

**SCHOOL DISTRICT  
OF**

# **RIVERTON**



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

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2020**

**Comprehensive Annual  
Financial Report**

**of the**

**Riverton Board of Education**

**Riverton, New Jersey**

**For the Fiscal Year Ended June 30, 2020**

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

# RIVERTON SCHOOL DISTRICT

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## **Introductory Section**

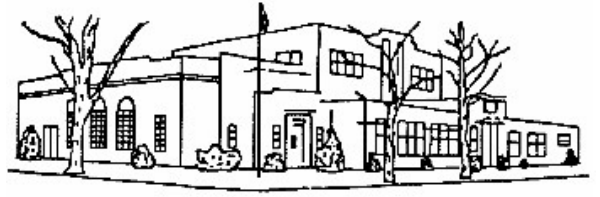
**RIVERTON PUBLIC SCHOOL**

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MARY ELLEN ECK  
*Superintendent*

December 18, 2020

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

Dear Citizens:

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

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

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

The District provides a full range of educational services appropriate to grade levels Preschool (not universal program) through eight. This includes programming for students eligible for special education services, students identified as gifted and talented and others identified as at risk in specific academic areas. It also includes a comprehensive physical education, health, fine arts, music, media, computer and Spanish instruction. The District completed the 2019/2020 fiscal year with an enrollment of 305 students, which is 4 students greater than the previous year's end-of-year enrollment. The budget supports 61 students attending Palmyra High School, our receiving district. The following details the changes in the elementary student enrollment of the District over the last ten years:

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2010-11	282	4.06%
2011-12	288	2.13%
2012-13	286	(0.70%)
2013-14	302	5.59%
2014-15	293	(2.93%)
2015-16	311	6.14%
2016-17	292	(6.11%)
2017-18	295	1.03%
2018-19	301	2.04%
2019-20	305	1.33%

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

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

our district. In addition, facility issues have added to the challenge. We feel confident that our work on the HVAC and roof will sustain our building for many years.

Last March through the present, we are faced with COVID-19 challenges and remote learning. Budgeted funds have been dispersed to support programs and related services to meet the health, safety, and educational needs of our students.

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

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

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

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

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

Riverton School District offers a 2.5 hour Preschool Program (not universal) and a full day Kindergarten Program. The instruction of both programs is thematically based and focuses on academic, social and emotional development.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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


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

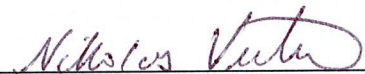
**8. RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

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

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

Respectfully submitted,

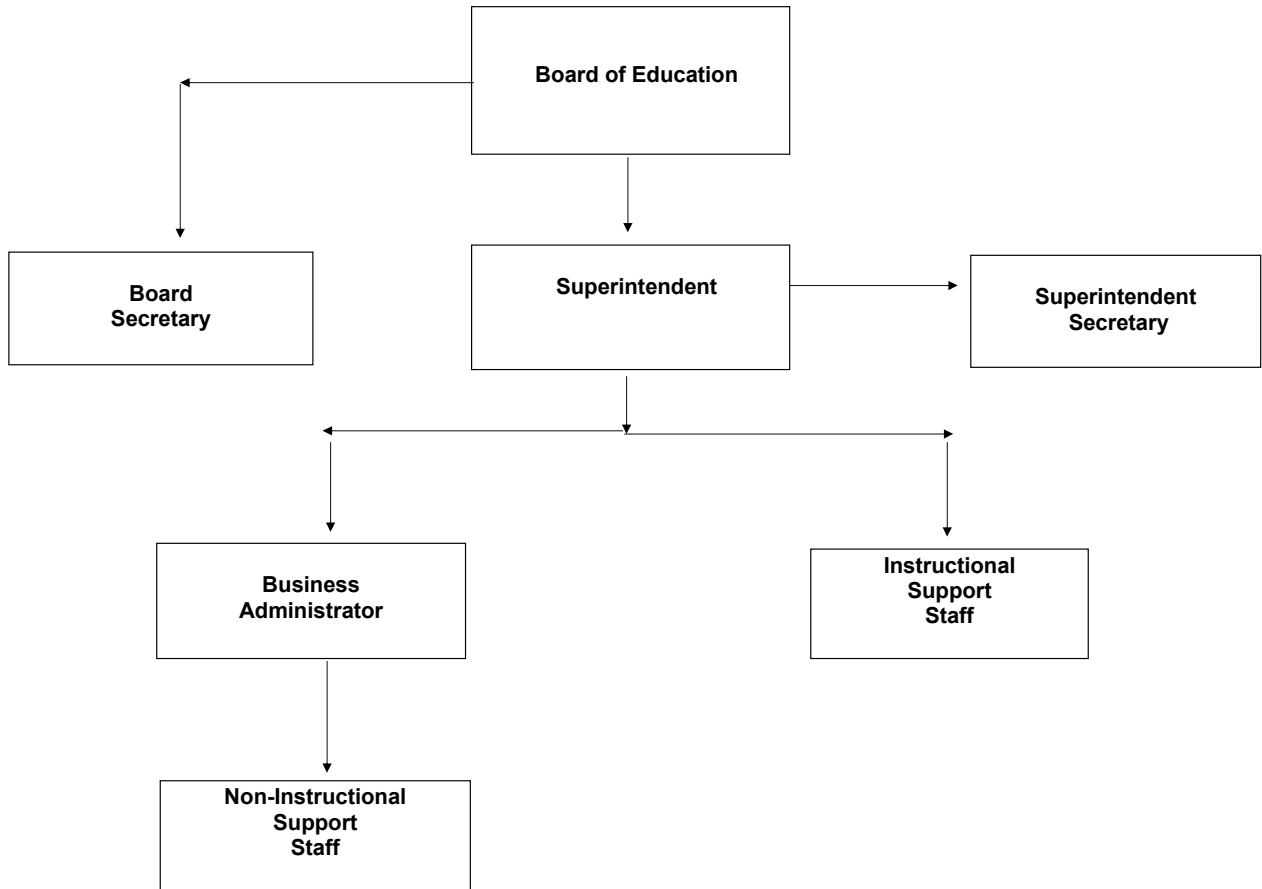
  
\_\_\_\_\_  
Mary Ellen Eck  
Superintendent

  
\_\_\_\_\_  
Nikolas Vrettos  
Board Secretary/Business Administrator



# RIVERTON BOARD OF EDUCATION

## Organizational Chart (UNIT CONTROL)



# RIVERTON SCHOOL DISTRICT

## Roster of Officials

June 30, 2020

### Members of the Board of Education:

### Term Expires

Walter Croft, President	Jan. 2022
Scott Warnock, Vice President	Jan. 2021
JoAnn Corbi	Jan. 2021
Mark DiLeo	Jan. 2023
Jeffrey Elliot	Jan. 2022
Helen Mack	Jan. 2021
Michael V. Sencindiver	Jan. 2022
Robin McGinnis	Jan. 2023
Paul Papenberg	Jan. 2023

### Other Officials:

Mary Ellen Eck, Superintendent  
Nikolas Vrettos, Business Administrator/Board Secretary  
Thomas Egan, Treasurer  
Stephen Mushinski/ Frank Cavallo, Esq. Solicitor

**RIVERTON SCHOOL DISTRICT  
Consultants and Advisors**

**Audit Firm**

Inverso & Stewart, LLC  
651 Route 73 North, Suite 402  
Marlton, NJ 08053

**Attorney**

Stephen J. Mushinski, Esquire  
Frank P. Cavallo, Jr., Esquire  
Parker McCay  
9000 Midlantic Drive, Suite 300  
PO Box 5054  
Mount Laurel, NJ 08054

**Official Depository**

1st Colonial Bank  
1150 Haddon Avenue  
Collingswood, NJ 08108

**Financial Section**

***INVERSO & STEWART, LLC***  
Certified Public Accountants

651 Route 73 North, Suite 402  
Marlton, New Jersey 08053  
(856) 983-2244  
Fax (856) 983-6674  
E-Mail: rinverso@inversocpa.com

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

**INDEPENDENT AUDITOR'S REPORT**

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

***Report on the Financial Statements***

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Riverton School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 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***

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

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

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

## ***Opinions***

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Riverton School District, in the County of Burlington, State of New Jersey, as of June 30, 2020, and the respective changes in financial position and where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability and schedule of the School District's contributions, schedule of the State's proportionate share of the net OPEB liability associated with the School District and changes in the total OPEB liability and related ratios as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Riverton School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey and are not a required part of the basic financial statements. The accompanying schedules of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost principles, and Audit Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated December 18, 2020 on my consideration of the Riverton School District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Riverton School District's internal control over financial reporting and compliance.

***INVERSO & STEWART, LLC***

Certified Public Accountants

A handwritten signature in black ink, appearing to read 'R. P. Inverso', written in a cursive style.

Robert P. Inverso

Certified Public Accountant

Public School Accountant No. CS001095

Marlton, New Jersey  
December 18, 2020

Required Supplementary Information - Part I

Management's Discussion and Analysis



**Riverton School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

As management of the Board of Education of the Borough of Riverton, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 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.

**Financial Highlights**

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$1,795,080 (*net position*).
- Governmental activities have a deficit unrestricted balance of \$710,874. The accounting treatments in the governmental funds for compensated absences payable, net pension liability, and the June state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this minimal amount.
- The total net position of the School District increased by \$98,246, or a 5.73% increase from the prior fiscal year-end balance. The majority of this increase is attributable to the payment of long-term debt including reduction in the compensated absences balance at year end.
- Fund balance of the School District's governmental funds increased by \$130,551 resulting in an ending fund balance of \$1,269,628. This was a result of operations in the general fund.
- Business-type activities have an unrestricted balance of \$9,814, which may be used to meet the School District's ongoing obligations of the Food Service Fund.

**Overview of the Basic Financial Statements**

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

**District-wide Financial Statements**

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

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

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

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

### **Fund Financial Statements**

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

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

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

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

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

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

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

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

## Notes to the Basic Financial Statements

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

### Other Information

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

### District-wide Financial Analysis

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

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2021. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2021.

The assets of the primary government activities exceeded liabilities by \$1,795,080 with a deficit unrestricted balance of \$710,874. The net position of the primary government does not include internal balances.

