less: Accumulated Depreciation	<u>(184,772)</u>
Total Noncurrent Assets	<u>75,977</u>
Total Assets	<u>344,302</u>
LIABILITIES	
Interfund Payable	57,934
Accounts Payable	15,116
Unearned Revenue	<u>9,962</u>
Total Liabilities	<u>83,012</u>
NET POSITION	
Net Investment in Capital Assets	75,977
Unrestricted	<u>185,313</u>
Total Net Position	<u><u>\$ 261,290</u></u>

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

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 FOR FISCAL YEAR ENDED JUNE 30, 2020**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS
	FOOD SERVICE
Operating Revenues:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 68,905
Daily Sales - Non-Reimbursable Programs	48,160
Special Functions	1,187
Miscellaneous	1,854
Total Operating Revenue	120,106
Operating Expenses:	
Cost of Sales- Reimbursable	193,575
Cost of Sales- Non-Reimbursable	34,147
Salaries & Benefits	167,088
Employee Benefits	55,295
Other Purchased Professional Services	37,532
Cleaning, Repair & Maintenance Services	4,011
Insurance	10,593
General Supplies	14,496
Miscellaneous	24,447
Depreciation	6,531
Total Operating Expenses	547,715
Operating Income/(Loss)	(427,609)
Nonoperating Revenues/(Expenses):	
State Sources:	
State School Lunch Program	7,390
Federal Sources:	
National School Lunch Program	281,621
Regular School Breakfast Program	98,179
Special Milk Program	204
Healthy Hunger-Free Kids Act	7,266
Food Distribution Program	53,286
Interest & Investment Revenue	2,386
Total Nonoperating Revenues/(Expenses)	450,332
Net Income/(Loss)	22,723
Total Net Position - Beginning	238,567
Total Net Position - Ending	\$ 261,290

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

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR FISCAL YEAR ENDED JUNE 30, 2020**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS
	FOOD SERVICE
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 120,106
Payments to Employees	(167,088)
Payments for Employee Benefits	(55,295)
Payments to Suppliers	(292,682)
Net Cash Provided by/(Used) by Operating Activities	(394,959)
Cash Flows From Noncapital Financing Activities:	
State Sources	5,821
Federal Sources	449,404
Net Cash Provided by/(Used) by Noncapital Financing Activities	455,225
Cash Flows From Capital and Related Financing Activities:	
Purchases of Capital Assets	(11,155)
Net Cash Provided by/(Used) by Capital and Related Financing Activities	(11,155)
Cash Flows From Investing Activities:	
Interest & Dividends	2,386
Net Cash Provided by/(Used) by Investing Activities	2,386
Net Increase/(Decrease) in Cash & Cash Equivalents	51,497
Balances - Beginning of Year	182,955
Balances - End of Year	\$ 234,452
 Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Operating Income/(Loss)	\$ (427,609)
Adjustments to Reconcile Operating Income/Loss to Net Cash Provided/(Used) by Operating Activities:	
Depreciation & Net Amortization	6,531
(Increase)/Decrease in Accounts Receivable, Net	-
(Decrease)/Increase in Accounts Payable, Net	28,413
Increase/(Decrease) in Unearned Revenues	7,464
(Increase)/Decrease in Inventories	(9,758)
Total Adjustments	32,650
Net Cash Provided/(Used) by Operating Activities	\$ (394,959)

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

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Fiduciary Fund

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**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020**

ASSETS	PRIVATE PURPOSE			TOTALS
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	AGENCY FUNDS	
Cash & Cash Equivalents	\$ 120,569	\$ 198,681	\$ 177,943	\$ 497,193
Interfund Receivable	11,856	-	-	11,856
Total Assets	132,425	198,681	177,943	509,049
LIABILITIES				
Due to Student Groups	-	-	125,111	125,111
Due to Employees	-	-	11,403	11,403
Payroll Deductions & Withholdings	-	-	29,573	29,573
Interfund Payable	-	-	11,856	11,856
Total Liabilities	-	-	177,943	177,943
NET POSITION				
Restricted for Unemployment Compensation	-	198,681	-	198,681
Restricted for Scholarships	132,425	-	-	132,425
Total Net Position	\$ 132,425	\$ 198,681	\$ -	\$ 331,106

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

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

ADDITIONS	PRIVATE PUPOSE		TOTALS
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	
Contributions:			
Plan Members	\$ -	\$ 21,565	\$ 21,565
Other	9,111	-	9,111
Total Contributions	9,111	21,565	30,676
Investment Earnings:			
Interest	2,859	2,120	4,979
Net Investment Earnings	2,859	2,120	4,979
Total Additions	11,970	23,685	35,655
DEDUCTIONS			
Unemployment Claims	-	21,290	21,290
Scholarships Awarded	14,025	-	14,025
Total Deductions	14,025	21,290	35,315
Change in Net Position	(2,055)	2,395	340
Net Position - Beginning of the Year	134,480	196,286	330,766
Net Position - End of the Year	\$ 132,425	\$ 198,681	\$ 331,106

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

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

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RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2020

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Board of Education of Riverside Township Public School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

Reporting Entity

The Riverside Township Public School District (hereafter referred to as the "District") is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board consists of 10 members elected to three-year terms. These terms are staggered. A Superintendent is appointed by the Board and is responsible for the administrative control of the District. The District provides a full range of educational services appropriate to grade levels K through 12. The Riverside Township Public School District has an approximate enrollment at June 30, 2020 of 1,437 students.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

- ◆ the organization is legally separate (can sue or be sued in their own name);
- ◆ the School District holds the corporate powers of the organization;
- ◆ the School District appoints a voting majority of the organization's board
- ◆ the School District is able to impose its will on the organization;
- ◆ the organization has the potential to impose a financial benefit/burden on the District
- ◆ there is a fiscal dependency by the organization on the School District.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14, The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units and GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34 and GASB 80, Blending Requirements for certain component units – an Amendment of GASB Statement No. 14 . The District had no component units as of for the year ended June 30, 2020.

Government-Wide Financial Statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The District's fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in 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.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges 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 taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements 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 (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 Fund program are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

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

As required by the New Jersey Department of Education the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The District had no activity during the current fiscal year.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

The District reports the following major proprietary funds:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

Additionally, the District reports the following major fiduciary funds:

Private Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The district currently maintains the following private purpose trust funds:

Unemployment Trust Fund – Revenues consist of employee payroll withholdings, interest income, and contributions through the annual budget process of the District. Expenditures consist of unemployment reimbursement claims.

Scholarship Fund – Revenues consist of interest income and donations. Expenditures consist of scholarships provided to students.

Agency Funds - Agency funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity’s own operating programs. The district currently maintains Payroll funds and Student Activity Funds as Agency Funds.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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 generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in 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 budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as 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.

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

Cash and Cash Equivalents

Cash and Cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost.

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2020 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances.

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 Years

Compensated Absences

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

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2020.

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

- Assigned – This classification includes amounts that are constrained by the School District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District’s policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District’s policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

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

- Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2020:

Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

Deferred Loss on Refunding Debt

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

Deferred Outflows and Deferred Inflows of Resources

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

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)**

Note 2. Cash Deposits and Investments

Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2020, the District’s bank balance of \$2,211,712 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 1,500,167
Uninsured and Uncollateralized	<u>711,545</u>
	<u><u>\$ 2,211,712</u></u>

Investments

The School District had no investments at June 30, 2020.

Note 3. Reserve Accounts

Capital Reserve

A capital reserve account was established by the School District by inclusion of \$220,000 in the 2000-2001 budget for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)**

Note 3. Reserve Accounts (continued)

The activity of the capital reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance, July 1, 2019	\$	13,574
Increased by:		
Interest Earnings		<u>151</u>
Ending Balance, June 30, 2020	\$	<u><u>13,725</u></u>

Note 4. Accounts Receivable

Accounts receivable at June 30, 2020 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2020, consisted of the following:

<u>Description</u>	<u>Governmental Funds</u>		Total Governmental Activities	<u>Proprietary Funds</u>	Total Business-Type Activities
	General Fund	Special Revenue Fund		Food Service Fund	
Federal Awards	\$ 5,853	\$ 237,156	\$ 243,009	\$ 17,020	\$ 17,020
State Awards	257,259	-	257,259	1,960	1,960
Other	396,720	254,549	651,269	-	-
Total	<u>\$ 659,832</u>	<u>\$ 491,705</u>	<u>\$ 1,151,537</u>	<u>\$ 18,980</u>	<u>\$ 18,980</u>

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)**

Note 5. Capital Assets

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

	Balance July 1, 2019	Additions	Retirements and Transfers	Balance June 30, 2020
Governmental Activities:				
Capital assets not being depreciated:				
Construction in Progress	\$ 286,749	\$ 379,811	\$ -	\$ 666,560
Total Capital Assets not being depreciated	<u>286,749</u>	<u>379,811</u>	<u>-</u>	<u>666,560</u>
Capital Assets being depreciated:				
Land Improvements	584,451	-	-	584,451
Buildings and Improvements	14,672,977	-	-	14,672,977
Equipment	913,962	183,176	-	1,097,138
Total Capital Assets being depreciated	<u>16,171,390</u>	<u>183,176</u>	<u>-</u>	<u>16,354,566</u>
Less: Accumulated Depreciation:				
Land Improvements	(525,936)	(10,748)	-	(536,684)
Buildings and Improvements	(6,430,731)	(295,252)	-	(6,725,983)
Equipment	(742,717)	(58,769)	-	(801,486)
Total Accumulated Depreciation	<u>(7,699,384)</u>	<u>(364,769)</u>	<u>-</u>	<u>(8,064,153)</u>
Total Capital Assets being depreciated, net	<u>8,472,006</u>	<u>(181,593)</u>	<u>-</u>	<u>8,290,413</u>
Total Governmental Activities Capital Assets, net	<u>\$ 8,758,755</u>	<u>\$ 198,218</u>	<u>\$ -</u>	<u>\$ 8,956,973</u>
	Balance July 1, 2019	Additions	Retirements and Transfers	Balance June 30, 2020
Business-Type Activities:				
Equipment	\$ 253,094	\$ 11,155	\$ (3,500)	\$ 260,749
	<u>253,094</u>	<u>11,155</u>	<u>(3,500)</u>	<u>260,749</u>
Less: Accumulated Depreciation:				
Equipment	(181,741)	(6,531)	3,500	(184,772)
	<u>(181,741)</u>	<u>(6,531)</u>	<u>3,500</u>	<u>(184,772)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 71,353</u>	<u>\$ 4,624</u>	<u>\$ -</u>	<u>\$ 75,977</u>

Depreciation expense was not allocated among the various functions/programs of the School District.

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)**

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2020 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 70,042	\$ -
Special Revenue Fund	-	12,108
Food Service Fund	-	57,934
Scholarship Fund	11,856	-
Student Activities Fund	-	11,856
	<u>\$ 81,898</u>	<u>\$ 81,898</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

There were no interfund transfers in the current year.

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2020 the following changes occurred in long-term obligations for the governmental and business-type activities:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2020</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 2,755,000	\$ -	\$ 650,000	\$ 2,105,000	\$ 670,000
Unamortized Bond Premiums	156,216	-	40,752	115,464	40,752
Compensated Absences	450,841	-	975	449,866	-
Net Pension Liability	5,544,563	-	452,383	5,092,180	-
	<u>\$ 8,906,620</u>	<u>\$ -</u>	<u>\$ 1,144,110</u>	<u>\$ 7,762,510</u>	<u>\$ 710,752</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences and net pension liability are liquidated by the general fund.

Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness.

In July 2011, the School District issued \$750,000 of General Obligation Bonds. The General Obligation Bonds were issued at an interest rate of 3.30% and matures on February 1, 2023.

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)**

Note 7. Long-Term Obligations (continued)

In May 2012, the School District issued \$5,465,000 of Refunding Bonds to refund the callable portion of the outstanding 2011 Bond Issue. The Refunding Bonds generated \$290,244 in gross debt service savings and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$254,283, or a net annual present value savings of 4.51%. The Refunding Bonds were issued at interest rates varying from 3% to 4% and mature on May 1, 2023.

Principal and interest due on the outstanding bonds is as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 670,000	\$ 82,555	\$ 752,555
2022	705,000	56,280	761,280
2023	730,000	28,640	758,640
	\$ 2,105,000	\$ 167,475	\$ 2,272,475

Bonds Authorized but not Issued

As of June 30, 2020, the School District had no bonds authorized but not issued.

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

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:

<u>Tier</u>	<u>Definition</u>
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

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 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 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. 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. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2020, the School District reported a liability of \$5,092,180 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2018, to the measurement date of June 30, 2019. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019. The School District's proportion measured as of June 30, 2019, was 0.0282608681%, which was an increase of 0.0001008681% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the School District recognized full accrual pension expense of \$248,422 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2019 measurement date. At June 30, 2020 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 91,398	\$ 22,495
Changes of Assumptions	508,473	1,767,479
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	80,382
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	57,353	27,004
School District Contributions Subsequent to Measurement Date	306,865	
	\$ 964,089	\$ 1,897,360

\$306,865 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2021 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending Dec 31,	Amount
2020	\$ (216,484)
2021	(348,236)
2022	(463,293)
2023	(192,513)
2024	(19,609)
	\$ (1,240,135)

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

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

	Deferred Outflow of <u>Resources</u>	Deferred Inflow of <u>Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees’ Retirement System (PERS) (continued)

Actuarial Assumptions – The collective 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 assumptions:

Inflation	
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 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on 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.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS’s target asset allocation as of June 30, 2019 are summarized in the following table:

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

<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%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2019, calculated using the discount rate of 6.28% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
District's Proportionate Share of the Net Pension Liability	<u>\$ 6,476,998</u>	<u>\$ 5,092,180</u>	<u>\$ 3,990,550</u>

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2020 and 2019:

Balances at June 30, 2020 and June 30, 2019

	<u>6/30/2020</u>	<u>6/30/2019</u>
Actuarial valuation date (including roll forward)	June 30, 2019	June 30, 2018
Deferred Outflows of Resources	\$ 657,224	\$ 1,095,807
Deferred Inflows of Resources	1,897,360	1,910,034
Net Pension Liability	5,092,180	5,544,563
District's portion of the Plan's total Net Pension Liability	0.028260868%	0.028160000%

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

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 represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
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 tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. 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 fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2019 was \$58,181,195. The School District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2019, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.0948025096%, which was an increase of .0004881631% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the School District recognized \$3,431,682 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2019 measurement date.

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:

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

Inflation	
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%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on 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.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

<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%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 5.60% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

	1% Decrease <u>(4.60%)</u>	Current Discount Rate <u>(5.60%)</u>	1% Increase <u>(6.60%)</u>
TPAF Employer Number - 545's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability	<u>68,608,506</u>	<u>58,181,195</u>	<u>49,529,819</u>
	<u>\$ 68,608,506</u>	<u>\$ 58,181,195</u>	<u>\$ 49,529,819</u>

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

C. Defined Contribution Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2017 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)**

Note 8. Pension Plans (continued)

C. Defined Contribution Plan (DCRP) (continued)

Contributions - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2020, employee contributions totaled \$14,719 and the District recognized pension expense of \$8,029.

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

Basis of Presentation

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)**

Note 9. Other Post-Retirement Benefits (continued):

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate: 2.5%

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 - 3.05% based on years of service	2.00 - 6.00% based on years of service	3.25 - 15.25% based on years of service
Thereafter	1.55 - 3.05% based on years of service	3.00 - 7.00% based on years of service	Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

OPEB Obligation and OPEB Expense - The State’s proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2019 was \$39,765,449. The School District’s proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2019, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The State’s proportionate share of the OPEB Obligation associated with the District was based on projection of the State’s long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2019, the State proportionate share of the OPEB Obligation attributable to the School District was 0.095%, which was an increase of 0.0006% from its proportion measured as of June 30, 2018.

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)**

Note 9. Other Post-Retirement Benefits (continued):

For the fiscal year ended June 30, 2020, the State of New Jersey recognized an OPEB expense in the amount of \$896,083 for the State’s proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2019 measurement date.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate 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 rate 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%.

Discount Rate

The discount rate for June 30, 2019 was 3.50%. This 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.

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate

The following presents the total nonemployer OPEB liability as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2019		
	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
State of New Jersey's Proportionate Share of Total Obligations Associated with the School District	\$ 46,978,709	\$ 39,765,449	\$ 34,035,630
State of New Jersey's Total Non- employer Liability	\$ 49,298,534,898	\$ 41,729,081,045	\$ 35,716,321,820

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate

The following presents the total nonemployer OPEB liability as of June 30, 2019, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)**

9. Other Post-Retirement Benefits (continued):

	<u>June 30, 2019</u>		
	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate *</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 32,764,958	\$ 39,765,449	\$ 49,032,662
State of New Jersey's Total Nonemployer OPEB Liability	\$ 34,382,902,820	\$ 41,729,081,045	\$ 51,453,912,586

* See Healthcare Cost Trend Assumptions for details of rates.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in Proportion Differences between Expected & Actual Experience	\$ 1,921,145,183	\$ (1,921,145,183)
Change in Assumptions	-	(10,484,965,300)
Change in Assumptions	-	(8,481,529,343)
Contributions Made in Fiscal Year Year Ending 2020 After June 30, 2019 Measurement Date **	<u>TBD</u>	<u>-</u>
	<u>\$ 1,921,145,183</u>	<u>\$ (20,887,639,826)</u>

** Employer Contributions made after June 30, 2019 are reported as a deferred outflow of resources, but are not amortized in expense.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	
2020	(2,546,527,182)
2021	(2,546,527,182)
2022	(2,546,527,182)
2023	(2,546,527,182)
2024	(2,546,527,182)
Thereafter	<u>(6,233,858,733)</u>
	<u>(18,966,494,643)</u>

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)**

9. Other Post-Retirement Benefits (continued):

Plan Membership

At June 30, 2018, the Program membership consisted of the following:

	June 30, 2018
Active Plan Members	216,892
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	148,051
	364,943

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2020 (measurement date June 30, 2019) is as follows:

Total OPEB Liability

Service Cost	\$ 1,734,404,850
Interest Cost	1,827,787,206
Difference Between Expected & Actual Experience	(7,323,140,818)
Changes of Assumptions	622,184,027
Contributions: Member	37,971,171
Gross Benefit Payments	(1,280,958,373)
Net Change in Total OPEB Liability	(4,381,751,937)
Total OPEB Liability (Beginning)	46,110,832,982
Total OPEB Liability (Ending)	\$ 41,729,081,045
Total Covered Employee Payroll	\$ 13,929,083,479
Net OPEB Liability as a Percentage of Payroll	300%

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)**

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers’ Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2019, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$2,156,992, \$788,211, \$800,204 and \$1,563, respectively.

Note 11. Risk Management

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

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

<u>Fiscal Year</u>	<u>Interest</u>	<u>Employee Contributions</u>	<u>Transfer to General</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019-2020	\$ 2,120	\$ 21,565	\$ -	\$ 21,290	198,681
2018-2019	2,616	20,973	-	699	196,286
2017-2018	1,777	20,985	-	887	173,396

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

Joint Insurance Pool – The School District also participates in the Burlington County Joint Insurance Fund and, public entity risk pool. The Pool provides its members with the following coverage:

Property & Crime	General & Automobile Liability
Pollution Legal Liability Liability	Workers’ Compensation
Educators Legal Liability	Boiler & Machinery Liability
Cyber Liability	Violent & Malicious Acts

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)**

Note 12. Contingencies

State and Federal Grantor Agencies - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2020 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Litigation – The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the School Districts’ attorney that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

Economic Dependency – The School District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the School District’s programs and activities.

Note 13. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investment Planning
Prudential
AFLAC

Note 14. Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2020, the liability for compensated absences reported on the government-wide Statement of Net Position was \$449,866.

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)**

Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

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

Note 16. Commitments

The School District has no contractual commitments at June 30, 2020.

Note 17. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020 was \$775,874.

Note 18. Fund Balances

General Fund – Of the \$1,484,797 General Fund fund balance at June 30, 2020, \$13,725 has been restricted for the Capital Reserve Account; \$775,874 has been restricted for current year excess surplus; \$609,787 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$557,508 has been assigned and included as anticipated revenue for the year ending June 30, 2021; and \$(472,097) has been unassigned.

Note 19. Deficit Fund Balances

The School District has a deficit fund balance of \$472,097 in the General Fund as of June 30, 2020 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020 (continued)**

Note 19. Deficit Fund Balances (continued)

GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$472,097 which is less than the last state aid payment.

Note 20. Deficit in Net Position

Unrestricted Net Position – The School District’s governmental activities had a deficit in unrestricted net position in the amount of \$6,712,469. The primary causes of the deficit are the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employees’ Retirement System (PERS) as of June 30, 2020. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

Note 21. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2020 and January 6, 2021, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items other than the below have come to the attention of the School District that would require disclosure.

COVID – 19 – has caused considerable economic damage to the New Jersey economy. As a result, Governor Murphy decreased the originally appropriated school state aid by over \$335 million state wide for the 2020-2021 school year. The Riverside Township Public School District’s state aid was reduced by \$1,068,001. In order to make up for this decrease in aid, the School District has increased revenues by \$37,532 and decreased expenditures by \$1,030,469.

As the COVID-19 pandemic remains a fluid situation, outside of the reduction in state aid, it is not currently known what further economic challenges are ahead for local school districts.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	ACCOUNT NUMBERS	JUNE 30, 2020				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 8,358,099	\$ -	\$ 8,358,099	\$ 8,358,099	\$ -
Tuition	10-1320	1,642,935	-	1,642,935	1,848,236	205,301
Interest on Capital Reserve Funds	10-1511	100	-	100	152	52
Miscellaneous	10-1990	175,000	-	175,000	18,432	(156,568)
Total Local Sources		10,176,134	-	10,176,134	10,224,919	48,785
State Sources:						
Categorical Special Education Aid	10-3132	827,038	-	827,038	827,038	-
Equalization Aid	10-3176	11,099,812	-	11,099,812	11,099,812	-
Categorical Security Aid	10-3177	439,613	-	439,613	439,613	-
Categorical Transportation Aid	10-3121	187,558	-	187,558	187,558	-
Extraordinary Aid	10-3131	-	-	-	217,948	217,948
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	2,156,992	2,156,992
On-Behalf TPAF Medical Contributions		-	-	-	800,204	800,204
On-Behalf TPAF Long-Term Disability Contributions		-	-	-	1,563	1,563
Reimbursed TPAF Social Security Contributions		-	-	-	788,211	788,211
Total State Sources		12,554,021	-	12,554,021	16,518,939	3,964,918
Federal Sources:						
Medicaid Aid Reimbursement	10-4210	35,692	-	35,692	45,439	9,747
Total Federal Sources		35,692	-	35,692	45,439	9,747
Total Revenues		22,765,847	-	22,765,847	26,789,297	4,023,450
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Kindergarten	11-110-100-101	352,378	-	352,378	331,605	20,773
Grades 1 - 5	11-120-100-101	1,869,258	(71,150)	1,798,108	1,795,712	2,396
Grades 6 - 8	11-130-100-101	1,501,383	-	1,501,383	1,482,828	18,555
Grades 9-12	11-140-100-101	2,492,726	(1,624)	2,491,102	2,457,819	33,283
Regular Programs - Home Instruction:						
Salaries of Teachers	11-150-100-101	7,980	1,300	9,280	6,471	2,809
Purchased Professional/ Educational Services:						
	11-150-100-320	2,500	2,660	5,160	5,104	56
Regular Programs - Undistributed Instruction:						
Purchased Professional/ Educational Services:						
	11-190-100-320	199,020	(2,810)	196,210	110,738	85,472
Purchased Technical Services	11-190-100-340	10,125	-	10,125	5,321	4,804
General Supplies	11-190-100-610	233,009	(1,025)	231,984	207,412	24,572
Textbooks	11-190-100-640	3,450	3,000	6,450	4,581	1,869
Other Objects	11-190-100-800	2,300	-	2,300	-	2,300
Total Regular Programs		6,674,129	(69,649)	6,604,480	6,407,591	196,889
Special Education:						
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	164,578	(1,252)	163,326	162,642	684
Other Salaries for Instruction	11-212-100-106	104,591	1,252	105,843	105,842	1
General Supplies	11-212-100-610	2,200	-	2,200	1,947	253
Total Multiple Disabilities		271,369	-	271,369	270,431	938
Resource Room/ Resource Center:						
Salaries of Teachers	11-213-100-101	1,552,705	(4,890)	1,547,815	1,531,064	16,751
Other Salaries for Instruction	11-213-100-106	267,957	45,600	313,557	306,571	6,986
General Supplies	11-213-100-610	12,770	(629)	12,141	8,781	3,360
Textbooks	11-213-100-640	250	-	250	-	250
Other Objects	11-213-100-800	100	-	100	-	100
Total Resource Room/Resource Center		1,833,782	40,081	1,873,863	1,846,416	27,447