A balance of \$1,044,929 has been restricted as follows:

Reserve for Encumbrances	\$ 148,420
Reserve for Excess Surplus	39,755
Restricted for Future Maintenance Projects	241,613
Restricted for Tuition	96,000
Restricted for Future Capital Projects	471,858
Restricted for Budget Appropriation	<u>47,283</u>
Total	<u>\$ 1,044,929</u>

**Comparative Summary of Net Position  
As of June 30, 2020 and 2019**

	Governmental Activities		Business-Type Activities		District-Wide	
	2020	2019	2020	2019	2020	2019
<b>ASSETS</b>						
Current assets	\$ 1,324,659	\$ 1,170,074	\$ 14,614	\$ 17,368	\$ 1,339,273	\$ 1,187,442
Capital assets	1,461,025	1,469,287	7,145	9,567	1,468,170	1,478,854
Total assets	<u>2,785,684</u>	<u>2,639,361</u>	<u>21,759</u>	<u>26,935</u>	<u>2,807,443</u>	<u>2,666,296</u>
Deferred Outflows of Resources	<u>146,861</u>	<u>238,130</u>	<u>-</u>	<u>-</u>	<u>146,861</u>	<u>238,130</u>
<b>LIABILITIES</b>						
Current liabilities	91,954	68,153	4,800	4,286	96,754	72,439
Noncurrent liabilities	<u>754,528</u>	<u>826,251</u>	<u>-</u>	<u>-</u>	<u>754,528</u>	<u>826,251</u>
Total liabilities	<u>846,482</u>	<u>894,404</u>	<u>4,800</u>	<u>4,286</u>	<u>851,282</u>	<u>898,690</u>
Deferred Inflows of Resources	<u>290,983</u>	<u>291,943</u>	<u>-</u>	<u>-</u>	<u>290,983</u>	<u>291,943</u>
Net Position	<u>\$ 1,795,080</u>	<u>\$ 1,691,144</u>	<u>\$ 16,959</u>	<u>\$ 22,649</u>	<u>\$ 1,812,039</u>	<u>\$ 1,713,793</u>
Net Position Consists of:						
Invested in Capital Assets	\$ 1,461,025	\$ 1,469,287	\$ 7,145	\$ 9,567	\$ 1,468,170	\$ 1,478,854
Restricted Assets	1,044,929	929,980	-	-	1,044,929	929,980
Unrestricted Assets	<u>(710,874)</u>	<u>(708,123)</u>	<u>9,814</u>	<u>13,082</u>	<u>(701,060)</u>	<u>(695,041)</u>
Net Position	<u>\$ 1,795,080</u>	<u>\$ 1,691,144</u>	<u>\$ 16,959</u>	<u>\$ 22,649</u>	<u>\$ 1,812,039</u>	<u>\$ 1,713,793</u>

**Governmental Activities**

Governmental activities increased the net position of the School District by \$103,936 during the current fiscal year, thereby accounting for almost all the total increase in the net position of the School District. Key elements of the increase in net position for governmental activities are as follows:

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

**Business-type Activities**

Business-type activities decreased the School District's net position by (\$5,690). Operations of the Food Service Fund produced a loss for the current fiscal year.

**Comparative Schedule of Changes in Net Position  
As of and for the Fiscal Year Ended June 30, 2020 and 2019**

	Governmental Activities		Business-Type Activities		District-Wide	
	2020	2019	2020	2019	2020	2019
<b>Revenues:</b>						
Charges for services		\$ -	\$ 26,062	\$ 39,410	\$ 26,062	\$ 39,410
Operating grants and contributions	1,919,230	2,189,660	15,198	15,471	1,934,428	2,205,131
Property taxes	5,500,888	5,393,027	-	-	5,500,888	5,393,027
Debt service taxes		-	-	-	-	-
State aid	535,602	546,699	-	-	535,602	546,699
Other revenues	31,357	40,880	-	-	31,357	40,880
<b>Total Revenues</b>	<b>7,987,077</b>	<b>8,170,266</b>	<b>41,260</b>	<b>54,881</b>	<b>8,028,337</b>	<b>8,225,147</b>
<b>Expenses:</b>						
<b>Governmental Activities:</b>						
Instruction	2,460,555	2,418,689	-	-	2,460,555	2,418,689
Tuition	1,347,677	1,241,432	-	-	1,347,677	1,241,432
Related services	548,075	526,530	-	-	548,075	526,530
Administrative services	460,426	455,554	-	-	460,426	455,554
Operations and Maintenance	504,092	402,668	-	-	504,092	402,668
Transportation	99,572	80,351	-	-	99,572	80,351
Employee benefits	2,455,682	2,790,637	-	-	2,455,682	2,790,637
Interest on debt		-	-	-	-	-
Other	7,062	8,814	-	-	7,062	8,814
<b>Business-Type Activities:</b>						
Food Service	-	-	46,950	65,854	46,950	65,854
<b>Total Expenses</b>	<b>7,883,141</b>	<b>7,924,675</b>	<b>46,950</b>	<b>65,854</b>	<b>7,930,091</b>	<b>7,990,529</b>
Increase (Decrease) in Net Position before transfers	103,936	245,591	(5,690)	(10,973)	98,246	234,618
Transfers	-	-	-	-	-	-
<b>Change in Net Position</b>	<b>103,936</b>	<b>245,591</b>	<b>(5,690)</b>	<b>(10,973)</b>	<b>98,246</b>	<b>234,618</b>
Net Position July 1	1,691,144	1,445,553	22,649	33,622	1,713,793	1,479,175
<b>Net Position June 30</b>	<b>\$ 1,795,080</b>	<b>\$ 1,691,144</b>	<b>\$ 16,959</b>	<b>\$ 22,649</b>	<b>\$ 1,812,039</b>	<b>\$ 1,713,793</b>

**Financial Analysis of the Governmental Funds**

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

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

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$1,269,628, an increase of \$130,551 in comparison with the prior year.

The School District has an unassigned fund balance for the General Fund of \$224,699. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been assigned, as follows: 1) \$148,420 for year-end encumbrances, 2) \$241,613 restricted for future maintenance costs, 3) \$39,755 restricted for future tuition costs, 4) \$471,858 restricted for future capital projects, and 5) excess surplus of \$143,283.

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

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

### General Fund Budgetary Highlights

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

At the end of the current fiscal year, unassigned fund balance (budgetary basis) of the General Fund was \$261,180, while total fund balance (budgetary basis) was \$1,306,109. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total General Fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$6,701,071. Unassigned fund balance (budgetary basis) represents 3.90% of expenditures while total fund balance (budgetary basis) represents 19.49% of that same amount.

### Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental activities as of June 30, 2020, totaled \$1,461,025 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings and equipment. The total decrease in the District's investment in capital assets for the current fiscal year was \$10,684 or a 0.72% decrease.

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

- Depreciation expense for the current fiscal year was \$73,049.
- The District made no various site and building improvements during the current fiscal year.

### Capital Asset (net of accumulated depreciation) June 30, 2020 and 2019

	Governmental Activities		Business-type Activities		District-Wide	
	2020	2019	2020	2019	2020	2019
Land	\$ 649,600	\$ 649,600	\$ -	\$ -	\$ 649,600	\$ 649,600
Site Improvements	26,083	28,988	-	-	26,083	28,988
Building and Building Improvements	652,236	688,865	-	-	652,236	688,865
Equipment	133,106	101,834	7,145	9,567	140,251	111,401
<b>Total</b>	<b>\$ 1,461,025</b>	<b>\$ 1,469,287</b>	<b>\$ 7,145</b>	<b>\$ 9,567</b>	<b>\$ 1,468,170</b>	<b>\$ 1,478,854</b>

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

## **Economic Factors and Next Year's Budgets and Rates**

For the 2020-2021 school year, the School District will be able to sustain its budget through the tax levy, federal aid, state aid, and miscellaneous revenue sources. One of the most important factors affecting the School District's budget is the amount of state aid it will receive in comparison to its enrollment. The 2020-2021 budget was adopted based on a increase of \$58,895 in aid from the State of New Jersey and a \$120,787 increase in school property taxes. Subsequently, the State reduced aid by \$40,179 and the District made a corresponding reduction in appropriations. The School District continues to examine its costs in an effort to prevent additional burden on the taxpayers of the municipality. The 2020 tax rate is \$2.328, an increase of \$.053 from the previous year.

## **Requests for Information**

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

Basic Financial Statements



District-Wide Financial Statements

**RIVERTON SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2020**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 534,714	\$ 14,073	\$ 548,787
Receivables, net			
Intergovernmental	76,474	541	77,015
Other	-	-	-
Restricted Assets:			
Cash and Cash Equivalents	713,471		713,471
Capital assets, net (Note 5)	1,461,025	7,145	1,468,170
Total Assets	<u>2,785,684</u>	<u>21,759</u>	<u>2,807,443</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows of resources from pensions	<u>146,861</u>	<u>-</u>	<u>146,861</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>2,932,545</u>	<u>21,759</u>	<u>2,954,304</u>
<b>LIABILITIES:</b>			
Accounts payable			
Related to pension	36,923	-	36,923
Other	52,451	-	52,451
Unearned revenue	1,200	4,800	6,000
Intergovernmental accounts payable	1,380	-	1,380
Noncurrent liabilities:			
Due within one year	-	-	-
Due beyond one year	754,528	-	754,528
Total Liabilities	<u>846,482</u>	<u>4,800</u>	<u>851,282</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Inflows of resources from pensions	<u>290,983</u>	<u>-</u>	<u>290,983</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<u>1,137,465</u>	<u>4,800</u>	<u>1,142,265</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	1,461,025	7,145	1,468,170
Restricted for:			
Capital projects	471,858	-	471,858
Other purposes	573,071	-	573,071
Unrestricted	<u>(710,874)</u>	<u>9,814</u>	<u>(701,060)</u>
Total Net Position	<u>\$ 1,795,080</u>	<u>\$ 16,959</u>	<u>\$ 1,812,039</u>

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

**RIVERTON SCHOOL DISTRICT**  
**Statement of Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 1,864,838	\$ -	\$ 55,672	\$ -	\$ (1,809,166)	\$ -	\$ (1,809,166)
Special education	424,626		80,770		(343,856)		(343,856)
Other instruction	171,091				(171,091)		(171,091)
Support Services:							
Tuition	1,347,677				(1,347,677)		(1,347,677)
Student & instruction related services	548,075		18,346		(529,729)		(529,729)
General administrative services	460,426				(460,426)		(460,426)
Plant operations and maintenance	504,092				(504,092)		(504,092)
Pupil transportation	99,572				(99,572)		(99,572)
Allocated and unallocated benefits	2,663,647		1,972,407		(691,240)		(691,240)
Interest on long-term debt							
Unallocated depreciation and amortization	7,062				(7,062)		(7,062)
Total Governmental Activities	<u>8,091,106</u>		<u>2,127,195</u>		<u>(5,963,911)</u>		<u>(5,963,911)</u>
Business-Type Activities:							
Food service	46,950	26,062	15,198			(5,690)	(5,690)
Total Business-Type Activities	<u>46,950</u>	<u>26,062</u>	<u>15,198</u>			<u>(5,690)</u>	<u>(5,690)</u>
Total Primary Government	<u>\$ 8,138,056</u>	<u>\$ 26,062</u>	<u>\$ 2,142,393</u>	<u>\$ -</u>	<u>(5,963,911)</u>	<u>(5,690)</u>	<u>(5,969,601)</u>
General revenues:							
Taxes:							
Property taxes levied for general purposes, net					5,500,888		5,500,888
Federal and State aid not restricted					535,602		535,602
Miscellaneous income					31,357		31,357
Total general revenues, special items, extraordinary items and transfers					<u>6,067,847</u>		<u>6,067,847</u>
Change in Net Position					103,936	(5,690)	98,246
Net Position - June 30, 2019					1,691,144	22,649	1,713,793
Net Position - June 30, 2020					<u>\$ 1,795,080</u>	<u>\$ 16,959</u>	<u>\$ 1,812,039</u>

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

Fund Financial Statements

**RIVERTON SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

<b>ASSETS</b>	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Assets:</b>					
Cash and cash equivalents	\$ 534,714	\$ -	\$ -	\$ -	\$ 534,714
Interfund Receivable	62,436	-	-	-	62,436
Receivables from Other Governments:					
Local	37	-	-	-	37
State	11,180	257	-	-	11,437
Federal	-	64,661	-	-	64,661
Restricted cash and cash equivalents	<u>713,471</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>713,471</u>
					-
<b>Total Assets</b>	<u><u>1,321,838</u></u>	<u><u>64,918</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,386,756</u></u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	51,010	1,441	-	-	52,451
Interfund Payable	-	62,097	-	-	62,097
Intergovernmental accounts payable	-	1,380	-	-	1,380
Unearned revenue	<u>1,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,200</u>
<b>Total Liabilities</b>	<u>52,210</u>	<u>64,918</u>	<u>-</u>	<u>-</u>	<u>117,128</u>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Excess surplus	39,755				39,755
Tuition Reserve	96,000				96,000
Reserve for excess surplus designated for subsequent years expenditures	47,283				47,283
Capital reserve	471,858	-	-	-	471,858
Maintenance reserve	241,613	-	-	-	241,613
<b>Assigned to:</b>					
Year-end encumbrances	148,420	-	-	-	148,420
Unassigned	<u>224,699</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>224,699</u>
<b>Total Fund Balances</b>	<u>1,269,628</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,269,628</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 1,321,838</u></u>	<u><u>\$ 64,918</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$3,486,906 and the accumulated depreciation is \$2,025,881. 1,461,025

Accounts payable related to the April 1, 2021 required PERS contribution that is not to be liquidated with current financial resources. (43,962)

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

Deferred Outflows of resources from Pensions	\$ 146,861	
Net Pension Liability	(683,965)	
Deferred Inflows of resources from Pensions	<u>(290,983)</u>	(828,087)

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

Compensated Absences Payable (70,563)

**Net Position of Governmental Activities** \$ 1,788,041

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

**RIVERTON SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2020**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 5,500,888	\$ -	\$ -	\$ -	\$ 5,500,888
Tuition	17,200	-	-	-	17,200
Miscellaneous	14,157	-	-	-	14,157
	<u>5,532,245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,532,245</u>
Total local sources	5,532,245	-	-	-	5,532,245
State sources	1,299,377	5,357	-	-	1,304,734
Federal sources	-	149,431	-	-	149,431
	<u>-</u>	<u>149,431</u>	<u>-</u>	<u>-</u>	<u>149,431</u>
Total Revenues	<u>6,831,622</u>	<u>154,788</u>	<u>-</u>	<u>-</u>	<u>6,986,410</u>
<b>EXPENDITURES:</b>					
Current expense:					
Regular instruction	1,748,661	55,672	-	-	1,804,333
Special education instruction	343,856	80,770	-	-	424,626
Other instruction	171,091	-	-	-	171,091
Support services and undistributed costs:					
Tuition	1,347,677	-	-	-	1,347,677
Student & instruction related services	529,729	18,346	-	-	548,075
General administrative services	294,955	-	-	-	294,955
Central services	150,022	-	-	-	150,022
Admin information technology	8,386	-	-	-	8,386
Plant operations and maintenance	442,300	-	-	-	442,300
Pupil transportation	99,572	-	-	-	99,572
Unallocated benefits	1,447,728	-	-	-	1,447,728
Capital outlay	117,094	-	-	-	117,094
Debt service:					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>6,701,071</u>	<u>154,788</u>	<u>-</u>	<u>-</u>	<u>6,855,859</u>
Excess (deficiency) of revenues over (under) expenditures	130,551	-	-	-	130,551
Fund Balances - July 1, 2019	1,139,077	-	-	-	1,139,077
	<u>1,139,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,139,077</u>
Fund Balances - June 30, 2020	<u>\$ 1,269,628</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,269,628</u>

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

**RIVERTON SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2020**

Total net change in fund balances - governmental funds (from B-2)	\$	130,551
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Governmental Funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Depreciation expense	\$ (70,627)	
Fixed assets additions	62,365	(8,262)
<p>Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		-
<p>Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.</p>		
		-
<p>Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities.</p>		
		(7,287)
<p>In the statement of activities, certain operating expenses, (e.g. compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+)</p>		
		(11,066)
Change in Net Position of Governmental Activities	\$	103,936

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

**RIVERTON SCHOOL DISTRICT**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2020**

	<u><b>Food Service Fund</b></u>
<b>ASSETS:</b>	
Current Assets:	
Cash and cash equivalents	\$ 14,073
Intergovernmental receivables:	
State	8
Federal	533
	14,614
Total current assets	14,614
Non-current assets:	
Machinery and equipment (net of accumulated depreciation)	7,145
Total non-current assets	7,145
Total assets	\$ 21,759
<b>LIABILITIES:</b>	
Current liabilities:	
Accounts payable	\$ -
Unearned revenues	4,800
	4,800
Total Current liabilities	4,800
<b>NET POSITION:</b>	
Net investment in capital assets	7,145
Unrestricted	9,814
	16,959
Total net position	\$ 16,959

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



**RIVERTON SCHOOL DISTRICT**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2020**

	<u>Food Service Fund</u>
<b>Operating Revenues:</b>	
Charges for services:	
Daily sales:	
Reimbursable programs	\$ 21,637
Non-reimbursable programs	<u>4,425</u>
Total operating revenue	<u>26,062</u>
<b>Operating Expenses:</b>	
Salaries and wages	11,450
Supplies and materials	1,353
Cost of sales - reimbursable programs	29,290
Cost of sales - nonreimbursable programs	2,435
Depreciation	2,422
Direct expenses	<u>-</u>
Total operating expenses	<u>46,950</u>
Operating income (loss)	<u>(20,888)</u>
<b>Non-Operating Revenues (Expenses):</b>	
State sources:	
State school lunch program	552
Federal sources:	
National school lunch program	14,646
Miscellaneous	<u>-</u>
Total non-operating revenues	<u>15,198</u>
Income (loss) before contributions and transfers	(5,690)
Contributed Capital	<u>-</u>
Changes in net position	(5,690)
Net Position - July 1, 2019	<u>22,649</u>
Net Position - June 30, 2020	<u><u>\$ 16,959</u></u>

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

**RIVERTON SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2020**

	<u>Food Service Fund</u>
<b>Cash Flows from Operating Activities:</b>	
Cash receipts from customers	\$ 26,576
Cash payments to employees	(11,450)
Cash payments to suppliers for goods and services	(33,078)
	(17,952)
<b>Cash Flows from Non-capital Financing Activities:</b>	
Cash received from state sources	582
Cash received from federal sources	14,831
	15,413
<b>Cash Flows From Capital and Related Financing Activities</b>	
Purchase of capital assets	-
	-
<b>Cash Flow From Investing Activities:</b>	
Interest on cash equivalents	-
	-
Net increase (decrease) in cash and cash equivalents	(2,539)
Cash and cash equivalents - July 1, 2019	16,612
Cash and cash equivalents - June 30, 2020	\$ 14,073
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:</b>	
Operating Income (Loss)	\$ (20,888)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Depreciation	2,422
Increase (decrease) in accounts payable	-
Increase (decrease) in deferred revenues	514
	17,952
Net cash provided by (used for) operating activities	\$ (17,952)
<b>Noncash Non-capital Financing Activities:</b>	
During the year the District did not receive any food commodities from the U.S. Department of Agriculture.	

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

**RIVERTON SCHOOL DISTRICT**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2020**

	<b>Trust Funds</b>			
	<b>Unemployment Compensation Trust</b>	<b>Flexible Benefit Trust</b>	<b>Scholarship Funds</b>	<b>Agency Funds</b>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 81,914	\$ 2,785	\$ 8,594	\$ 62,795
Total Assets	\$ 81,914	\$ 2,785	\$ 8,594	\$ 62,795
 <b>LIABILITIES:</b>				
Interfund Payable	\$ -	\$ -	\$ -	\$ 339
Payroll deductions and withholdings	-	-	-	26,391
Due to student groups	-	-	-	36,065
Total Liabilities	-	-	-	\$ 62,795
 <b>NET POSITION</b>				
Held in trust for claims/scholarships	\$ 81,914	\$ 2,785	\$ 8,594	

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

**RIVERTON SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Flexible Benefits Trust Fund</b>	<b>Unemployment Compensation Insurance Trust Fund</b>	<b>Scholarship Funds</b>
<b>ADDITIONS:</b>			
Contributions	\$ 12,404	\$ 4,918	\$ 400
Total Contributions	12,404	4,918	400
Investment earnings:			
Interest earned	10	388	45
Total Additions	12,414	5,306	445
<b>DEDUCTIONS:</b>			
Claims paid	12,394	34	-
Scholarships	-	-	750
Total Deductions	12,394	34	750
Change in Net Position	20	5,272	(305)
Net Position - July 1, 2019	2,765	76,642	8,899
Net Position - June 30, 2020	<u>\$ 2,785</u>	<u>\$ 81,914</u>	<u>\$ 8,594</u>

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

**Riverton School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity** - The Riverton School District (“School District”) is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board of Education is comprised of nine members elected to three-year terms. These terms are staggered so that three member’s terms expire each year. The purpose of the School District is to provide educational services for resident students in grades K through 8. Student in grades 9 through 12 attend the Palmyra School District, on a tuition basis. The Riverton School District has an approximate enrollment at June 30, 2020 of 303 students.

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

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

**Basis of Presentation**

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

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

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

**Riverton School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

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

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

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

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

**Riverton School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Proprietary Funds (Continued) –**

The School District’s enterprise funds are:

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

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

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

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

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

**Measurement Focus**

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

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

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

**Riverton School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Accounting**

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

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

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

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

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

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

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



**Riverton School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

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

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

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

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

**Tuition Payable** - Tuition charges for the fiscal years ended June 30, 2020 and 2019 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

**Riverton School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

**Prepaid Expenses** - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2020.

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

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

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

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

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

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

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

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

**Riverton School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

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

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

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

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

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

**Riverton School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Nonspendable** – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2020.

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

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

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

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

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

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

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

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

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

**Riverton School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Recently Issued Accounting Pronouncements** - In January 2017, the GASB issued Statement 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is currently evaluating the impact of the adoption of this Statement on the District's financial statements.

In June 2017, the GASB issued Statement 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is currently evaluating the impact of the adoption of this Statement on the District's financial statements.

In June 2018, the GASB issued Statement 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is currently evaluating the impact of the adoption of this Statement on the District's financial statements.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. This Statement should have no impact on the District's financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objectives of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after December 15, 2022. This Statement should have no impact on the District's financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosure regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is currently evaluating the impact of the adoption of this Statement on the District's financial statements.

**Riverton School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**2. CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** – Custodial credit risk refers to the risk that, in the event of a bank failure, the School District’s deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17.9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District’s amount on deposit of \$1,797,417 as of June 30, 2020, \$250,000 was insured under FDIC and the remaining balance of \$1,547,417 was collateralized under GUDPA.