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	ACCOUNT NUMBERS	JUNE 30, 2020			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Home Instruction:						
Salaries of Teachers	11-219-100-101	22,764	-	22,764	7,792	14,972
Purchased Professional/ Educational Services	11-219-100-320	8,715	(650)	8,065	2,825	5,240
Total Home Instruction		31,479	(650)	30,829	10,617	20,212
Total Special Education		2,136,630	39,431	2,176,061	2,127,464	48,597
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	123,015	-	123,015	120,021	2,994
General Supplies	11-230-100-610	5,900	-	5,900	3,951	1,949
Total Basic Skills/Remedial		128,915	-	128,915	123,972	4,943
Bilingual Education - Instruction:						
Salaries of Teachers	11-240-100-101	264,197	-	264,197	252,750	11,447
General Supplies	11-240-100-610	1,600	-	1,600	375	1,225
Total Bilingual Education - Instruction		265,797	-	265,797	253,125	12,672
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	79,208	-	79,208	69,910	9,298
Purchased Services	11-401-100-500	1,590	-	1,590	1,500	90
Supplies & Materials	11-401-100-600	1,800	-	1,800	913	887
Other Objects	11-401-100-800	13,930	-	13,930	6,896	7,034
Total School Sponsored Cocurricular Activities		96,528	-	96,528	79,219	17,309
School Sponsored Athletics:						
Salaries	11-402-100-100	348,350	-	348,350	325,244	23,106
Purchased Services	11-402-100-500	82,250	1,700	83,950	75,414	8,536
Supplies & Materials	11-402-100-600	46,596	(1,700)	44,896	28,412	16,484
Other Objects	11-402-100-800	10,950	-	10,950	4,239	6,711
Total School Sponsored Athletics		488,146	-	488,146	433,309	54,837
Before/After School Programs - Instruction:						
Salaries of Teachers	11-421-100-101	6,447	-	6,447	3,989	2,458
Total Before/After School Programs - Instruction		6,447	-	6,447	3,989	2,458
Summer School - Instruction:						
Salaries of Teachers	11-422-100-101	17,112	4,890	22,002	21,357	645
General Supplies	11-422-100-610	300	-	300	-	300
Total Summer School - Instruction		17,412	4,890	22,302	21,357	945
Community Services Programs/Operations:						
Purchased Services	11-800-330-500	50	-	50	-	50
Total Community Services Programs/Operations		50	-	50	-	50
Total - Instruction		9,814,054	(25,328)	9,788,726	9,450,026	338,700
Undistributed Expenditures:						
Instruction:						
Tuition to Other LEAs Within State - Regular	11-000-100-561	75,000	-	75,000	47,602	27,398
Tuition to Other LEAs Within State - Special	11-000-100-562	332,392	20,923	353,315	327,975	25,340
Tuition to County Vocational School District - Regular	11-000-100-563	148,264	-	148,264	148,264	-

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	ACCOUNT NUMBERS	JUNE 30, 2020			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Tuition to CSSD & Regional Day Schools	11-000-100-565	986,194	(197,905)	788,289	772,255	16,034
Tuition to Private Schools for the Handicapped Within the State	11-000-100-566	1,116,004	104,614	1,220,618	1,193,616	27,002
Tuition - State Facilities	11-000-100-568	39,872	-	39,872	39,872	-
Total Instruction		2,697,726	(72,368)	2,625,358	2,529,584	95,774
Health Services:						
Salaries	11-000-213-100	205,443	-	205,443	201,074	4,369
Purchased Professional & Technical Services	11-000-213-300	12,800	-	12,800	9,935	2,865
Other Purchased Services	11-000-213-500	120	-	120	-	120
Supplies and Materials	11-000-213-600	10,630	-	10,630	455	10,175
Total Health Services		228,993	-	228,993	211,464	17,529
Speech, OT, PT & Related Services:						
Salaries	11-000-216-100	159,772	-	159,772	155,602	4,170
Purchased Professional/Educational Services	11-000-216-320	225,804	(21,000)	204,804	188,229	16,575
Supplies & Materials	11-000-216-600	1,800	629	2,429	2,175	254
Other Objects	11-000-216-800	300	-	300	300	-
Total Speech, OT, PT & Related Services		387,676	(20,371)	367,305	346,306	20,999
Guidance:						
Salaries of Other Professional Staff	11-000-218-104	322,416	-	322,416	316,421	5,995
Salaries of Secretarial & Clerical Assistants	11-000-218-105	105,898	-	105,898	105,052	846
Purchased Professional/Educational Services	11-000-218-320	995	-	995	895	100
Other Purchased Services	11-000-218-500	200	-	200	-	200
Supplies & Materials	11-000-218-600	17,340	(3,000)	14,340	6,789	7,551
Other Objects	11-000-218-800	765	-	765	728	37
Total Guidance		447,614	(3,000)	444,614	429,885	14,729
Child Study Team:						
Salaries of Other Professional Staff	11-000-219-104	438,405	-	438,405	433,459	4,946
Salaries of Secretarial & Clerical Assistants	11-000-219-105	97,249	-	97,249	96,908	341
Miscellaneous Purchased Services	11-000-219-592	14,706	-	14,706	14,424	282
Supplies & Materials	11-000-219-600	8,217	-	8,217	7,903	314
Other Objects	11-000-219-800	1,125	-	1,125	1,110	15
Total Child Study Team		559,702	-	559,702	553,804	5,898
Improvement of Instruction:						
Salaries of Other Professional Staff	11-000-221-104	102,138	-	102,138	101,166	972
Supplies & Materials	11-000-221-600	500	-	500	300	200
Other Objects	11-000-221-800	920	-	920	920	-
Total Improvement of Instruction		103,558	-	103,558	102,386	1,172
Educational Media Services/School Library:						
Salaries	11-000-222-100	126,042	-	126,042	122,886	3,156
Purchased Professional & Technical Services	11-000-222-300	475	-	475	200	275
Supplies & Materials	11-000-222-600	41,505	-	41,505	37,822	3,683
Other Objects	11-000-222-800	300	-	300	73	227
Total Educational Media Services/School Library		168,322	-	168,322	160,981	7,341

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	ACCOUNT NUMBERS	JUNE 30, 2020			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Instructional Staff Training						
Purchased Professional Educational Services	11-000-223-320	13,500	-	13,500	3,583	9,917
Other Purchased Services	11-000-223-500	750	-	750	184	566
Supplies	11-000-223-600	1,000	-	1,000	675	325
Total Instructional Staff Training		15,250	-	15,250	4,442	10,808
Support Services - General Administration:						
Salaries	11-000-230-100	216,055	1	216,056	216,055	1
Legal Services	11-000-230-331	25,000	47,190	72,190	42,630	29,560
Audit Fees	11-000-230-332	23,500	-	23,500	23,500	-
Architectural/Engineering Services	11-000-230-334	14,400	(8,191)	6,209	4,718	1,491
Other Purchased Professional Services	11-000-230-339	10,040	-	10,040	8,289	1,751
Communications/Telephone	11-000-230-530	48,610	-	48,610	41,478	7,132
BOE Other Purchased Services	11-000-230-585	5,000	-	5,000	3,824	1,176
Miscellaneous Purchased Services	11-000-230-590	68,076	-	68,076	65,897	2,179
General Supplies	11-000-230-610	22,130	(2,409)	19,721	9,843	9,878
Miscellaneous Expenditures	11-000-230-890	7,365	(100)	7,265	3,240	4,025
BOE Membership Dues & Fees	11-000-230-895	10,447	-	10,447	8,946	1,501
Total Support Services General Administration		450,623	36,491	487,114	428,420	58,694
Support Services - School Administration:						
Salaries of Principals & Assistant Principal	11-000-240-103	710,754	1,626	712,380	712,378	2
Salaries of Secretarial & Clerical Assistants	11-000-240-105	323,287	(2)	323,285	318,721	4,564
Purchased Professional & Technical Services	11-000-240-300	4,100	-	4,100	3,096	1,004
Other Purchased Services	11-000-240-500	900	-	900	545	355
Supplies and Materials	11-000-240-600	9,559	-	9,559	7,634	1,925
Other Objects	11-000-240-800	9,850	100	9,950	6,220	3,730
Total Support Services School Administration		1,058,450	1,724	1,060,174	1,048,594	11,580
Support Services - Central Services:						
Salaries	11-000-251-100	251,362	-	251,362	251,258	104
Purchased Professional Services	11-000-251-330	1,000	-	1,000	1,000	-
Purchased Technical Services	11-000-251-340	16,709	50	16,759	16,758	1
Miscellaneous Purchased Services	11-000-251-592	5,700	-	5,700	5,031	669
Supplies and Materials	11-000-251-600	5,659	(50)	5,609	3,825	1,784
Miscellaneous Expenditures	11-000-251-890	2,550	-	2,550	1,695	855
Total Support Services Central Services		282,980	-	282,980	279,567	3,413
Administrative Information Technology:						
Salaries	11-000-252-100	89,506	1	89,507	89,506	1
Purchased Professional Services	11-000-252-330	16,600	(1)	16,599	13,170	3,429
Purchased Technical Services	11-000-252-340	31,581	-	31,581	31,200	381
Supplies and Materials	11-000-252-600	13,604	525	14,129	13,535	594
Total Administrative Information Technology		151,291	525	151,816	147,411	4,405
Required Maintenance for School Facilities:						
Cleaning, Repair & Maintenance Services	11-000-261-420	172,354	20,230	192,584	191,759	825
General Supplies	11-000-261-610	40,600	(5,000)	35,600	29,819	5,781
Total Required Maintenance for School Facilities		212,954	15,230	228,184	221,578	6,606

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	ACCOUNT NUMBERS	JUNE 30, 2020			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Custodial Services:						
Salaries	11-000-262-100	977,816	(4,350)	973,466	951,068	22,398
Salaries of Noninstructional Aides	11-000-262-107	73,278	-	73,278	64,458	8,820
Cleaning, Repair & Maintenance Services	11-000-262-420	113,841	(80)	113,761	83,850	29,911
Other Purchased Property Services	11-000-262-490	39,000	-	39,000	35,494	3,506
Insurance	11-000-262-520	83,124	-	83,124	83,124	-
General Supplies	11-000-262-610	95,498	(10,800)	84,698	80,142	4,556
Energy (Natural Gas)	11-000-262-621	100,000	-	100,000	79,555	20,445
Energy (Electricity)	11-000-262-622	350,000	-	350,000	303,024	46,976
Other Objects	11-000-262-800	570	-	570	445	125
Total Custodial Services		1,833,127	(15,230)	1,817,897	1,681,160	136,737
Care & Upkeep of Grounds:						
Cleaning, Repair & Maintenance Services	11-000-263-420	11,000	-	11,000	7,520	3,480
General Supplies	11-000-263-610	15,739	-	15,739	7,795	7,944
Total Care & Upkeep of Grounds		26,739	-	26,739	15,315	11,424
Security:						
Purchased Professional & Technical Services	11-000-266-300	38,000	2,409	40,409	38,347	2,062
Total Security		38,000	2,409	40,409	38,347	2,062
Student Transportation Services:						
Other Purchased Professional & Technical Services	11-000-270-390	492,700	23,000	515,700	483,598	32,102
Miscellaneous Purchased Services - Transportation	11-000-270-593	13,567	-	13,567	13,567	-
Transportation Supplies	11-000-270-615	5,000	-	5,000	1,317	3,683
Other Objects	11-000-270-800	1,500	-	1,500	37	1,463
Total Student Transportation Services		512,767	23,000	535,767	498,519	37,248
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	11-000-291-220	238,650	23,411	262,061	256,178	5,883
Other Retirement Contributions PERS	11-000-291-241	310,600	(30,307)	280,293	280,293	-
Other Retirement Contributions Regular	11-000-291-249	14,100	-	14,100	10,585	3,515
Unemployment Compensation	11-000-291-250	10	-	10	-	10
Workmen's Compensation	11-000-291-260	111,340	-	111,340	111,340	-
Health Benefits	11-000-291-270	3,820,330	47,617	3,867,947	3,523,448	344,499
Tuition Reimbursements	11-000-291-280	15,100	(7,101)	7,999	6,740	1,259
Other Employee Benefits	11-000-291-290	500	20,000	20,500	16,152	4,348
Unused Sick Payment to Terminated/Retired Staff	11-000-291-299	20,000	(20,000)	-	-	-
Total Unallocated Benefits - Employee Benefits		4,530,630	33,620	4,564,250	4,204,736	359,514
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	2,156,992	(2,156,992)
On-Behalf TPAF Medical Contributions		-	-	-	800,204	(800,204)
On-Behalf TPAF Long-Term Disability Contributions		-	-	-	1,563	(1,563)
Reimbursed TPAF Social Security Contributions		-	-	-	788,211	(788,211)
Total Undistributed Expenditures		13,706,402	2,030	13,708,432	16,649,469	(2,941,037)
Total Expenditures - Current Expense		23,520,456	(23,298)	23,497,158	26,099,495	(2,602,337)

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	ACCOUNT NUMBERS	JUNE 30, 2020			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Capital Outlay:						
Undistributed Expenditures:						
Undistributed Expenditures- Instruction	12-000-100-730	13,826	(2,058)	11,768	11,768	-
Administration Information Technology	12-000-252-730	2,900	3,499	6,399	5,847	552
Required Maintenance for School Facilities	12-000-261-730	152,475	13,089	165,564	165,562	2
Interest Deposit to Capital Reserve	10-604	100	-	100	-	100
Total Equipment		169,301	14,530	183,831	183,177	654
Facilities Acquisition & Construction Services:						
Assessment for Debt Service on SDA Funding	12-000-400-896	129,477	-	129,477	129,477	-
Total Facilities Acquisition & Construction Services		129,477	-	129,477	129,477	-
Total Capital Outlay		298,778	14,530	313,308	312,654	654
Total Expenditures		23,819,234	(8,768)	23,810,466	26,412,149	(2,601,683)
Excess/(Deficiency) of Revenues Over Expenditures Before Other Financing Sources/(Uses)		(1,053,387)	8,768	(1,044,619)	377,148	1,421,767
Other Financing Sources/(Uses):						
Transfer to Charter Schools	10-000-100-56X	(54,596)	(8,768)	(63,364)	(57,928)	5,436
Total Other Financing Sources/(Uses)		(54,596)	(8,768)	(63,364)	(57,928)	5,436
Excess/(Deficiency) of Revenues Over/(Under) Expenditures After Other Financing Sources/Uses		(1,107,983)	-	(1,107,983)	319,220	1,427,203
Fund Balances, July 1		2,310,084	-	2,310,084	2,310,084	-
Fund Balances, June 30		\$ 1,202,101	\$ -	\$ 1,202,101	\$ 2,629,304	\$ 1,427,203

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:	
Capital Reserve	\$ 13,725
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	609,787
Excess Surplus	775,874
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	557,508
Unassigned Fund Balance	<u>672,410</u>
Subtotal	2,629,304
Reconciliation to Governmental Funds Statements (GAAP):	
Reconciliation of State Aid Payments For GAAP to Budgetary Basis & Other Adjustments	<u>(1,144,507)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 1,484,797</u>

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	JUNE 30, 2020				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES					
Local Sources	\$ -	\$ 1,017,566	\$ 1,017,566	\$ 377,883	\$ (639,683)
State Sources	1,272,048	-	1,272,048	696,503	(575,545)
Federal Sources	863,919	(164,842)	699,077	1,012,507	313,430
Total Revenues	2,135,967	852,724	2,988,691	2,086,893	(901,798)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	820,044	(171,476)	648,568	645,176	3,392
Other Salaries for Instruction	134,321	34,758	169,079	166,298	2,781
Purchased Professional & Educational Services	-	3,901	3,901	3,901	-
General Supplies	9,000	37,169	46,169	46,084	85
Textbooks	-	6,856	6,856	6,856	-
Tuition to Other LEA's Within State - Regular	316,300	54,656	370,956	370,956	-
Total Instruction	1,279,665	(34,136)	1,245,529	1,239,271	6,258
Support Services:					
Salaries of Other Professional Staff	86,176	31,455	117,631	117,631	-
Personal Services - Employee Benefits	140,837	152,266	293,103	288,044	5,059
Purchased Professional & Educational Services	-	3,525	3,525	180	3,345
Other Purchased Services	-	128,098	128,098	5,335	122,763
Supplies & Materials	629,289	(6,726)	622,563	56,621	565,942
Total Support Services	856,302	308,618	1,164,920	467,811	697,109
Facilities Acquisition & Construction Services:					
Instructional Equipment	-	15,806	15,806	6,568	9,238
Security Upgrades	-	562,436	562,436	373,243	189,193
Total Facilities Acquisition & Construction Services	-	578,242	578,242	379,811	198,431
Total Expenditures	2,135,967	852,724	2,988,691	2,086,893	901,798
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 26,789,297	\$ 2,086,893
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,080,495	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(1,144,507)	-
	\$ 26,725,285	\$ 2,086,893
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)		
	\$ 26,725,285	\$ 2,086,893
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 26,412,149	\$ 2,086,893
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-	-
	-	-
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)		
	\$ 26,412,149	\$ 2,086,893

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS**

	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.02816%	0.02816%	0.02799%	0.02798%	0.02817%	0.02885%	0.02782%
District's proportionate share of the net pension liability (asset)	\$ 5,092,180	\$ 5,544,563	\$ 6,514,960	\$ 8,287,929	\$ 6,324,033	\$ 5,401,731	\$ 5,317,867
District's covered-employee payroll	2,057,690	2,016,590	2,003,594	1,951,460	1,961,747	1,923,104	1,904,049
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	247.47%	274.95%	325.16%	424.70%	322.37%	280.89%	279.29%
Plan fiduciary net position as a percentage of the total pension liability	56.27%	53.60%	48.10%	40.14%	56.31%	62.41%	58.70%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS**

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 274,895	\$ 280,101	\$ 259,271	\$ 248,602	\$ 242,203	\$ 237,845	\$ 209,654
Contributions in relation to the contractually required contribution	(274,895)	(280,101)	(259,271)	(248,602)	(242,203)	(237,845)	(209,654)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 2,057,690	\$ 2,016,590	\$ 2,016,590	\$ 2,003,594	\$ 1,951,460	\$ 1,961,747	\$ 1,923,104
Contributions as a percentage of covered-employee payroll	13.36%	13.89%	12.86%	12.41%	12.41%	12.12%	10.90%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST SEVEN FISCAL YEARS**

	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 58,181,195	\$ 60,000,761	\$ 64,165,507	\$ 75,427,453	\$ 60,570,984	\$ 53,249,503	\$ 49,044,915
District's covered-employee payroll	10,987,050	10,779,736	10,405,054	10,074,075	9,782,672	9,760,858	9,602,393
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS**

This schedule is not applicable. There is a special funding situation where the State of New Jersey pays 100% of the required contributions associated with the School District.

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POST EMPLOYMENT BENEFITS (GASB 75)

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RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST THREE FISCAL YEARS*

	2020	2019	2018
District's Total OPEB Liability			
Service Cost	\$ 1,561,563	\$ 1,742,872	\$ 2,099,998
Interest Cost	1,726,745	1,866,166	1,609,874
Difference between Expected & Actual Differences	(6,575,064)	(4,773,281)	-
Changes of Assumptions	592,906	(5,008,344)	(6,581,352)
Contributions: Member	36,184	40,334	43,449
Gross Benefit Payments	(1,220,681)	(1,167,020)	(1,179,950)
	<hr/>	<hr/>	<hr/>
Net Change in District's Total OPEB Liability	(3,878,347)	(7,299,273)	(4,007,981)
District's Total OPEB Liability (Beginning)	43,643,796	50,943,069	54,951,050
	<hr/>	<hr/>	<hr/>
District's Total OPEB Liability (Ending)	\$ 39,765,449	\$ 43,643,796	\$ 50,943,069
	<hr/>	<hr/>	<hr/>
District's Covered Employee Payroll	\$ 13,044,740	\$ 12,796,326	\$ 12,408,648
District's Net OPEB Liability as a Percentage of Payroll	305%	341%	411%

Note - The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 4.86% as of June 30, 2018, to 5.60% as of June 30, 2019.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.66% as of June 30, 2018, to 6.28% as of June 30, 2019.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.87% as of June 30, 2018, to 3.50% as of June 30, 2019.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	NO CHILD LEFT BEHIND				
	TITLE I PART-A	TITLE I SIA	TITLE II PART-A	TITLE III	TITLE III IMMIGRANT
Revenues:					
Federal Sources	\$ 549,846	\$ 42,800	\$ 15,000	\$ 27,057	\$ 6,848
Total Revenues	<u>\$ 549,846</u>	<u>\$ 42,800</u>	<u>\$ 15,000</u>	<u>\$ 27,057</u>	<u>\$ 6,848</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 355,400	\$ -	\$ 11,110	\$ 11,406	\$ -
Other Salaries for Instruction	17,477	-	-	10,923	6,361
General Supplies	5,018	29,376	-	-	-
Textbooks	-	6,856	-	-	-
Total Instruction	<u>377,895</u>	<u>36,232</u>	<u>11,110</u>	<u>22,329</u>	<u>6,361</u>
Support Services:					
Salaries of Other Professional Staff	29,683	-	-	-	-
Personal Services - Employee Benefits	138,098	-	3,890	4,728	487
Supplies & Materials	4,170	-	-	-	-
Total Support Services	<u>171,951</u>	<u>-</u>	<u>3,890</u>	<u>4,728</u>	<u>487</u>
Facilities Acquisition & Construction Services: Instructional Equipment	-	6,568	-	-	-
Total Facilities Acquisition & Construction Services	<u>-</u>	<u>6,568</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 549,846</u>	<u>\$ 42,800</u>	<u>\$ 15,000</u>	<u>\$ 27,057</u>	<u>\$ 6,848</u>

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	I.D.E.A. PART B				TOTALS
	BASIC REGULAR PROGRAM	PRESCHOOL	PRESCHOOL EDUCATION AID	BURLCO SECURITY GRANT	
Revenues:					
Local Sources	\$ -	\$ -	\$ -	\$ 377,883	\$ 377,883
State Sources	-	-	696,503	-	696,503
Federal Sources	360,686	10,270	-	-	1,012,507
Total Revenues	\$ 360,686	\$ 10,270	\$ 696,503	\$ 377,883	\$ 2,086,893
Expenditures:					
Instruction:					
Salaries of Teachers	\$ -	\$ -	\$ 267,260	\$ -	\$ 645,176
Other Salaries for Instruction	-	-	131,537	-	166,298
Purchased Professional & Educational Services	-	-	3,901	-	3,901
Tuition to Other LEA's Within State-Regular	360,686	10,270	-	-	370,956
General Supplies	-	-	11,690	-	46,084
Textbooks	-	-	-	-	6,856
Total Instruction	360,686	10,270	414,388	-	1,239,271
Support Services:					
Salaries of Other Professional Staff	-	-	87,948	-	117,631
Personal Services - Employee Benefits	-	-	140,841	-	288,044
Purchased Professional Educational Services	-	-	180	-	180
Other Purchased Services Supplies & Materials	-	-	695	4,640	5,335
	-	-	52,451	-	56,621
Total Support Services	-	-	282,115	4,640	467,811
Facilities Acquisition & Construction Services:					
Construction Services	-	-	-	365,895	365,895
Instructional Equipment	-	-	-	-	6,568
Non-Instructional Equipment	-	-	-	7,348	7,348
Total Support Services	-	-	-	373,243	379,811
Total Expenditures	\$ 360,686	\$ 10,270	\$ 696,503	\$ 377,883	\$ 2,086,893