**3. CAPITAL RESERVE ACCOUNT**

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

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

Balance July 1, 2019		\$	501,400
Increased by:			
Interest Earned	\$		2,475
Unspent Budget Appropriation			183,355
Board Resolution			103,000
			288,830
			790,230
Decreased by:			
Board Resolution			318,372
Balance June 30, 2020		\$	471,858

The June 30, 2020 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

**4. ACCOUNTS RECEIVABLES**

Accounts receivables at June 30, 2020 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

**Riverton School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**4. ACCOUNTS RECEIVABLES (Continued)**

Accounts receivable at June 30, 2020 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Proprietary Fund	Total
Intergovernmental				
State	\$ 11,180	\$ 257	\$ 8	\$ 11,445
Federal		64,661	533	65,194
Other	37		-	37
<b>Total</b>	<b>\$ 11,217</b>	<b>\$ 64,918</b>	<b>\$ 541</b>	<b>\$ 76,676</b>

**5. CAPITAL ASSETS**

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

	<b>Balance June 30, 2019</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance June 30, 2020</b>
<b>Governmental Activities:</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 649,600	\$ -	\$ -	\$ 649,600
Construction in progress				
Total capital assets, not being depreciated	649,600			649,600
<i>Capital Assets, being depreciated:</i>				
Site Improvements	82,054			82,054
Building and Building Improvements	1,877,176			1,877,176
Equipment	815,711	62,365		878,076
Totals at historical cost	2,774,941	62,365		2,837,306
<i>Less Accumulated Depreciation:</i>				
Site Improvements	53,066	2,905		55,971
Building and Building Improvements	1,188,311	36,629		1,224,940
Equipment	713,877	31,093		744,970
Totals accumulated depreciation	1,955,254	70,627		2,025,881
Total Capital Assets, being depreciated, net	819,687	(8,262)		811,425
Governmental Activities Capital Assets, Net	<u>\$ 1,469,287</u>	<u>\$ (8,262)</u>	<u>\$ -</u>	<u>\$ 1,461,025</u>
<b>Business-Type Activities:</b>				
<i>Capital Assets, being depreciated:</i>				
Equipment	\$ 21,951	\$ -	\$ -	\$ 21,951
<i>Less Accumulated Depreciation:</i>	12,384	2,422	-	14,806
Governmental Activities Capital Assets, Net	<u>\$ 9,567</u>	<u>\$ (2,422)</u>	<u>\$ -</u>	<u>\$ 7,145</u>

**Riverton School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**5. CAPITAL ASSETS (Continued)**

Depreciation expense in the amount of \$70,627 was charged to governmental functions as follows:

<b>Function</b>	<b>Amount</b>
Regular Instruction	\$ 49,439
General Administration	7,063
Plant Operations and Maintenance	7,063
Unallocated	7,062
 Total depreciation expense	 \$ 70,627

**6. LONG-TERM OBLIGATIONS**

During the fiscal year ended June 30, 2020, the following changes occurred in long-term obligations:

	<b>Principal Outstanding June 30, 2019</b>	<b>Additions</b>	<b>Reductions</b>	<b>Principal Outstanding June 30, 2020</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
Compensated Absences	\$ 59,497	\$ 11,066	\$ -	\$ 70,563	\$ -
Net Pension Liability	766,754	-	82,789	683,965	-
	\$ 826,251	\$ 11,066	\$ 82,789	\$ 754,528	\$ -

As of June 30, 2020, the School District had no authorizations to issue additional bonded debt.

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

**7. OPERATING LEASES**

As of June 30, 2020, the School District had operating lease agreements in effect for copy machines. Total rental payments for such leases were \$14,723 for the fiscal year ended June 30, 2020. The future minimum lease payments for these leases are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Amount</b>
2021	\$ 11,460
2022	11,460
2023	11,460
2024	11,460
2025	10,505
	\$ 56,345



**Riverton School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**8. PENSION PLANS**

**Description of Plans** – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS). In addition, several School District employees participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

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

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

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

The following represents the membership tiers for TPAF:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 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 1/55<sup>th</sup> 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 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for their respective tier.

*Contributions* - The contribution requirements of plan members are determined by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the member contribution rate was 7.50% in State fiscal year 2020. 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.

**Riverton School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

**8. PENSION PLANS (Continued)**

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

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

The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2020 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2020 was \$415,623 and was paid by April 1, 2020. School District employee contributions to the pension plan during the fiscal year ended June 30, 2020 were \$177,143.

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

At June 30, 2020, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

For the year ended June 30, 2020, the School District recognized pension expense of \$748,259 and revenue of \$748,259 for support provided by the State. Although the School District does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the School District.

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

	<u>06/30/19</u>	<u>06/30/18</u>
Collective deferred outflows of resources	\$ 9,932,767,606	\$ 12,473,998,870
Collective deferred inflows of resources	17,539,845,423	16,180,773,643
Collective net pension liability (Non-Employer – State of New Jersey)	61,519,112,443	63,617,852,031
State's portion of the net pension liability that was associated with the School District	12,686,073	13,822,723
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.0206711394%	.0215827991%

*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.

**Riverton School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

**8. PENSION PLANS (Continued)**

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

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55- 4.45%
	based on years of service
Thereafter	2.75 – 5.65%
	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 tables 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:

<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%
US 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>	

**Riverton School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

**8. PENSION PLANS (Continued)**

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

*Discount rate.* The discount rate used to measure the State's total pension liability was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) will be based on 70% of the actuarially determined contributions for the State. 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. As such, the proportionate share of the net pension liability as of June 30, 2019, the pension plans measurement date, attributable to the School District is \$0.00, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 5.60%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.60%) or 1 percentage point higher (6.60%) that the current rate:

	<b>1% Decrease (4.60%)</b>	<b>Current Discount Rate (5.60%)</b>	<b>1% Increase (6.60%)</b>
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	14,959,688	12,686,073	10,799,691
	\$ 14,959,688	\$ 12,686,073	\$ 10,799,691

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

**Public Employees' Retirement System (PERS)**

*Plan Description* - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting Membership in the PERS is mandatory for substantially all full-time employees of the Authority, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS. For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR), which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

*Vesting and Benefit Provisions* - 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 medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

**Riverton School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

**8. PENSION PLANS (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 with 25 or more years of service credit before age 62, 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 their respective tier.

*Contributions* - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. The member contribution rate was 7.50% in State fiscal year 2019. Employers' contribution amounts are based on an actuarially determined rate. The School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2020 was 11.70% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2019, the School Districts contractually required contribution to the pension plan for the fiscal year ended June 30, 2020 was \$37,156 and was paid by April 1, 2020. School District employee contributions to the pension plan during the fiscal year ended June 30, 2020 were \$24,165.

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

Fiscal Year	Normal Contributions	Accrued Liability	Non Contributory Life	Long-Term Disability	Total Liability Paid by District
2020	\$ 3,417	\$ 31,618	\$ 1,888	\$ 233	\$ 37,156
2019	4,841	32,133	1,761	338	39,073
2018	4,348	27,074	1,610	749	33,781

**Riverton School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

**8. PENSION PLANS (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

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

At June 30, 2020, the School District reported a liability of \$683,965 for its proportionate share of the net pension liability. 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. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

For the year ended June 30, 2020, the School District recognized pension expense of \$44,443. At June 30, 2020, the School District reported a liability of \$683,965 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,276	\$ 3,021
Changes of assumptions	68,296	237,402
Net Difference between projected and actual earnings on pension plan investments		10,797
Changes in proportion	66,289	39,763
District contributions subsequent to the measurement date	43,962	
<b>Total</b>	<b>\$ 190,823</b>	<b>\$ 290,983</b>

\$43,962 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2020, the plan measurement date is June 30, 2020) will be recognized as a reduction of the net liability in the year ended June 30, 2020.

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

For the year ended:	Net Deferred Outflows (Inflows) of Resources
2021	\$ (21,846)
2022	(47,102)
2023	(32,358)
2024	(38,465)
2025	(4,351)
<b>Total</b>	<b>\$ (144,122)</b>

**Riverton School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**8. PENSION PLANS (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 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, 2015	5.00	5.00
June 30, 2016	5.00	5.00
June 30, 2017	5.00	5.00
June 30, 2018	5.00	5.00
June 30, 2019	5.00	5.00

**Additional Information**

Collective balances at June 30, 2019 and 2018 are as follows:

	<u>6/30/2019</u>	<u>6/30/2018</u>
Collective deferred outflows of resources	\$ 3,149,522,616	\$ 4,684,852,302
Collective deferred inflows of resources	\$ 7,645,087,574	\$ 7,646,736,226
Collective net pension liability	\$ 18,143,832,135	\$ 19,689,501,539
School District's Proportion	.0037959076%	.0038942293%

*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.

**Riverton School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

**8. PENSION PLANS (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

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

Inflation rate:	
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 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.

*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.



**Riverton School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

**8. PENSION PLANS (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
US 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%
Total	100.00%	

*Discount rate.* The discount rate used to measure the State's total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 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 measured 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 (5.28%) or 1 percentage point higher (7.28%) than the current rate:

	<u>1% Decrease (5.28%)</u>	<u>Current Discount Rate (6.28%)</u>	<u>1% Increase (7.28%)</u>
School District's proportionate share of the net pension liability	\$ 863,959	\$ 683,965	\$ 532,295

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

**Riverton School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

**8. PENSION PLANS (Continued)**

**Defined Contribution Retirement Program (DCRP)**

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

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

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

<u>Fiscal Year</u>	<u>Total Liability</u>	<u>School District</u>
2020	\$ 8,185	\$ 8,185
2019	6,216	6,216
2018	898	898

**9. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**Plan Description and Benefits Provided**

The State Health Benefit Local Education Retired Employees Plan (the “OPEB Plan”) is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated io. 75 – Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the “Division”) and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publicly available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

**Riverton School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

**9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

**Contributions**

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey (the “State”) 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 Teacher’s Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen Retirement System (PFRS). 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.

**Plan Membership**

As of June 30, 2018, the program membership consisted of the following:

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
	364,943

**Total Non-Employer OPEB Liability**

The State of New Jersey, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB Plan for qualified retired PERRS, TPAF and PFRS participants. The School Districts’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

*Actuarial assumptions and other imputes* - The total nonemployer OPEB liability as of the June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member enrolled in.

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

Inflation rate	2.50%		
	TPAF/ABP	PERS	PFRS
Salary Increases Through 2026	1.55 – 3.05% based on years of service	2.00 – 6.00% based on age	3.25 – 15.25% based on age
Thereafter	1.55 - 3.05% based on years of service	3.00 - 7.00% based on age	3.10 - 9.98% based on age

**Riverton School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

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

*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 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.

**Changes in the Total Nonemployer OPEB Liability**

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

	Total OPEB Liability
Balance as of June 30, 2018	\$ 10,433,407
Changes for the years'	
Service Cost	365,690
Interest	412,520
Changes of benefit terms	
Differences between expected and actual experience	(1,603,002)
Changes in assumptions	141,165
Gross Benefit Payments	(290,632)
Contributions from the Non-employer	N/A
Contributions from the Member	8,615
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	\$ (965,644)
Balance at 06/30/2019	\$ 9,467,763

**Riverton School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

**9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

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

	<u>1% Decrease (2.50%)</u>	<u>Current Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 11,185,170	\$ 9,467,763	\$ 8,103,549

**Sensitivity of the total nonemployer OPEB liability to changes in the healthcare cost trend rate** - The following presents the total nonemployer OPEB liability as of June 30, 2019, associated with the School District, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage -point lower or 1percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 11,490,625	\$ 9,467,763	\$ 76,783

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

For the year ended June 30, 2020, the School District recognized \$207,965 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB Expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2019 measurement date.