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID OF EXPENDITURES
BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 270,652	\$ 267,260	\$ 3,392
Other Salaries for Instruction	134,318	131,537	2,781
Purchase of Professional and Technical Services	3,901	3,901	-
General Supplies	11,775	11,690	85
	<hr/>	<hr/>	<hr/>
Total Instruction	420,646	414,388	6,258
	<hr/>	<hr/>	<hr/>
Support Services:			
Salaries of Other Professional Staff	87,948	87,948	-
Personal Services - Employee Benefits	140,841	140,841	-
Purchase of Professional Educational Services	3,525	180	3,345
Rentals	695	695	-
Supplies & Materials	618,393	52,451	565,942
	<hr/>	<hr/>	<hr/>
Total Support Services	851,402	282,115	569,287
	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>\$ 1,272,048</u>	<u>\$ 696,503</u>	<u>\$ 575,545</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2019-2020 Preschool Education Aid Allocation	\$ 657,048
Add: Actual Preschool Education Aid Carryover (June 30, 2019)	<u>615,000</u>
Total Preschool Education Aid Funds Available for 2019-2020 Budget	1,272,048
Less: 2019-2020 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>(1,272,048)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2019	-
Add: June 30, 2020 Unexpended Preschool Education Aid Funds	<u>575,545</u>
2019-2020 Carryover - Preschool Education Aid Funds	<u>\$ 575,545</u>
2019-2020 Preschool Education Aid Funds Carryover Budgeted in 2020-2021	<u>\$ 572,800</u>

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F. Capital Projects Fund

Not Applicable

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G. Proprietary Funds

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Enterprise Funds

Not Applicable
See B-4 Through B-6

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020**

ASSETS	PRIVATE PUPOSE		AGENCY		TOTALS
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	STUDENT ACTIVITY	PAYROLL FUND	
Cash & Cash Equivalents	\$ 120,569	\$ 198,681	\$ 136,967	\$ 40,976	\$ 497,193
Interfund Receivable	11,856	-	-	-	11,856
Total Assets	132,425	198,681	136,967	40,976	509,049
LIABILITIES					
Due to Student Groups	-	-	125,111	-	125,111
Due to Employees	-	-	-	11,403	11,403
Payroll Deductions & Withholdings	-	-	-	29,573	29,573
Interfund Payable	-	-	11,856	-	11,856
Total Liabilities	-	-	136,967	40,976	177,943
NET POSITION					
Restricted for Unemployment Compensation	-	198,681	-	-	198,681
Restricted for Scholarships	132,425	-	-	-	132,425
Total Net Position	\$ 132,425	\$ 198,681	\$ -	\$ -	\$ 331,106

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2020**

ADDITIONS	PRIVATE PUPOSE		TOTALS
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION TRUST	
Contributions:			
Plan Members	\$ -	\$ 21,565	\$ 21,565
Other	9,111	-	9,111
Total Contributions	9,111	21,565	30,676
Investment Earnings:			
Interest	2,859	2,120	4,979
Net Investment Earnings	2,859	2,120	4,979
Total Additions	11,970	23,685	35,655
DEDUCTIONS			
Unemployment Claims	-	21,290	21,290
Scholarships Awarded	14,025	-	14,025
Total Deductions	14,025	21,290	35,315
Change in Net Position	(2,055)	2,395	340
Net Position - Beginning of the Year	134,480	196,286	330,766
Net Position - End of the Year	\$ 132,425	\$ 198,681	\$ 331,106

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

ASSETS	BALANCE JULY 1, 2019	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2020
Cash & Cash Equivalents	\$ 135,182	\$ 196,172	\$ 194,387	\$ 136,967
Total Assets	<u>\$ 135,182</u>	<u>\$ 196,172</u>	<u>\$ 194,387</u>	<u>\$ 136,967</u>
LIABILITIES				
Due to Student Groups	\$ 119,789	\$ 186,684	\$ 181,362	\$ 125,111
Due to Scholarship Fund	15,393	9,488	13,025	11,856
Total Liabilities	<u>\$ 135,182</u>	<u>\$ 196,172</u>	<u>\$ 194,387</u>	<u>\$ 136,967</u>

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

ASSETS	BALANCE JULY 1, 2019	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2020
Cash & Cash Equivalents	\$ 132,075	\$ 19,246,532	\$ 19,337,631	\$ 40,976
Total Assets	<u>\$ 132,075</u>	<u>\$ 19,246,532</u>	<u>\$ 19,337,631</u>	<u>\$ 40,976</u>
LIABILITIES				
Due to Employees	\$ 16,209	\$ 59,532	\$ 64,338	\$ 11,403
Interfund Payable	88,159	-	88,159	-
Payroll Deductions & Withholdings	27,707	19,187,000	19,185,134	29,573
Total Liabilities	<u>\$ 132,075</u>	<u>\$ 19,246,532</u>	<u>\$ 19,337,631</u>	<u>\$ 40,976</u>

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I. Long-Term Debt

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**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
JUNE 30, 2020**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL PAYMENTS DATE	ANNUAL PAYMENTS AMOUNT	INTEREST RATE	AMOUNT OUTSTANDING	
						JUNE 30, 2019	JUNE 30, 2020
Bleacher Project at High School	07/14/2011	\$ 750,000	02/01/2021	75,000	3.300%	\$ 310,000	\$ 75,000
			02/01/2022	80,000	3.300%	-	-
			02/01/2023	80,000	3.300%	-	-
Refunding Bond Issue 2012	05/01/2012	5,465,000	05/01/2021	595,000	4.000%	2,445,000	575,000
			05/01/2022	625,000	4.000%	-	-
			05/01/2023	650,000	4.000%	-	-
Total						\$ 2,755,000	\$ 650,000
						<u>\$ 2,755,000</u>	<u>\$ 2,105,000</u>

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	JUNE 30, 2020				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 758,030	-	\$ 758,030	\$ 758,030	\$ -
Total Revenues	758,030	-	758,030	758,030	-
Expenditures:					
Regular Debt Service:					
Redemption of Principal	650,000	-	650,000	650,000	-
Interest on Bonds	108,030	-	108,030	108,030	-
Total Regular Debt Service	758,030	-	758,030	758,030	-
Excess/(Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1,	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF COMPENSATED ABSENCES
JUNE 30, 2020**

	BALANCE JUNE 30, 2019	DECREASED	BALANCE JUNE 30, 2020
Compensated Absences	\$ 450,841	(975)	\$ 449,866

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STATISTICAL SECTION (Unaudited)

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RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
NET POSITION BY COMPONENT
 LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities:										
Net Investment in Capital Assets	\$ 6,338,707	\$ 6,033,441	\$ 5,536,815	\$ 4,787,907	\$ 4,556,742	\$ 4,100,520	\$ 3,639,509	\$ 3,158,409	\$ 2,816,383	\$ 2,776,267
Restricted	1,399,386	1,319,757	1,515,209	1,719,660	1,561,992	1,142,346	736,273	901,353	1,304,952	1,553,705
Unrestricted	(6,262,603)	(7,035,825)	(7,350,963)	(7,021,657)	(6,724,021)	(6,001,695)	(621,153)	(562,672)	(575,876)	(940,361)
Total Governmental Activities Net Position	\$ 1,475,490	\$ 317,373	\$ (298,939)	\$ (514,090)	\$ (605,287)	\$ (758,829)	\$ 3,754,629	\$ 3,497,090	\$ 3,545,459	\$ 3,389,611
Business-Type Activities:										
Net Investment in Capital Assets	\$ 75,977	\$ 71,353	\$ 66,670	\$ 29,752	\$ 33,346	\$ 39,462	\$ 46,908	\$ 37,953	\$ 48,953	\$ 33,961
Unrestricted	185,313	167,214	103,458	114,016	157,079	131,361	161,944	167,921	137,194	134,491
Total Business-Type Activities Net Position	\$ 261,290	\$ 238,567	\$ 170,128	\$ 143,768	\$ 190,425	\$ 170,823	\$ 208,852	\$ 205,874	\$ 186,147	\$ 168,452
Government-Wide:										
Net Investment in Capital Assets	\$ 6,414,684	\$ 6,104,794	\$ 5,603,485	\$ 4,817,659	\$ 4,590,088	\$ 4,139,982	\$ 3,686,417	\$ 3,196,362	\$ 2,865,336	\$ 2,810,228
Restricted	1,399,386	1,319,757	1,515,209	1,719,660	1,561,992	1,142,346	736,273	901,353	1,304,952	1,553,705
Unrestricted	(6,077,290)	(6,868,611)	(7,247,505)	(6,907,641)	(6,566,942)	(5,870,334)	(459,209)	(394,751)	(438,682)	(805,870)
Total District Net Position	\$ 1,736,780	\$ 555,940	\$ (128,811)	\$ (370,322)	\$ (414,862)	\$ (588,006)	\$ 3,963,481	\$ 3,702,964	\$ 3,731,606	\$ 3,558,063

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 6,407,591	\$ 6,325,075	\$ 6,127,563	\$ 5,982,996	\$ 5,996,924	\$ 5,867,204	\$ 5,865,591	\$ 6,003,997	\$ 5,950,519	\$ 6,924,562
Special Education	3,366,735	3,270,590	3,310,047	3,108,921	3,016,477	2,970,421	2,917,592	2,827,776	2,599,861	1,564,745
Other Special Education	889,625	836,308	809,033	780,412	731,983	740,084	759,339	696,434	695,768	662,739
Other Instruction	25,346	41,745	51,603	49,804	57,238	96,864	124,161	181,453	212,669	147,203
Support Services:										
Tuition	2,529,584	2,203,800	2,130,656	1,766,844	1,868,906	2,068,705	2,047,607	1,913,565	1,950,057	1,366,671
Student & Instruction Related Services	1,809,268	1,804,066	1,671,566	1,653,130	1,555,676	1,541,710	1,525,389	1,564,442	1,582,409	1,899,224
School Administrative Services	1,516,405	1,544,736	1,400,178	1,387,022	1,347,570	1,353,201	1,367,326	1,216,575	1,151,590	364,787
General & Business Administrative Services	855,398	834,045	827,240	747,805	704,236	696,462	694,394	753,134	770,291	885,517
Administrative Information Technology	-	-	-	-	-	-	-	-	-	36,167
Plant Operations & Maintenance	1,956,400	2,007,524	1,906,011	1,732,193	1,750,674	1,836,549	1,720,742	1,652,629	1,470,943	241,985
Pupil Transportation	498,519	488,616	451,482	446,207	468,566	476,761	434,138	464,998	415,270	333,049
Employee Benefits	9,295,801	10,379,447	15,384,798	12,013,863	9,508,686	8,092,582	5,758,178	5,825,529	4,946,063	1,643,389
Other Support Services	-	-	-	-	-	-	-	-	-	4,548,293
Interest on Long-Term Debt	209,291	246,512	152,707	121,687	172,779	192,059	340,080	314,769	357,500	274,843
Reduction of Capital Leases	-	-	-	-	-	-	(122,141)	-	(22,016)	-
Amortization of Debt Issuance Costs	-	-	-	-	-	-	(22,377)	(15,454)	(2,576)	-
Transfer to Charter Schools	57,928	53,204	-	-	-	-	-	-	-	-
Unallocated Compensated Absences	-	-	-	-	-	-	12,793	2,250	(2,243)	-
Unallocated Depreciation	364,769	367,749	362,789	336,509	336,932	181,869	64,730	321,453	304,487	738,921
Fixed Asset Disposals	-	43,107	-	-	-	-	288,820	8,900	225,790	-
Loss on Adjustment to Fixed Asset Appraisal	-	-	-	-	-	-	(24,904)	117,329	258,483	-
Total Governmental Activities Expenses	29,782,660	30,446,524	34,585,673	30,127,393	27,516,647	26,114,471	23,751,458	23,849,779	22,864,865	21,632,095
Business-Type Activities:										
Food Service	547,715	584,295	603,857	627,754	543,200	557,431	507,584	492,966	492,882	456,567
Total Business-Type Activities Expense	547,715	584,295	603,857	627,754	543,200	557,431	507,584	492,966	492,882	456,567
Total District Expenses	\$ 30,330,375	\$ 31,030,819	\$ 35,189,530	\$ 30,755,147	\$ 28,059,847	\$ 26,671,902	\$ 24,308,889	\$ 24,357,363	\$ 23,357,831	\$ 22,124,977
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 7,204,432	\$ 7,921,219	\$ 9,915,073	\$ 8,907,547	\$ 6,890,195	\$ 5,987,808	\$ 1,552,107	\$ 1,413,420	\$ 1,231,133	\$ 1,570,644
Total Governmental Activities Program Revenues	7,204,432	7,921,219	9,915,073	8,907,547	6,890,195	5,987,808	1,552,107	1,413,420	1,231,133	1,570,644