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

At June 30, 2020, the State's proportionate share of the total nonemployer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with the School District, from the following sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ -	\$ 2,378,897
Changes of assumptions	-	1,924,344
Total	\$ -	\$ 4,303,241

**Riverton School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

**9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

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

For the year ended:		
2020	\$	(577,773)
2021		(577,773)
2022		(577,773)
2023		(577,773)
2024		(577,773)
Therafter		(1,414,378)
Total	\$	(4,303,243)

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

**10. ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2020, the School District has recognized as revenues and expenditures on-behalf payments made by the state for normal retirement costs, post-retirement medical costs and long-term disability insurance related to TPAF, in the fund statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs and long-term disability insurance were \$434,503, \$161,193, and \$233. In addition, \$167,846 on-behalf payments were made by the state for the employer’s share of social security contributions for TPAF members, as calculated on their base salaries.

**11. RISK MANAGEMENT**

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

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

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

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

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

**New Jersey Unemployment Compensation Insurance** - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State.

**Riverton School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**11. RISK MANAGEMENT (Continued)**

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020	\$ -	\$ 4,918	\$ 388	\$ 34	\$ 81,914
2019	-	4,950	341	49	76,642
2018	-	4,773	210	2,470	71,400

**12. DEFERRED COMPENSATION**

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

**13. FLEXIBLE BENEFITS PROGRAM**

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020	\$ -	\$ 12,403	\$ 10	\$ 12,393	\$ 2,785
2019	-	67,105	11	65,379	2,765
2018	-	8,017	5	8,580	1,028

**14. COMPENSATED ABSENCES**

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

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

**Riverton School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

**14. COMPENSATED ABSENCES (Continued)**

Upon retirement employees shall be paid by the School District for the unused sick leave in accordance with the School District's agreements with the various employee unions.

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2020, the liability for compensated absences in the governmental activities was \$70,563.

**15. INTERFUND BALANCES AND TRANSFERS**

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2021. The following interfund balances were recorded on the various balance sheets as of June 30, 2020:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 62,436	\$ -
Special Revenue	-	62,097
Fiduciary Fund	-	339
	<u>\$ 62,436</u>	<u>\$ 62,436</u>

**16. CONTINGENCIES**

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

At June 30, 2020, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, deferred revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

**17. TAX ABATEMENTS**

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

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

As of December 31, 2019, the Borough of Riverton had no tax abatements.



**Riverton School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**18. DEFICIT UNRESTRICTED NET POSITION**

As of June 30, 2020, a deficit of \$710,874 existed in the Unrestricted Net Position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Position reported on Exhibited A-1 is as follows:

Balances, June 30, 2020:	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds)	
Unassigned	\$ 224,699
Liabilities:	
Net Pension Differences	(865,010)
Compensated Absences	(70,563)
Unrestricted Net Position (Deficit)	\$ (710,874)

**19. FUND BALANCES**

*RESTRICTED*

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

**General Fund:**

**Excess Surplus** – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020 is \$39,755 presented on the budgetary basis of accounting (Exhibit C-1). Additionally, \$47,283 of excess fund balance generated during the 2018-2019 fiscal year has been restricted and designated for utilization in the 2020-2021 budget.

**Capital Reserve** – As of June 30, 2020, the balance in the capital reserve account is \$471,858. This amount is restricted for future capital outlay expenditures for capital projects in the School District’s approved Long-Range Facilities Plan.

**Maintenance Reserve Account** – As of June 30, 2020, the balance in the maintenance reserve account is \$241,613. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

**Tuition Reserve** – In accordance with N.J.A.C. 6A:23-3.1(f)(8), the School District has restricted fund balance at June 30, 2020 in the amount of \$96,000 for tuition adjustments. This reserve represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated cost of the respective contract year.

**Riverton School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**19. FUND BALANCES (Continued)**

*ASSIGNED*

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

**General Fund:**

**Other Purposes** – As of June 30, 2020 the School District has \$148,420 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

*UNASSIGNED*

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

**General Fund** – As of June 30, 2020, \$224,699 of general fund balance was unassigned.

**20. SUBSEQUENT EVENTS**

COVID-19 - the management of the School District has evaluated its financial statements for subsequent events through the date that the financial statements were issued. As a result of the spread of the COVID-19 coronavirus in New Jersey, economic uncertainties have arisen which could negatively impact the financial position of the School District. While the impact that COVID-19 will have is currently expected to be temporary, as of the date of the financial statements, the related financial impact and duration cannot be reasonably estimated.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

**RIVERTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local Tax Levy	\$ 5,500,888	\$ -	\$ 5,500,888	\$ 5,500,888	\$ -
Tuition - from other sources	21,700	-	21,700	17,200	(4,500)
Interest on capital reserve	300	-	300	2,475	2,175
Unrestricted misc. revenues	2,000	-	2,000	11,682	9,682
<b>Total local sources</b>	<b>5,524,888</b>	<b>-</b>	<b>5,524,888</b>	<b>5,532,245</b>	<b>7,357</b>
State sources:					
Special education aid	204,103	-	204,103	204,103	
Equalization aid	262,501	-	262,501	262,501	
Transportation aid	19,613	-	19,613	19,613	
Security aid	33,553	-	33,553	33,553	
Extraordinary aid				11,180	11,180
On-behalf TPAF pension contrib. (non-budgeted)				434,503	434,503
On-behalf TPAF post retirement medical (non-budgeted)				161,193	161,193
On-behalf TPAF - LTDI (non-budgeted)				233	233
Reimbursed TPAF social security contribution (non-budgeted)				167,846	167,846
<b>Total state sources</b>	<b>519,770</b>	<b>-</b>	<b>519,770</b>	<b>1,294,725</b>	<b>774,955</b>
<b>TOTAL REVENUES</b>	<b>6,044,658</b>	<b>-</b>	<b>6,044,658</b>	<b>6,826,970</b>	<b>782,312</b>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of teachers					
Preschool	21,410	(3,792)	17,618	17,617	1
Kindergarten	181,327	(1,804)	179,523	178,587	936
Grades 1-5	980,422	(10,900)	969,522	958,862	10,660
Grades 6-8	433,087	23,398	456,485	455,516	969
Regular Programs - Home Instruction:					
Salaries of teachers	600	-	600		600
Purchased professional - educational services	200	-	200		200
Regular Programs - Undistributed Instruction:					
Purchased professional - educational services	9,161	(600)	8,561	3,949	4,612
Purchased technical services	7,900	-	7,900	7,423	477
Other purchased services	1,374	-	1,374	1,374	
General supplies	56,503	57,375	113,878	92,260	21,618
Textbooks	32,972	-	32,972	29,125	3,847
Other objects	7,000	-	7,000	3,948	3,052
<b>Total - Regular Programs - Instruction</b>	<b>1,731,956</b>	<b>63,677</b>	<b>1,795,633</b>	<b>1,748,661</b>	<b>46,972</b>

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**RIVERTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2020**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education Instruction:					
Resource room/resource center:					
Salaries of teachers	\$ 225,710	\$ (2,449)	\$ 223,261	\$ 221,348	\$ 1,913
Other salaries for instruction	99,923	(8,921)	91,002	90,390	612
General supplies	2,200	(8)	2,192	1,002	1,190
Textbooks	400	-	400	41	359
Total resource room/resource center	<u>328,233</u>	<u>(11,378)</u>	<u>316,855</u>	<u>312,781</u>	<u>4,074</u>
Preschool disabilities - Part time:					
Salaries of teachers	15,773	3,792	19,565	19,401	164
Other salaries for instruction	18,124	(6,177)	11,947	10,884	1,063
General supplies	300	177	477	476	1
Total preschool disabilities - part time	<u>34,197</u>	<u>(2,208)</u>	<u>31,989</u>	<u>30,761</u>	<u>1,228</u>
Home Instruction:					
Salaries of teachers	2,000	-	2,000	315	1,685
Purchased professional-educational services	2,000	(1,406)	594	-	594
Total home instruction	<u>4,000</u>	<u>(1,406)</u>	<u>2,594</u>	<u>315</u>	<u>2,279</u>
Total Special Education - Instruction	<u>366,430</u>	<u>(14,992)</u>	<u>351,438</u>	<u>343,857</u>	<u>7,581</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers	107,529	(10,201)	97,328	97,328	
General supplies	800	2,364	3,164	1,755	1,409
Total basic skills/remedial - instruction	<u>108,329</u>	<u>(7,837)</u>	<u>100,492</u>	<u>99,083</u>	<u>1,409</u>
School-Sponsored Cocurricular Act - Instruction:					
Salaries	59,165	796	59,961	59,961	
Purchased services	5,760	691	6,451	6,451	
Supplies and materials	4,000	974	4,974	4,974	
Total school-sponsored cocurr. act. - instruct.	<u>68,925</u>	<u>2,461</u>	<u>71,386</u>	<u>71,386</u>	
Summer School - Instruction:					
Salaries	2,966	(168)	2,798	622	2,176
Purchased professional-technical services	1,800	(1,294)	506		506
Total summer school - instruction	<u>4,766</u>	<u>(1,462)</u>	<u>3,304</u>	<u>622</u>	<u>2,682</u>
Total Instruction	<u>2,280,406</u>	<u>41,847</u>	<u>2,322,253</u>	<u>2,263,609</u>	<u>58,644</u>

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**RIVERTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2020**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - reg.	\$ 676,276	\$ 8,647	\$ 684,923	\$ 684,923	\$ -
Tuition to other LEAs within the state - spec	326,506	(63,972)	262,534	262,534	
Tuition to county vocational school - reg	44,824	-	44,824	44,824	
Tuition to county vocational school - special	20,688	-	20,688	20,688	
Tuition to CSSD & Reg. Day schools	107,350	(54,457)	52,893	52,893	
Tuition to priv. sch. for the disabled in state	233,256	70,366	303,622	281,815	21,807
Total undistributed expenditures - instruction	<u>1,408,900</u>	<u>(39,416)</u>	<u>1,369,484</u>	<u>1,347,677</u>	<u>21,807</u>
Attendance and Social Work Services:					
Salaries	4,900	102	5,002	5,002	
Purchased professional and technical services	2,750	-	2,750	2,734	16
Total Attendance and Social Work Services	<u>7,650</u>	<u>102</u>	<u>7,752</u>	<u>7,736</u>	<u>16</u>
Health Services:					
Salaries	62,765	341	63,106	61,468	1,638
Purchased professional and technical services	1,550	-	1,550	700	850
Other purchased services	305	-	305	297	8
Supplies and materials	3,085	-	3,085	1,996	1,089
Total health services	<u>67,705</u>	<u>341</u>	<u>68,046</u>	<u>64,461</u>	<u>3,585</u>
Speech, OT, PT & Related Services					
Salaries	66,461	(2,064)	64,397	64,205	192
Purchased professional - educational services	42,568	2,064	44,632	38,619	6,013
Supplies and materials	1,500	-	1,500	626	874
Total speech, ot, pt, & related services	<u>110,529</u>	<u>-</u>	<u>110,529</u>	<u>103,450</u>	<u>7,079</u>
Guidance:					
Other Objects	3,200	-	3,200	586	2,614
Total guidance	<u>3,200</u>	<u>-</u>	<u>3,200</u>	<u>586</u>	<u>2,614</u>
Child Study Teams:					
Salaries of other professional staff	149,582	5,372	154,954	154,954	
Salaries of secretarial and clerical assistants	30,450	-	30,450	30,450	
Purchased professional - educational services	42,728	-	42,728	39,449	3,279
Other purchased professional and tech services	7,450	-	7,450	7,360	90
Misc. purchased services	800	-	800	152	648
Supplies and materials	3,500	-	3,500	2,487	1,013
Total child study teams	<u>234,510</u>	<u>5,372</u>	<u>239,882</u>	<u>234,852</u>	<u>5,030</u>