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Business-Type Activities:										
Charges for Services:										
Food Service	118,252	154,804	157,893	162,946	159,399	157,092	157,312	176,417	189,184	204,711
Operating Grants & Contributions	450,332	497,161	471,749	417,341	402,724	361,723	351,480	327,295	319,159	273,323
Total Business Type Activities	568,584	651,965	629,642	580,287	562,123	518,815	508,792	503,712	508,343	478,034
Program Revenues	\$ 7,773,016	\$ 8,573,184	\$ 10,544,715	\$ 10,495,360	\$ 9,469,670	\$ 6,506,623	\$ 2,060,899	\$ 1,917,132	\$ 1,739,476	\$ 2,048,678
Net (Expense)/Revenue:	\$ (22,578,228)	\$ (22,525,305)	\$ (24,670,600)	\$ (21,219,846)	\$ (20,626,452)	\$ (20,126,663)	\$ (22,199,351)	\$ (22,436,359)	\$ (21,633,732)	\$ (20,061,451)
Governmental Activities	20,869	67,670	25,785	(47,467)	18,923	(38,616)	(48,639)	(3,872)	15,377	(14,848)
Business-Type Activities										
Total Government-Wide Net Expense	\$ (22,557,359)	\$ (22,457,635)	\$ (24,644,815)	\$ (21,267,313)	\$ (20,607,529)	\$ (20,165,279)	\$ (22,247,990)	\$ (22,440,231)	\$ (21,618,355)	\$ (20,076,299)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property Taxes, Levied for General Purposes, Net	\$ 8,358,099	\$ 8,194,215	\$ 7,979,144	\$ 7,747,495	\$ 7,595,583	\$ 7,321,322	\$ 6,954,492	\$ 6,757,223	\$ 6,624,728	\$ 6,494,831
Taxes Levied for Debt Service	758,030	747,140	745,200	742,645	739,826	753,298	782,957	802,679	710,279	715,831
Federal & State Aid Not Restricted	12,753,396	11,890,734	14,350,246	11,016,740	10,873,114	11,034,555	12,783,182	12,809,002	12,438,046	12,054,194
Transportation Fees from Other LEA's	-	-	-	-	-	-	-	28,180	43,095	43,318
Tuition Received	1,848,236	1,702,818	1,647,888	1,338,074	1,326,805	1,544,817	1,777,586	1,794,965	1,751,835	1,808,742
Investment Earnings	-	-	-	-	-	-	-	-	-	19,474
Miscellaneous Income	18,584	606,710	240,372	366,089	244,666	277,080	226,738	195,941	221,597	259,795
Transfers In	-	-	(77,099)	100,000	-	-	-	-	-	-
Total Governmental Activities	23,736,345	23,141,617	24,885,751	21,311,043	20,779,994	20,931,072	22,524,955	22,387,990	21,789,580	21,394,185
Business-Type Activities:										
Miscellaneous Income	1,854	769	575	810	679	587	1,770	8,981	2,234	-
Investment Earnings	-	-	-	-	-	-	-	-	-	773
Total Business-Type Activities	1,854	769	575	810	679	587	1,770	8,981	2,234	773
Total Government-Wide	\$ 23,738,199	\$ 23,142,386	\$ 24,886,326	\$ 21,311,853	\$ 20,780,673	\$ 20,931,659	\$ 22,526,725	\$ 22,396,971	\$ 21,791,814	\$ 21,394,958
Change in Net Position:										
Governmental Activities	\$ 1,158,117	\$ 616,312	\$ 215,151	\$ 91,197	\$ 153,542	\$ 804,409	\$ 325,604	\$ (48,369)	\$ 155,848	\$ 1,332,734
Business-Type Activities	22,723	68,439	26,360	19,602	2,978	(38,029)	(46,869)	5,109	17,611	(14,075)
Total District	\$ 1,180,840	\$ 684,751	\$ 241,511	\$ 110,799	\$ 156,520	\$ 766,380	\$ 278,735	\$ (43,260)	\$ 173,459	\$ 1,318,659

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund:										
Restricted	\$ 1,399,386	\$ 1,319,757	\$ 1,515,209	\$ 1,099,660	\$ 1,214,836	\$ 1,175,153	\$ 653,967	\$ 748,070	\$ 1,087,016	\$ 1,074,844
Committed	-	-	-	-	-	-	-	-	-	10,595
Assigned	557,508	411,587	145,000	624,269	379,346	-	63,909	139,202	135,702	460,125
Unassigned	(472,097)	(501,755)	(552,039)	(580,378)	(566,389)	(14,513)	-	-	-	(491,896)
Total General Fund	\$ 1,484,797	\$ 1,229,589	\$ 1,108,170	\$ 1,143,551	\$ 1,027,793	\$ 1,160,640	\$ 717,876	\$ 887,272	\$ 1,222,718	\$ 1,053,668
All Other Governmental Funds										
Unassigned, Reported in:										
Special Revenue Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (37,770)
Committed, Reported in:										
Capital Projects Fund	-	-	-	-	-	-	-	-	117,575	-
Assigned, Reported in:										
Capital Projects Fund	-	-	-	-	-	-	-	339	6,956	6,955
Debt Service Fund	-	-	-	-	-	2,339	43,891	42,631	1,426	1,186
Total All Other Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,339	\$ 43,891	\$ 42,970	\$ 125,957	\$ (29,629)

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Tax Levy	9,116,129	8,941,355	8,724,344	8,490,140	8,335,409	8,074,620	7,737,449	7,559,902	7,335,007	7,208,662
Tuition Charges	1,848,236	1,702,818	1,647,888	1,338,074	1,326,805	1,544,817	1,777,586	1,794,965	1,751,835	1,808,742
Transportation Fees from Other LEA's	396,467	606,710	240,372	366,089	244,666	277,080	226,738	28,180	43,095	43,318
Miscellaneous	17,151,430	16,118,812	14,940,086	14,317,574	13,802,720	13,674,531	13,371,948	13,392,080	221,597	279,269
State Sources	1,057,946	1,105,026	1,101,752	1,009,839	1,029,859	1,000,621	963,341	830,342	1,482,497	12,460,999
Federal Sources									1,186,682	1,146,407
Total Revenue	29,570,208	28,474,721	26,654,442	25,521,716	24,739,459	24,571,669	24,077,062	23,801,410	23,020,713	22,947,397
Expenditures:										
Instruction:										
Regular Instruction	6,407,591	6,325,075	6,127,563	5,982,996	5,996,924	5,867,204	5,865,590	6,024,334	5,950,519	6,924,562
Special Education Instruction	3,366,735	3,270,590	3,310,047	3,108,921	3,016,477	2,970,421	2,917,592	2,827,776	2,599,861	1,564,745
Other Special Instruction	889,625	836,308	809,033	780,412	731,983	740,084	759,339	696,434	695,768	662,739
Other Instruction	25,346	41,745	51,603	49,804	57,238	96,864	124,161	181,453	212,669	147,203
Support Services:										
Tuition	2,529,584	2,203,800	2,130,656	1,766,844	1,868,906	2,068,705	2,047,607	1,913,565	1,950,057	1,366,671
Student & Instruction Related	1,809,268	1,804,066	1,671,566	1,653,130	1,555,676	1,541,710	1,525,389	1,564,442	1,582,409	1,899,224
General & Business Administration										
Services	855,398	834,045	827,240	747,805	704,236	696,462	694,394	753,134	770,291	642,939
School Administrative Services	1,516,405	1,544,736	1,400,178	1,387,022	1,347,570	1,353,201	1,367,326	1,216,575	1,151,590	885,517
Plant Operations & Maintenance	1,956,400	1,991,799	1,837,858	1,716,279	1,782,317	1,657,994	1,720,742	1,652,629	1,643,393	1,643,389
Pupil Transportation	498,519	488,616	451,482	446,207	468,566	476,761	434,138	464,998	415,270	333,049
Employee Benefits	7,951,706	7,756,118	6,949,646	6,874,538	6,396,582	5,675,158	5,758,178	5,825,529	4,946,063	4,548,293
Capital Outlay	562,988	456,060	300,652	249,355	206,005	182,358	829,083	280,635	777,309	921,118
Debt Service:										
Principal	650,000	615,000	595,000	575,000	560,000	645,000	613,000	570,000	495,000	730,000
Interest & Other Charges	237,507	132,140	150,200	167,645	182,165	198,535	213,998	248,339	255,878	274,843
Total Expenditures	29,257,072	28,300,098	26,612,724	25,505,958	24,874,645	24,170,457	24,870,537	24,219,843	23,446,077	22,544,292
Excess (Deficiency) of Revenues Over/(Under) Expenditures	313,136	174,623	41,718	15,758	(135,186)	401,212	(793,475)	(418,433)	(425,364)	403,105

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Other Financing Sources/(Uses):										
Proceeds from Borrowing	-	-	-	-	-	-	-	-	750,000	-
Capital Lease (Nonbudgeted)	(57,928)	(53,204)	(8,230)	-	-	-	625,000	-	-	110,000
Transfers in	-	-	-	100,000	-	-	339	6,964	15,393	150,368
Transfers Out	-	-	(68,869)	-	-	-	(339)	(6,964)	(15,393)	(150,368)
Total Other Financing Sources/(Uses)	(57,928)	(53,204)	(77,099)	100,000	-	-	625,000	-	750,000	110,000
Net Change in Fund Balances	\$ 255,208	\$ 121,419	\$ (35,381)	\$ 115,758	\$ (135,186)	\$ 401,212	\$ (168,475)	\$ (418,433)	\$ 324,636	\$ 513,105

Debt Service as a Percentage of Noncapital Expenditures	3.2%	2.8%	2.9%	3.0%	3.1%	3.6%	3.6%	3.5%	3.4%	4.9%
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Source: District Records

Note: Noncapital expenditures are total expenditures less capital outlay.