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**RIVERTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2020**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Improvement of Instructional Services:</b>					
Salaries of supervisor of instruction	\$ 23,700	\$ (1,834)	\$ 21,866	\$ 16,200	\$ 5,666
Salaries of other professional staff	24,000	5,834	29,834	29,834	
Purchased professional - educational services	2,630	(1,000)	1,630	1,473	157
Other purchased services (400-500 series)		42	42	42	
Supplies and materials	800	(87)	713	-	713
<b>Total improvement of instructional services</b>	<b>51,130</b>	<b>2,955</b>	<b>54,085</b>	<b>47,549</b>	<b>6,536</b>
<b>Educational Media Services/School Library:</b>					
Salaries	50,954	743	51,697	51,652	45
Salaries of Technology Coordinators	4,281	-	4,281	4,193	88
Purchased professional and technical services	423	3	426	426	
Other purchased services (400-500 series)	1,345	(100)	1,245	1,043	202
Supplies and materials	3,500	1,837	5,337	5,337	
<b>Total educational media services/school library</b>	<b>60,503</b>	<b>2,483</b>	<b>62,986</b>	<b>62,651</b>	<b>335</b>
<b>Instructional Staff Training Services:</b>					
Purchased professional - educational services	8,000	(1,966)	6,034	6,034	
Other purchased services	4,000	100	4,100	2,183	1,917
Supplies and materials	350	-	350	228	122
<b>Total instructional staff training services</b>	<b>12,350</b>	<b>(1,866)</b>	<b>10,484</b>	<b>8,445</b>	<b>2,039</b>
<b>Support Services - General Administration:</b>					
Salaries	237,947	(1,923)	236,024	223,486	12,538
Legal services	9,000	(1,840)	7,160	5,527	1,633
Audit Fees	22,900	-	22,900	22,800	100
Other purchased professional services	3,953	(1,121)	2,832	2,393	439
Communications / telephone	13,104	(206)	12,898	11,863	1,035
Miscellaneous purchased services	13,495	(2,530)	10,965	10,825	140
General supplies	4,800	7,029	11,829	11,754	75
Miscellaneous expenditures	7,350	(472)	6,878	6,306	572
<b>Total support services - general administration</b>	<b>312,549</b>	<b>(1,063)</b>	<b>311,486</b>	<b>294,954</b>	<b>16,532</b>
<b>Central Services</b>					
Salaries	120,500	9,571	130,071	126,589	3,482
Purchased professional services	17,965	857	18,822	18,600	222
Miscellaneous purchased services	1,500	(47)	1,453	1,453	
General supplies	3,070	(640)	2,430	2,430	
Miscellaneous expenditures	1,000	(50)	950	950	
<b>Total Central Services</b>	<b>144,035</b>	<b>9,691</b>	<b>153,726</b>	<b>150,022</b>	<b>3,704</b>
<b>Admin Information Technology</b>					
Salaries	8,562	(120)	8,442	8,386	56
<b>Total Admin Info Technology</b>	<b>8,562</b>	<b>(120)</b>	<b>8,442</b>	<b>8,386</b>	<b>56</b>
<b>Required Maintenance School Facilities:</b>					
Cleaning, repair and maintenance services	99,000	8,696	107,696	96,586	11,110
General supplies	2,000	42,656	44,656	36,255	8,401
<b>Total required maintenance school facilities</b>	<b>101,000</b>	<b>51,352</b>	<b>152,352</b>	<b>132,841</b>	<b>19,511</b>

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**RIVERTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2020**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Custodial Services:</b>					
Salaries	\$ 133,932	\$ (9,082)	\$ 124,850	\$ 123,216	\$ 1,634
Salaries of non-instructional aides	15,345	435	15,780	14,212	1,568
Purchased prof. and technical services	33,561	(2,804)	30,757	30,757	
Cleaning, repair and maintenance services	1,027	-	1,027	940	87
Rental of land & bldg. other than lease purch.	1,800	-	1,800	1,800	
Other purchased property services	2,500	-	2,500	2,375	125
Insurance	51,490	(5,710)	45,780	45,750	30
Misc. purchased services	500	(500)	-	-	
General Supplies	27,471	(4,676)	22,795	19,848	2,947
Other Objects	125	700	825	525	300
Energy (Electricity)	66,000	(10,856)	55,144	55,144	
Energy (Heat)	15,500	(6,194)	9,306	9,306	
Energy (Gasoline)	400	200	600	592	8
<b>Total custodial services</b>	<b>349,651</b>	<b>(38,487)</b>	<b>311,164</b>	<b>304,465</b>	<b>6,699</b>
<b>Security:</b>					
General Supplies	2,000	2,993	4,993	4,993	
<b>Total Security</b>	<b>2,000</b>	<b>2,993</b>	<b>4,993</b>	<b>4,993</b>	<b>-</b>
<b>Total operation &amp; maint. of plant services</b>	<b>452,651</b>	<b>15,858</b>	<b>468,509</b>	<b>442,299</b>	<b>26,210</b>
<b>Student Transportation Services:</b>					
Contr. serv. (between home & sch) - Joint Agree.	29,226	(6,876)	22,350	20,961	1,389
Contr. Serv. (Spl. Ed. Students) - Joint Agree.	95,379	(4,390)	90,989	78,611	12,378
<b>Total student transportation services</b>	<b>124,605</b>	<b>(11,266)</b>	<b>113,339</b>	<b>99,572</b>	<b>13,767</b>
<b>Unallocated Benefits - Employee Benefits:</b>					
Group Insurance	3,285	500	3,785	3,655	130
Social security contributions	56,708	951	57,659	57,659	
Other retirement contri. - PERS	45,706	(2,179)	43,527	37,201	6,326
Other retirement contri. - regular	4,993	1,109	6,102	6,102	
Health benefits	662,001	(65,712)	596,289	534,544	61,745
Tuition reimbursement	8,000	-	8,000	3,000	5,000
Other employee benefits	18,866	22,927	41,793	41,792	1
<b>Total unallocated benefits</b>	<b>799,559</b>	<b>(42,404)</b>	<b>757,155</b>	<b>683,953</b>	<b>73,202</b>
On-behalf TPAF pension contr. (non-budgeted)				434,503	(434,503)
On-behalf TPAF post retirement medical (non-budgeted)				161,193	(161,193)
On-behalf TPAF - LTDI (non-budgeted)				233	(233)
Reimbursed TPAF social security contr. (non-budgeted)				167,846	(167,846)
<b>Total Undistributed Expenditures</b>	<b>3,798,438</b>	<b>(59,333)</b>	<b>3,739,105</b>	<b>4,320,368</b>	<b>(581,030)</b>
<b>Total General Current Expense</b>	<b>6,078,844</b>	<b>(17,486)</b>	<b>6,061,358</b>	<b>6,583,977</b>	<b>(522,386)</b>
<b>CAPITAL OUTLAY:</b>					
<b>Equipment:</b>					
Undist. expend. - instruction	13,000	17,485	30,485	30,485	
Undist. expend. - required maintenance	-	-	-	-	
<b>Total Equipment</b>	<b>13,000</b>	<b>17,485</b>	<b>30,485</b>	<b>30,485</b>	<b>-</b>
<b>Facilities Acquisition and Construction Services</b>					
Legal Services		6,143	6,143	6,143	
Architectural/Engineering Services	44,492	-	44,492	11,938	32,554
Construction Services	357,425	(6,142)	351,283	59,875	291,408
Assessment for Debt Service on SDA Funding	8,653	-	8,653	8,653	
<b>Total Equipment</b>	<b>410,570</b>	<b>1</b>	<b>410,571</b>	<b>86,609</b>	<b>323,962</b>
<b>Total Capital Outlay</b>	<b>423,570</b>	<b>17,486</b>	<b>441,056</b>	<b>117,094</b>	<b>323,962</b>

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**RIVERTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2020**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL EXPENDITURES	<u>\$ 6,502,414</u>	<u>\$ -</u>	<u>\$ 6,502,414</u>	<u>\$ 6,701,071</u>	<u>\$ (198,424)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(457,756)	-	(457,756)	125,899	583,655
Fund Balance - July 1, 2019	<u>1,180,210</u>	<u>-</u>	<u>1,180,210</u>	<u>1,180,210</u>	<u>-</u>
Fund Balance - June 30, 2020	<u>\$ 722,454</u>	<u>\$ -</u>	<u>\$ 722,454</u>	<u>\$ 1,306,109</u>	<u>\$ 583,655</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital Reserve				\$ 471,858	
Maintenance Reserve				241,613	
Tuition Reserve				96,000	
Excess Surplus Designated for Subsequent Years Expenditures				47,283	
Excess Surplus				39,755	
Assigned Fund Balance:					
Year-End Encumbrances				148,420	
Unassigned Fund Balance				<u>261,180</u>	
				1,306,109	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(36,481)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,269,628</u>	

**RIVERTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	6,297	440	6,737	5,357	(1,380)
Federal sources	100,989	48,980	149,969	149,431	(538)
<b>Total Revenues</b>	<b>107,286</b>	<b>49,420</b>	<b>156,706</b>	<b>154,788</b>	<b>(1,918)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries	27,144	1,222	28,366	28,366	-
Other purchased services	63,234	14,392	77,626	77,626	-
Textbooks	454	20	474	474	-
Supplies and materials	2,981	26,995	29,976	29,976	-
<b>Total instruction</b>	<b>93,813</b>	<b>42,629</b>	<b>136,442</b>	<b>136,442</b>	<b>-</b>
Support services:					
Purchased professional - educ. services	3,051	(570)	2,481	1,101	1,380
Purchased professional - tech. services	7,936	6,389	14,325	13,787	538
Other purchased services	1,686	(44)	1,642	1,642	-
General supplies	800	1,016	1,816	1,816	-
<b>Total support services</b>	<b>13,473</b>	<b>6,791</b>	<b>20,264</b>	<b>18,346</b>	<b>1,918</b>
Facilities acquisition and construction services:					
Instructional equipment	-	-	-	-	-
<b>Total facilities acq. and const. services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>107,286</b>	<b>49,420</b>	<b>156,706</b>	<b>154,788</b>	<b>1,918</b>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -

**RIVERTON SCHOOL DISTRICT**  
**Notes to Required Supplementary Information**  
**Budgetary Comparison**  
**For the Fiscal Year Ended June 30, 2020**

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 6,826,970	\$ 154,788
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	41,133	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(36,481)</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 6,831,622</u>	<u>\$ 154,788</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 6,701,071	\$ 154,788
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	<u>-</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 6,701,071</u>	<u>\$ 154,788</u>

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

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

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.3795907600%	0.0038942293%	0.0035656566%	0.0034805827%	0.0038693462%	0.0034650048%	0.0034408365%
District's proportionate share of the net pension liability (asset)	\$ 683,965	\$ 766,754	\$ 830,028	\$ 1,030,849	\$ 868,591	\$ 648,744	\$ 657,612
District's covered-employee payroll	315,505	301,558	290,643	272,313	254,096	228,062	221,076
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	216.78%	254.26%	285.58%	378.55%	341.84%	284.46%	297.46%
Plan fiduciary net position as a percentage of the total pension liability	42.04%	40.45%	36.78%	31.20%	38.21%	42.74%	40.71%

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

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

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 36,923	\$ 37,156	\$ 38,735	\$ 33,032	\$ 30,921	\$ 33,266	\$ 28,565
Contributions in relation to the contractually required contributions	<u>(36,923)</u>	<u>(37,156)</u>	<u>(38,735)</u>	<u>(33,032)</u>	<u>(30,921)</u>	<u>(33,266)</u>	<u>(28,565)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 315,505	\$ 301,558	\$ 290,643	\$ 272,313	\$ 254,096	\$ 228,062	\$ 221,076
Contributions as a percentage of covered-employee payroll	11.70%	12.32%	13.33%	12.13%	12.17%	14.59%	12.92%

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

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

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0206711394%	0.0215822799%	0.0205013111%	0.0193082669%	0.0186633683%	0.0192872381%	0.0188367568%
District's proportionate share of the net pension liability (asset)						\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 12,686,073</u>	<u>\$ 13,730,508</u>	<u>\$ 13,822,723</u>	<u>\$ 15,189,112</u>	<u>\$ 11,796,046</u>	<u>\$ 10,308,401</u>	<u>\$ 9,519,949</u>
Total	<u><u>\$ 12,686,073</u></u>	<u><u>\$ 13,730,508</u></u>	<u><u>\$ 13,822,723</u></u>	<u><u>\$ 15,189,112</u></u>	<u><u>\$ 11,796,046</u></u>	<u><u>\$ 10,308,401</u></u>	<u><u>\$ 9,519,949</u></u>
District's covered-employee payroll	\$ 2,338,159	\$ 2,196,400	\$ 2,072,203	\$ 2,291,688	\$ 2,239,460	\$ 2,110,830	\$ 2,046,171
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	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 does not contain ten years of information as GASB 68 was implemented during the fiscal year ended June 30, 2015.



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

	June 30, 2020	June 30, 2019	June 30, 2018
State's proportion of the net OPEB liability (asset) associated with the District	0.02%	0.02%	0.02%
District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	\$ 9,467,763	\$ 10,433,407	\$ 12,105,711
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 9,467,763</u>	<u>\$ 10,433,407</u>	<u>\$ 12,105,711</u>
Plan fiduciary net position as a percentage of the total OPEB Liability	0.00%	0.00%	0.00%
	June 30, 2020	June 30, 2019	June 30, 2018
<b>Total OPEB Liability</b>			
Service Cost	\$ 365,690	\$ 402,859	\$ 488,285
Interest	412,520	443,028	382,805
Differences between expected and actual experiences	(1,603,002)	(1,051,561)	
Changes of assumptions and other inputs	141,165	(1,197,286)	(1,572,851)
Member Contributions	8,615	9,642	10,325
Benefit payments	<u>(290,632)</u>	<u>(278,986)</u>	<u>(280,394)</u>
<b>Net Change in total OPEB Liability</b>	\$ (965,644)	\$ (1,672,304)	\$ (971,830)
<b>Total OPEB Liability - beginning</b>	<u>\$ 10,433,407</u>	<u>\$ 12,105,711</u>	<u>\$ 13,077,541</u>
<b>Total OPEB Liability - ending</b>	<u>\$ 9,467,763</u>	<u>\$ 10,433,407</u>	<u>\$ 12,105,711</u>
District's covered-employee payroll	2,653,664	2,497,958	2,362,846
Total OPEB Liability as a percentage of covered-employee payroll	356.78%	417.68%	512.34%

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

**Riverton School District**  
**Notes to Required Supplementary Information – Part III**  
**For the Fiscal Year Ended June 30, 2020**

**Teacher’s Pension and Annuity Fund (TPAF)**

*Changes of benefit term:* There were none.

*Changes of assumptions:* The discount rate changed to 5.60% as of June 30, 2019 from 4.86% as of June 30, 2018 and the long-term rate of return remained at 7.00%.

**Public Employees’ Retirement System (PERS)**

*Changes of benefit term:* There were none.

*Changes of assumptions:* The discount rate changed to 6.28% as of June 30, 2019 from 5.66% as of June 30, 2018 and the long-term rate of return remained at 7.00%.

**Other Post-Retirement Plan – Public Employees’ Retirement System and Teachers’ Pension and Annuity Fund**

*Changes of benefit term:* There were none.

*Changes of assumptions:* The discount rate changed to 3.50% as of June 30, 2019 from 3.87% as of June 30, 2018.

Other Supplementary Information

Special Revenue Fund

**RIVERTON SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Revenues and Expenditures**  
**Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2020**

	Title I	Title II A	IDEA Basic	IDEA Preschool	CARES Act	Brought Forward (Exh. E-1B)	Total
<b>REVENUES:</b>							
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,357	\$ 5,357
Federal sources	34,503	10,687	77,626	3,144	23,471		149,431
<b>Total Revenues</b>	<u>34,503</u>	<u>10,687</u>	<u>77,626</u>	<u>3,144</u>	<u>23,471</u>	<u>5,357</u>	<u>154,788</u>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries	25,222	-	-	3,144	-		28,366
Other purchased services	-	-	77,626	-	-		77,626
Textbooks	-	-	-	-	-	474	474
Supplies	6,181	-	-	-	23,471	324	29,976
<b>Total instruction</b>	<u>31,403</u>	<u>-</u>	<u>77,626</u>	<u>3,144</u>	<u>23,471</u>	<u>798</u>	<u>136,442</u>
Support Services:							
Purchased prof. educ. services	-	-	-	-	-	1,101	1,101
Purchased prof. tech. services	3,100	10,687	-	-	-	-	13,787
Purchased professional services	-	-	-	-	-	1,642	1,642
General supplies	-	-	-	-	-	1,816	1,816
<b>Total support services</b>	<u>3,100</u>	<u>10,687</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,559</u>	<u>18,346</u>
Facilities acquisition and const. serv.:							
Instructional equipment	-	-	-	-	-	-	-
<b>Total facilities acq. and const. serv.</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>34,503</u>	<u>10,687</u>	<u>77,626</u>	<u>3,144</u>	<u>23,471</u>	<u>5,357</u>	<u>154,788</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**RIVERTON SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Revenues and Expenditures**  
**Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2020**

	Nonpublic Textbook Aid	Nonpublic Nursing Services	Nonpublic Technology Initiative	Nonpublic Security Aid	Nonpublic Supplemental Instruction	Nonpublic Exam/ Classification	Total Carried Forward
<b>REVENUES:</b>							
State sources	\$ 474	\$ 1,358	\$ 324	\$ 2,100	\$ 729	\$ 372	\$ 5,357
Federal sources	-	-	-	-	-	-	-
<b>Total Revenues</b>	<u>474</u>	<u>1,358</u>	<u>324</u>	<u>2,100</u>	<u>729</u>	<u>372</u>	<u>5,357</u>
<b>EXPENDITURES:</b>							
Instruction:							
Textbooks	474	-	-	-	-	-	474
Supplies	-	-	324	-	-	-	324
<b>Total instruction</b>	<u>474</u>	<u>-</u>	<u>324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>798</u>
Support Services:							
Purchased prof. educ. services	-	-	-	-	729	372	1,101
Purchased professional services	-	1,358	-	284	-	-	1,642
General supplies	-	-	-	1,816	-	-	1,816
<b>Total support services</b>	<u>-</u>	<u>1,358</u>	<u>-</u>	<u>2,100</u>	<u>729</u>	<u>372</u>	<u>4,559</u>
Facilities acquisition and const. serv.:							
Instructional equipment	-	-	-	-	-	-	-
<b>Total facilities acq. and const. serv.</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>474</u>	<u>1,358</u>	<u>324</u>	<u>2,100</u>	<u>729</u>	<u>372</u>	<u>5,357</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Proprietary Funds

**RIVERTON SCHOOL DISTRICT**  
**Enterprise Funds**  
**Statement of Net Position**  
**June 30, 2020**

	<u>Food Service Fund</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and cash equivalents	\$ 14,073
Accounts receivable:	
State	8
Federal	533
	14,614
Total current assets	14,614
Noncurrent Assets:	
Equipment	21,951
Accumulated depreciation	(14,806)
	7,145
Total noncurrent assets	7,145
Total Assets	\$ 21,759
<b>LIABILITIES:</b>	
Current liabilities:	
Accounts payable	\$ -
Unearned revenue	4,800
	4,800
Total current liabilities	4,800
<b>NET POSITION:</b>	
Net investment in capital assets	7,145
Unrestricted	9,814
	16,959
Total Net Position	\$ 16,959



**RIVERTON SCHOOL DISTRICT**  
**Enterprise Funds**  
**Statement of Revenues, Expenses**  
**and Changes in Fund Net Position**  
**For the Fiscal Year Ended June 30, 2020**

	<u>Food Service Fund</u>
<b>OPERATING REVENUES:</b>	
Charges for services:	
Daily sales reimbursable programs	\$ 21,637
Daily sales non-reimbursable programs:	
Adult and a la carte sales	4,425
	<hr/>
Total Operating Revenue	26,062
	<hr/>
<b>OPERATING EXPENSES:</b>	
Salaries and wages	11,450
Supplies and materials	1,353
Cost of sales - reimbursable programs	29,290
Cost of sales - nonreimbursable programs	2,435
Depreciation	2,422
Other expenses	-
	<hr/>
Total Operating Expenses	46,950
	<hr/>
Operating Income (Loss)	(20,888)
	<hr/>
<b>Non-Operating Revenues:</b>	
State sources:	
State school lunch program	552
Federal sources:	
National school lunch program	14,646
Miscellaneous	-
	<hr/>
Total Non-Operating Revenues	15,198
	<hr/>
Income (Loss) before Contributions and Transfers	(5,690)
	<hr/>
Capital Contributions	-
	<hr/>
Changes in Net Position	(5,690)
Net Position - July 1, 2019	22,649
	<hr/>
Net Position - June 30, 2020	<u>\$ 16,959</u>