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

FISCAL YEAR ENDING JUNE 30,	DELANCO CST	PRIOR YEAR A/P CANCELLED	PRIOR YEAR REFUNDS	INTEREST	FINES	MISCELLANEOUS	TOTAL
2020	\$ -	\$ -	\$ -	\$ 152	\$ -	\$ 18,432	\$ 18,584
2019	253,356	-	-	43,081	-	32,350	328,787
2018	222,391	102	352	-	860	16,667	240,372
2017	181,824	483	591	12,201	733	170,257	366,089
2016	226,103	-	-	23	-	18,540	244,666
2015	231,352	-	37,725	2,395	524	5,071	277,067
2014	201,210	9,314	8,927	2,357	2,128	2,789	226,725
2013	184,115	-	-	2,185	279	2,280	188,859
2012	189,242	3,260	7,018	3,308	1,842	15,812	220,482
2011	185,131	44,389	14,027	19,129	483	15,765	278,924

Source: District records

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	TOTAL ASSESSED VALUE	LESS: TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2020	N/A	N/A	N/A	N/A	N/A	N/A	440,688,824	N/A	N/A	434,905,500	2.123	440,688,824
2019	N/A	N/A	N/A	N/A	N/A	N/A	444,043,902	N/A	N/A	436,533,200	2.088	444,043,902
2018	N/A	N/A	N/A	N/A	N/A	N/A	457,365,522	N/A	N/A	432,551,546	2.067	457,365,522
2017	N/A	N/A	N/A	N/A	N/A	N/A	438,314,450	N/A	N/A	433,942,950	1.937	430,125,467
2016	N/A	N/A	N/A	N/A	N/A	N/A	438,314,450	N/A	N/A	438,314,450	1.898	438,314,550
2015	N/A	N/A	N/A	N/A	N/A	N/A	439,090,250	N/A	N/A	439,090,250	1.815	423,780,750
2014	N/A	N/A	N/A	N/A	N/A	N/A	444,648,262	N/A	N/A	444,648,262	1.733	433,814,119
2013	N/A	N/A	N/A	N/A	N/A	N/A	446,303,109	N/A	N/A	446,303,109	1.687	460,260,350
2012	N/A	N/A	N/A	N/A	N/A	N/A	448,022,696	N/A	N/A	448,022,696	1.638	506,734,402
2011	N/A	N/A	N/A	N/A	N/A	N/A	447,840,953	N/A	N/A	447,840,953	1.602	519,819,340

Source: Abstract of Ratables Burlington County, Burlington County Abstract of Ratables

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

- a. Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
- b. Tax rates are per \$100
- N/A - Not Available

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE		OVERLAPPING RATES		TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE ^a	TOTAL DIRECT	TOWNSHIP OF RIVERSIDE	BURLINGTON COUNTY	
2019	2.123	2.123	1.175	0.471	3.769
2018	2.088	2.088	1.148	0.404	3.640
2017	2.067	2.067	1.128	0.423	3.618
2016	1.937	1.937	1.053	0.395	3.385
2015	1.898	1.898	1.022	0.329	3.249
2014	1.815	1.815	0.981	0.327	3.123
2013	1.687	1.687	0.919	0.350	2.956
2012	1.638	1.638	0.860	0.358	2.856
2011	1.602	1.602	0.812	0.458	2.872

Source: Burlington County Board of Taxation

a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

b Rates for debt service are based on each year's requirements.

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2020		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
River Terrace Associates	\$ 4,128,300	1	0.937%
Remy Investments	2,498,500	2	0.567%
Riverside Garden Apartments	2,239,300	3	0.508%
PSEG	1,989,500	4	0.451%
Riverside Norse LLC	1,634,100	5	0.371%
PC33 Real Estate LLC	1,337,900	6	0.304%
Keymar Inc	1,184,700	7	0.269%
Teacher Org at Riverside LLC	982,600	8	0.223%
Verizon	905,700	9	0.206%
Watchcase Joint Venture Assoc.	850,000	10	0.193%
Total	\$ 17,750,600		4.028%

Teicher Org. at Riverside, LLC

2011		
TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE

NOT AVAILABLE

Source: Municipal Tax Assessor

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
TOTAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY ^a		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2020	\$ 9,116,129	\$ 9,116,129	100.00%	-
2019	8,941,355	8,941,355	100.00%	-
2018	8,724,344	8,724,344	100.00%	-
2017	8,490,140	8,490,140	100.00%	-
2016	8,335,409	8,335,409	100.00%	-
2015	8,074,620	8,074,620	100.00%	-
2014	7,737,449	7,737,449	100.00%	-
2013	7,559,902	7,559,902	100.00%	-
2012	7,335,007	7,335,007	100.00%	-
2011	7,208,662	7,208,662	100.00%	-

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

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

Source: Municipal Financial Statements

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Dollars in Thousands, Except per Capita)

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			CAPITAL LEASES	TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION					
2020	\$ 2,105,000	\$ -		\$ -	\$ 2,105,000	N/A	N/A
2020	2,755,000	-		-	2,755,000	N/A	N/A
2019	3,370,000	-		-	3,370,000	N/A	N/A
2018	3,965,000	-		127,892	4,092,892	N/A	N/A
2017	4,540,000	-		254,322	4,794,322	N/A	N/A
2016	5,100,000	-		402,513	5,502,513	N/A	688.07
2015	5,745,000	-		548,448	6,293,448	N/A	783.84
2014	6,358,000	-		67,171	6,425,171	1.55%	799.05
2013	6,928,000	-		87,984	7,015,984	1.70%	869.07
2012	6,843,000	-		110,000	6,953,000	1.74%	861.16

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

a. See Exhibit J-14 for personal income and population data.

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2020	\$ 2,105,000	\$ -	\$ 2,105,000	0.48%	N/A
2019	2,755,000	-	2,755,000	0.62%	N/A
2018	3,370,000	-	3,370,000	0.74%	N/A
2017	3,965,000	-	3,965,000	0.90%	N/A
2016	4,540,000	-	4,540,000	1.04%	573.16
2015	4,455,000	-	4,455,000	1.02%	557.08
2014	5,100,000	-	5,100,000	1.16%	635.20
2013	6,358,000	-	6,358,000	1.45%	790.70
2012	6,928,000	-	6,928,000	1.56%	858.17
2011	6,843,000	-	6,843,000	1.53%	847.54

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2020**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Riverside Township	\$ 6,536,550	100.00%	\$ 6,536,550
Burlington County General Obligation Debt	269,032,501	0.965%	2,596,164
Riverside Sewerage Authority	446,563	100.00%	446,563
Subtotal, Overlapping Debt			9,579,277
Riverside Township District Direct Debt			2,105,000
Total Direct & Overlapping Debt			<u>\$ 11,684,277</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Burlington County Board of Taxation

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt Limit	\$ 13,273,854	\$ 13,160,798	\$ 12,879,156	\$ 12,716,542	\$ 12,701,174	\$ 13,118,496	\$ 13,735,603	\$ 14,076,947	\$ 15,487,413	\$ 21,410,464
Total Net Debt Applicable to Limit	2,105,000	2,755,000	3,370,000	3,965,000	4,540,000	4,455,000	5,745,000	6,358,000	6,928,000	6,843,000
Legal Debt Margin	\$ 11,168,854	\$ 10,405,798	\$ 9,509,156	\$ 8,751,542	\$ 8,161,174	\$ 8,663,496	\$ 7,990,603	\$ 7,718,947	\$ 8,559,413	\$ 14,567,464
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	15.86%	20.93%	26.17%	31.18%	35.74%	33.96%	41.83%	45.17%	44.73%	31.96%

Legal Debt Margin Calculation for Fiscal Year 2019

	2019	2018	2017
Equalized Valuation Basis	\$ 440,688,824	448,145,120	438,551,450
Average Equalized Valuation of Taxable Property	\$ 1,327,385,394		
Debt Limit (3 % of Average Equalization Value) Net Bonded School Debt	\$ 442,461,798	\$ 13,273,854	2,105,000
Legal Debt Margin	\$ 11,168,854		

Source:
 Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation. Limit set by N.J.S.A.18A:24-19 for K through 12 district; other % limits would be applicable for other districts.

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PERSONAL INCOME (b)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2019	7,816	N/A	N/A	3.30%
2018	7,899	N/A	N/A	3.80%
2017	7,710	N/A	N/A	4.00%
2016	7,921	N/A	N/A	4.50%
2015	7,997	N/A	55,227	5.50%
2014	8,029	N/A	53,747	7.20%
2013	8,041	415,169,520	51,785	7.60%
2012	8,073	413,079,324	51,390	10.10%
2011	8,074	399,478,325	49,955	9.70%
2010	8,084	384,209,364	48,047	10.00%

Source:

- (a) Population information provided by US Bureau of the Census; Population Division
 (b) Personal income calculated using population and per capita personal income
 (c) Per Capita personal income provided by the NJ Dept of Labor and Workforce Development
 (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development
 N/A - Information not available.

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

NOT AVAILABLE

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST EIGHT FISCAL YEARS**

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013
Instruction:								
Regular	95	95	95	92	92	95	95	94
Special Education	50	49	51	52	54	50	51	36
Support Services:								
Student & Instruction Related Services	22	22	21	21	22	20	20	21
General Administrative	2	2	2	2	2	2	2	2
School Administrative Services	12	13	13	13	13	12	12	14
Central Services	3	3	3	3	3	3	3	3
Administrative Information Technology	1	1	1	1	1	1	1	1
Plant Operations & Maintenance	23	23	23	23	19	21	21	21
Pupil Transportation	0	0	0	-	-	4	-	7
Other Support Services	1	1	1	1	3	-	3	3
Total	209	209	210	208	209	208	208	202

Source: District Annual Budget Statement Supporting Documentation

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO			AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY	MIDDLE SCHOOL	SENIOR HIGH SCHOOL				
2020	1,437	\$26,412,149	18,380	-0.55%	123	12:8	10:5	10:8	1,435.8	1,374.9	2.28%	95.76%
2019	1,378	25,467,802	18,482	6.76%	122	13:2	10:5	10:2	1,403.7	1,319.8	0.73%	94.02%
2018	1,395	24,149,046	17,311	6.63%	122	11:6	9:4	10:3	1,393.5	1,314.1	-1.55%	94.30%
2017	1,425	23,134,960	16,235	1.37%	121	13:6	9:5	10:8	1,415.4	1,326.9	0.82%	93.75%
2016	1,409	22,566,779	16,016	3.40%	120	12:8	9:4	10:8	1,403.9	1,317.2	0.76%	93.82%
2015	1,404	21,748,311	15,490	0.55%	122	12:8	9:4	11:3	1,393.3	1,302.6	-5.25%	93.49%
2014	1,460	22,491,432	15,405	1.29%	120	14:6	9:5	11:2	1,470.5	1,348.2	1.78%	91.68%
2013	1,438	21,870,755	15,209	0.75%	129	13:3	9:9	9:5	1,444.8	1,348.2	4.26%	93.31%
2012	1,379	20,817,327	15,096	10.09%	127	12:4	9:2	9:5	1,385.8	1,296.2	-0.27%	93.53%
2011	1,394	19,114,880	13,712	-8.33%	132	12:4	10:0	9:9	1,389.6	1,297.1	1.85%	93.34%

Sources: District records

Note: Enrollment based on annual October District count.

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

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

NOT AVAILABLE

**SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
School Facilities										
Riverside Township School	\$221,578	\$268,893	\$175,700	164,572	174,381	128,247	128,378	141,394	155,884	59,085
Total School Facilities	<u>\$221,578</u>	<u>\$268,893</u>	<u>\$175,700</u>	<u>164,572</u>	<u>174,381</u>	<u>128,247</u>	<u>128,378</u>	<u>141,394</u>	<u>155,884</u>	<u>59,085</u>

Source: District Records

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2020**

Burlington County Insurance Pool Joint Insurance Fund (BCIPJIF)	COVERAGE	RETENTION	DEDUCTIBLE
I. Property, Inland Marine & Automobile Physical Damages:			
A. Limit of Liability Per Occurrence	\$ 175,000,000	\$ 250,000	\$ 500
Perils Included "All Risk"			
B. Property Valuation:			
1. Buildings & Contents	Replacement Cost		
2. Contractors Equipment	Actual Cash Value		
3. Automobiles	Actual Cash Value		
II. Boiler & Machinery	125,000,000	None	1,000
III. Crime	500,000	250,000	500
IV. General & Automobile Liability	20,000,000	250,000	None
V. Workers' Compensation	Statutory	250,000	None
VI. Educator's Legal Liability	20,000,000	175,000	None
Excess & Reinsurance Carriers Involved:			
Property & Crime:			
SPELLJIF, Selective Ins. Co. of America			
Axis Surplus Insurance Company			
Westchester Surplus Lines Ins. Co			
Alterra Excess & Surplus Ins. Co			
Alliance Global Corporate & Specialty Marine Ins. Co			
RSUI Indemnity Company			
General Liability & Automobile Liability:			
SPELLJIF, Selective Ins. Co. of America			
Workers' Compensation:			
SPELLJIF, Selective Ins. Co. of America			
Educators' Legal Liability:			
SPELLJIF, Selective Ins. Co. of America			
Group Purchase of Primary Insurance Coverage Carrier Array:			
Travelers Insurance Company:			
Boiler & Machinery			
ACE American Insurance Company:			
Pollution Legal Liability			
VII. Pollution Legal Liability	3,000,000	None	25,000 - 100,000
VIII. Cyber Liability	1,000,000	None	25,000
IX. Violent Malicious Acts	1,000,000	None	15,000
X. Disaster Management Services	2,000,000	None	15,000

Source: District records

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SINGLE AUDIT SECTION

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INDEPENDENT AUDITOR'S 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

Honorable President and Members
of the Board of Education
Riverside Township Public School District
County of Burlington
Riverside, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Riverside Township Public School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Riverside Township Public School District's basic financial statements, and have issued our report thereon dated January 6, 2021.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 Riverside Township Public School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.

David T. McNally
Certified Public Accountant
Public School Accountant
No. 2616

Medford, New Jersey
January 6, 2021



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-2

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW
JERSEY OMB CIRCULAR 15-08**

Honorable President and Members
of the Board of Education
Riverside Township Public School District
County of Burlington
Riverside, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Riverside Township Public School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2020. The Riverside Township Public School District's major federal and 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Riverside Township Public School District's major federal and 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; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards, the Uniform Guidance and New Jersey OMB's Circular 15-08 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 federal or state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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Opinion on Each Major Federal and State Program

In our opinion, the Riverside Township Public School District 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 federal and state programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the Riverside Township Public School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or 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 federal or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's 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 School District's internal control over compliance.

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

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

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.

David T. McNally
Certified Public Accountant
Public School Accountant
No. 2616

Medford, New Jersey
January 6, 2021

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE OR CLUSTER	CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2019	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	UNEARNED REVENUE	JUNE 30, 2020 (ACCOUNTS RECEIVABLE)
U.S. Department of Agriculture											
Passed Through New Jersey Department of Agriculture:											
Child Nutrition Cluster:											
Food Distribution Program (Noncash Assistance)	10.555	20INJ304N1099	Unavailable	\$ 60,750	7/1/19-6/30/20	\$ -	60,750	(50,788)	-	9,962	\$ -
Food Distribution Program (Noncash Assistance)	10.555	19INJ304N1099	Unavailable	41,455	7/1/18-6/30/19	2,498	-	(2,498)	-	-	-
Healthy Hungers-Free Kids Act	10.555	20INJ304N1099	100-010-3350-026	7,266	7/1/19-6/30/20	-	7,057	(7,266)	-	-	(209)
Healthy Hungers-Free Kids Act	10.555	19INJ304N1099	100-010-3350-026	7,710	7/1/18-6/30/19	(434)	484	-	-	-	-
National School Lunch Program	10.555	20INJ304N1099	100-010-3350-026	281,621	7/1/19-6/30/20	-	271,379	(281,621)	-	-	(10,242)
National School Lunch Program	10.555	19INJ304N1099	100-010-3350-026	317,256	7/1/18-6/30/19	(19,381)	19,381	-	-	-	-
Subtotal						(17,317)	359,001	(342,173)	-	9,962	(10,451)
School Breakfast Program	10.553	20INJ304N1099	100-010-3350-028	98,179	7/1/19-6/30/20	-	87,703	(98,179)	-	-	(10,476)
School Breakfast Program	10.553	19INJ304N1099	100-010-3350-028	102,455	7/1/18-6/30/19	(6,043)	6,043	-	-	-	-
Subtotal						(6,043)	93,746	(98,179)	-	-	(10,476)
Special Milk Program	10.556	20INJ304N1099	100-010-3350-027	204	7/1/19-6/30/20	-	204	(204)	-	-	-
Special Milk Program	10.556	19INJ304N1099	100-010-3350-027	110	7/1/18-6/30/19	(10)	10	(204)	-	-	-
Subtotal						(10)	214	(204)	-	-	-
Total Child Nutrition Cluster						(23,370)	452,961	(440,556)	-	9,962	(20,927)
Total U.S. Department of Agriculture						(23,370)	452,961	(440,556)	-	9,962	(20,927)
U.S. Department of Health and Human Services											
Passed Through New Jersey Department of Human Services:											
Medical Assistance Program (SEMI)	93.778	2005NDMAP	100-054-7540-211	45,439	7/1/19-6/30/20	-	45,439	(45,439)	-	-	-
Total U.S. Department of Health and Human Services						-	45,439	(45,439)	-	-	-
U.S. Department of Education											
Passed Through New Jersey Department of Education:											
Title I- Part A	84.010	S010A190030	100-034-5064-194	554,629	7/1/19-6/30/20	-	362,259	(549,846)	-	-	(187,587)
Title I- Part A	84.010	S010A180030	100-034-5064-194	591,109	7/1/18-6/30/19	(185,889)	185,889	-	-	-	-
Title I- SIA Part A	84.010	S010A190030	100-034-5064-194	42,800	7/1/19-6/30/20	-	42,449	(42,800)	-	-	(351)
Subtotal						(185,889)	590,597	(592,646)	-	-	(187,938)
Title II A- Part A	84.367	S367A190029	100-034-5063-290	15,000	7/1/19-6/30/20	-	9,999	(15,000)	-	-	(5,001)
Title II A- Part A	84.367	S367A180029	100-034-5063-290	15,000	7/1/18-6/30/19	(4,696)	4,696	-	-	-	-
Subtotal						(4,696)	14,695	(15,000)	-	-	(5,001)
Title III - English Language Acquisition	84.365	S365A190009	100-034-5064-187	27,333	7/1/19-6/30/20	-	19,281	(27,057)	-	-	(7,776)
Title III - English Language Acquisition	84.365	S365A180009	100-034-5064-187	27,922	7/1/18-6/30/19	(7,220)	7,220	-	-	-	-
Title III - Immigrant	84.365	S365A190009	100-034-5064-187	6,848	7/1/19-6/30/20	-	6,361	(6,848)	-	-	(487)
Subtotal						(7,220)	32,862	(33,905)	-	-	(8,263)
I.D.E.A. Part B (Special Education Cluster)	84.027	H027A190100	100-034-5065-016	360,686	7/1/19-6/30/20	-	324,732	(360,686)	-	-	(35,954)
Basic	84.027	H027A180100	100-034-5065-016	357,578	7/1/18-6/30/19	(31,120)	31,120	-	-	-	-
Subtotal						(31,120)	355,852	(360,686)	-	-	(35,954)
Preschool	84.173	H173A190114	100-034-5065-020	10,270	7/1/19-6/30/20	-	10,270	(10,270)	-	-	-
Subtotal						-	10,270	(10,270)	-	-	-
Total Special Education Cluster						(31,120)	366,122	(370,956)	-	-	(35,954)
Total U.S. Department of Education						(228,925)	1,004,276	(1,012,507)	-	-	(237,156)
Total Expenditures of Federal Awards						(252,295)	1,502,676	(1,498,502)	-	9,962	(258,083)

RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2020

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2019	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB RECIPIENT EXPENDITURES	(ACCOUNTS RECEIVABLE) JUNE 30, 2020	UNEARNED REVENUE JUNE 30, 2020	BUDGETARY RECEIVABLE	MEMO CUMULATIVE TOTAL EXPENDITURES
General Fund:											
State Aid Public:											
Equalization Aid	495-034-5120-078	\$ 11,099,812	7/1/19-6/30/20	\$ -	\$ 11,099,812	\$ (11,099,812)	\$ -	\$ -	\$ -	\$ 1,011,932	\$ 11,099,812
Special Education Categorical Aid	495-034-5120-089	827,038	7/1/19-6/30/20	-	827,038	(827,038)	-	-	-	75,398	827,038
Security Aid	495-034-5120-084	439,613	7/1/19-6/30/20	-	439,613	(439,613)	-	-	-	40,078	439,613
Total State Aid Public					12,366,463	(12,366,463)	-	-	-	1,127,408	12,366,463
Transportation Aid	495-034-5120-014	187,558	7/1/19-6/30/20	-	187,558	(187,558)	-	-	-	17,099	187,558
Extraordinary Aid - Current Year	495-034-5120-044	217,948	7/1/19-6/30/20	-	-	(217,948)	-	(217,948)	-	-	217,948
Extraordinary Aid - Prior Year	495-034-5120-044	138,837	7/1/18-6/30/19	(138,837)	138,837	-	-	-	-	-	-
Reimbursed TPAF Social Security	495-034-5094-003	788,211	7/1/19-6/30/20	-	748,900	(788,211)	-	(39,311)	-	-	788,211
Reimbursed TPAF Social Security	495-034-5094-003	757,254	7/1/18-6/30/19	(37,721)	37,721	-	-	-	-	-	-
Noncash Assistance:											
On Behalf TPAF Pension Contribution	495-034-5094-002	2,156,992	7/1/19-6/30/20	-	2,156,992	(2,156,992)	-	-	-	-	2,156,992
On Behalf TPAF Medical Contribution	495-034-5094-001	800,204	7/1/19-6/30/20	-	800,204	(800,204)	-	-	-	-	800,204
On Behalf TPAF Long Term Disability Insurance Contribution	495-034-5094-004	1,563	7/1/19-6/30/20	-	1,563	(1,563)	-	-	-	-	1,563
Total General Fund Assistance				(176,558)	16,438,238	(16,518,939)	-	(257,259)	-	1,144,507	16,518,939
Special Revenue Fund:											
Preschool Education Aid	100-034-5120-086	657,048	7/1/19-6/30/20	414,844	660,733	(696,503)	-	-	379,074	65,704	696,503
Total Special Revenue Fund Assistance				414,844	660,733	(696,503)	-	-	379,074	65,704	696,503
Enterprise Fund:											
National School Lunch Program	100-010-3350-023	7,390	7/1/19-6/30/20	-	5,430	(7,390)	-	(1,960)	-	-	7,390
(State Share)											
National School Lunch Program	100-010-3350-023	6,923	7/1/18-6/30/19	(391)	391	-	-	-	-	-	-
(State Share)											
Total Enterprise Fund Assistance				(391)	5,821	(7,390)	-	(1,960)	-	-	7,390
Total State Financial Assistance				\$ 237,895	\$ 17,104,792	\$ (17,222,832)	\$ -	\$ (259,219)	\$ 379,074	\$ 1,210,211	\$ 17,222,832
<p>State Financial Assistance Programs not subject to Calculation for Major Program Determination:</p> <p>On Behalf TPAF Pension Contribution 2,156,992</p> <p>On Behalf TPAF Medical Contribution 800,204</p> <p>On Behalf TPAF Long Term Disability Insurance Contribution 1,563</p> <p>Total State Financial Assistance subject to Calculation for Major Program Determination</p> <p>\$ (14,264,073)</p>											

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

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Riverside Township Public School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with 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 New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2020. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2020.

Note 3. Relationship to Basic Financial Statements

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

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Note 3. Relationship to Basic Financial Statements (continued):

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(64,012) for the general fund and \$0 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, 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 expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 45,439	\$ 16,454,927	\$ 16,500,366
Special Revenue Fund	1,012,507	696,503	1,709,010
Food Service Fund	440,556	7,390	447,946
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 1,498,502</u>	<u>\$ 17,158,820</u>	<u>\$ 18,657,322</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Riverside Township Public School District had no loan balances outstanding at June 30, 2020.

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued _____ Unmodified _____

Internal control over financial reporting:

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

2) Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

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

2) Significant deficiency(ies) identified? _____ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____	IDEA Cluster: _____
84.027	H027A190100	IDEA Part B Basic
84.173	H173A190114	IDEA Part B Preschool
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dollar threshold used to determine Type A programs _____ \$750,000 _____

Auditee qualified as low-risk auditee? X yes _____ no

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Section I - Summary of Auditor's Results (continued)

State Financial Assistance

Dollar threshold used to determine Type A programs _____ \$750,000 _____

Auditee qualified as low-risk auditee? _____ X _____ yes _____ no

Internal control over major programs:

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

 2) Significant deficiency(ies) identified? _____ yes _____ X _____ no

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

Any audit findings disclosed that are required to be reported
in accordance with New Jersey OMB's Circular 15-08? _____ yes _____ X _____ no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

495-034-5120-078	State Aid- Public
495-034-5120-084	Equalization Aid
495-034-5120-089	Categorical Security Aid
	Categorical Special Education Aid

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Section II – 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 *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

None.

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs

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

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

**RIVERSIDE TOWNSHIP PUBLIC SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, 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 New Jersey OMB's Circular 15-08.

Financial Statement Findings

No Prior Year Findings.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.