**RIVERTON SCHOOL DISTRICT  
Enterprise Funds  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2020**

	<b>Food Service Fund</b>
<b>Cash Flows from Operating Activities:</b>	
Cash receipts from customers	\$ 26,576
Cash payments to employees	(11,450)
Cash payments to suppliers for goods and services	(33,078)
Net cash used by operating activities	(17,952)
<b>Cash Flows from Noncapital Financing Activities:</b>	
Cash received from state sources	582
Cash received from federal sources	14,831
Net cash provided by noncapital financing activities	15,413
<b>Cash Flows Used by Capital and Related Financing Activities:</b>	
Purchase of equipment	-
<b>Cash Flow Provided by Investing Activities:</b>	
Interest on cash equivalents	-
Net increase (decrease) in cash and cash equivalents	(2,539)
Cash and cash equivalents - July 1, 2019	16,612
Cash and cash equivalents - June 30, 2020	\$ 14,073
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>	
Operating income (loss)	\$ (20,888)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:	
Change in Assets and Liabilities:	
Depreciation	2,422
Increase (decrease) in accounts payable	-
Increase (decrease) in deferred revenue	514
Net cash provided by (used for) operating activities	\$ (17,952)

Fiduciary Funds

**RIVERTON SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Position**  
**June 30, 2020**

	Trust Funds			Agency Funds		Totals
	Unemployment Compensation	Flexible Benefits Trust	Scholarship Funds	Student Activity	Payroll	
<b>ASSETS:</b>						
Cash and cash equivalents	\$ 81,914	\$ 2,785	\$ 8,594	\$ 36,065	\$ 26,731	\$ 156,089
Total Assets	<u>\$ 81,914</u>	<u>\$ 2,785</u>	<u>\$ 8,594</u>	<u>\$ 36,065</u>	<u>\$ 26,731</u>	<u>\$ 156,089</u>
<b>LIABILITIES:</b>						
Payroll payable	\$ -	\$ -	\$ -	\$ -	\$ 26,392	\$ 26,392
Interfund Payable	-	-	-	-	339	339
Due to student groups	-	-	-	36,065	-	36,065
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 36,065</u>	<u>\$ 26,731</u>	<u>62,796</u>
<b>NET POSITION:</b>						
Held in Trust for Claims	81,914	2,785	-			84,699
Held in Trust for Scholarships	-	-	8,594			8,594
Total Net Position	<u>\$ 81,914</u>	<u>\$ 2,785</u>	<u>\$ 8,594</u>			<u>\$ 93,293</u>

**RIVERTON SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Flexible Benefits Trust Fund</b>	<b>Unemployment Compensation Insurance Trust Fund</b>	<b>Scholarship Funds</b>	<b>Total</b>
<b>ADDITIONS:</b>				
Contributions	\$ 12,404	\$ 4,918	\$ 400	\$ 17,722
Total Contributions	12,404	4,918	400	17,722
Investment earnings:				
Interest earned	10	388	45	443
Total Additions	12,414	5,306	445	18,165
<b>DEDUCTIONS:</b>				
Claims Paid	12,394	34	-	12,428
Scholarships paid	-	-	750	750
Total Deductions	12,394	34	750	13,178
Change in Net Position	20	5,272	(305)	4,987
Net Position - July 1, 2019	2,765	76,642	8,899	88,306
Net Position - June 30, 2020	\$ 2,785	\$ 81,914	\$ 8,594	\$ 93,293

**RIVERTON SCHOOL DISTRICT  
Fiduciary Funds  
Student Activity Agency Fund Schedule of Receipts and Disbursements  
For the Fiscal Year Ended June 30, 2020**

	<u>Balance July 1, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable</u>	<u>Balance June 30, 2020</u>
Elementary / Junior High	\$ 28,780	\$ 18,919	\$ 11,634	\$ -	\$ 36,065
	<u>\$ 28,780</u>	<u>\$ 18,919</u>	<u>\$ 11,634</u>	<u>\$ -</u>	<u>\$ 36,065</u>

**RIVERTON SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Payroll Agency Fund Schedule of Receipts and Disbursements**  
**For the Fiscal Year Ended June 30, 2020**

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 1,339	\$ 3,349,715	\$ 3,324,323	\$ 26,731
Total Assets	<u>\$ 1,339</u>	<u>\$ 3,349,715</u>	<u>\$ 3,324,323</u>	<u>\$ 26,731</u>
 <b>LIABILITIES:</b>				
Net payroll	\$ -	\$ 1,828,975	\$ 1,828,975	\$ -
Interfund Payable	1,339	334	1,334	339
Payroll deductions and withholdings	<u>-</u>	<u>1,521,701</u>	<u>1,495,309</u>	<u>26,392</u>
Total Liabilities	<u>\$ 1,339</u>	<u>\$ 3,351,010</u>	<u>\$ 3,325,618</u>	<u>\$ 26,731</u>

**Statistical Section**



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

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	<b>Fiscal Year Ending June 30,</b>									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental activities:										
Invested in capital assets, net of related debt	\$ 257,546	\$ 389,769	\$ 569,595	\$ 807,842	\$ 924,534	\$ 986,371	\$ 892,548	\$ 1,376,105	\$ 1,469,287	\$ 1,461,025
Restricted for:										
Capital projects	59,383	94,940	128,530	284,020	358,311	431,664	61,118	365,162	501,400	471,858
Other purposes	272,062	351,630	335,355	270,521	274,096	313,205	908,397	365,300	428,580	573,071
Unrestricted	57,933	71,341	95,468	127,527	(502,907)	(517,994)	(633,870)	(661,014)	(708,123)	(710,874)
Total governmental activities net position	<u>\$ 646,924</u>	<u>\$ 907,680</u>	<u>\$ 1,128,948</u>	<u>\$ 1,489,910</u>	<u>\$ 1,054,034</u>	<u>\$ 1,213,246</u>	<u>\$ 1,228,193</u>	<u>\$ 1,445,553</u>	<u>\$ 1,691,144</u>	<u>\$ 1,795,080</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ 15,404	\$ 13,350	\$ 13,737	\$ 14,411	\$ 11,989	\$ 9,567	\$ 7,145
Unrestricted	29,280	36,422	21,524	13,537	26,782	17,574	12,982	21,633	13,082	9,814
Total business-type activities net position	<u>\$ 29,280</u>	<u>\$ 36,422</u>	<u>\$ 21,524</u>	<u>\$ 28,941</u>	<u>\$ 40,132</u>	<u>\$ 31,311</u>	<u>\$ 27,393</u>	<u>\$ 33,622</u>	<u>\$ 22,649</u>	<u>\$ 16,959</u>
District-wide:										
Invested in capital assets, net of related debt	\$ 257,546	\$ 389,769	\$ 569,595	\$ 823,246	\$ 937,884	\$ 1,000,108	\$ 906,959	\$ 1,388,094	\$ 1,478,854	\$ 1,468,170
Restricted for:										
Capital projects	59,383	94,940	128,530	284,020	358,311	431,664	61,118	365,162	501,400	471,858
Other purposes	272,062	351,630	335,355	270,521	274,096	313,205	908,397	365,300	428,580	573,071
Unrestricted	87,213	107,763	116,992	141,064	(476,125)	(500,420)	(620,888)	(639,381)	(695,041)	(701,060)
Total district net position	<u>\$ 676,204</u>	<u>\$ 944,102</u>	<u>\$ 1,150,472</u>	<u>\$ 1,518,851</u>	<u>\$ 1,094,166</u>	<u>\$ 1,244,557</u>	<u>\$ 1,255,586</u>	<u>\$ 1,479,175</u>	<u>\$ 1,713,793</u>	<u>\$ 1,812,039</u>

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

J-2

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses:</b>										
Governmental activities:										
Instruction:										
Regular	\$ 1,153,589	\$ 1,288,876	\$ 1,335,602	\$ 1,508,251	\$ 1,646,890	\$ 1,654,757	\$ 1,652,459	\$ 1,703,918	\$ 1,827,620	\$ 1,864,838
Special education	290,751	400,539	347,908	337,929	341,943	354,564	380,849	418,051	464,781	424,626
Other instruction	103,219	112,434	119,759	138,494	134,798	137,638	138,994	124,347	126,288	171,091
Support Services:										
Tuition	1,294,174	1,300,048	1,350,683	1,230,509	1,137,815	1,252,490	1,181,723	1,318,444	1,241,432	1,347,677
Student & instruction related services	593,686	519,105	481,126	515,034	529,087	563,948	547,144	500,995	526,530	548,075
General and business administrative services	336,026	345,328	345,853	357,607	382,415	423,464	406,293	416,502	455,554	460,426
Plant operations and maintenance	382,716	318,312	375,243	365,400	512,904	410,143	543,645	426,099	402,668	504,092
Pupil transportation	106,902	95,438	130,989	93,104	99,009	103,463	101,508	88,184	80,351	99,572
Employee benefits	716,509	851,974	977,396	928,785	930,058	1,049,827	1,313,100	3,131,179	2,790,637	2,663,647
Interest on long-term debt	31,157	26,100	20,826	16,748	11,310	2,827				
Unallocated depreciation	5,952	6,600	5,564	8,392	10,514	11,184	9,048	9,891	8,814	7,062
Total governmental activities expenses	5,014,681	5,264,754	5,490,949	5,500,253	5,736,743	5,964,305	6,274,763	8,137,610	7,924,675	8,091,106
Food service	56,375	46,688	61,492	46,631	42,518	67,875	61,083	48,198	65,854	46,950
Total business-type activities expense	56,375	46,688	61,492	46,631	42,518	67,875	61,083	48,198	65,854	46,950
Total district expenses	\$ 5,071,056	\$ 5,311,442	\$ 5,552,441	\$ 5,546,884	\$ 5,779,261	\$ 6,032,180	\$ 6,335,846	\$ 8,185,808	\$ 7,990,529	\$ 8,138,056
<b>Program Revenues:</b>										
Governmental activities:										
Operating grants and contributions	\$ 392,421	\$ 449,732	\$ 515,485	\$ 127,305	\$ 531,525	\$ 629,092	\$ 708,401	\$ 2,532,469	\$ 2,189,660	\$ 2,127,195
Charges for services		14,000	17,132							
Total governmental activities program revenues	392,421	463,732	532,617	127,305	531,525	629,092	708,401	2,532,469	2,189,660	2,127,195
Business-type activities:										
Charges for services:										
Food service	\$ 35,408	\$ 35,347	\$ 30,799	\$ 38,594	\$ 40,782	\$ 41,824	\$ 38,360	\$ 38,472	\$ 39,410	\$ 26,062
Operating grants and contributions	17,544	18,483	15,795	15,454	12,927	17,230	15,809	15,955	15,471	15,198
Capital grants and contributions										
Total business type activities program revenues	52,952	53,830	46,594	54,048	53,709	59,054	54,169	54,427	54,881	41,260
Total district program revenues	\$ 445,373	\$ 517,562	\$ 579,211	\$ 181,353	\$ 585,234	\$ 688,146	\$ 762,570	\$ 2,586,896	\$ 2,244,541	\$ 2,168,455
<b>Net (Expense)/Revenue:</b>										
Governmental activities	\$ (4,622,260)	\$ (4,801,022)	\$ (4,958,332)	\$ (5,372,948)	\$ (5,205,218)	\$ (5,335,213)	\$ (5,566,362)	\$ (5,605,141)	\$ (5,735,015)	\$ (5,963,911)
Business-type activities	(3,423)	7,142	(14,898)	7,417	11,191	(8,821)	(6,914)	6,229	(10,973)	(5,690)
Total district-wide net expense	\$ (4,625,683)	\$ (4,793,880)	\$ (4,973,230)	\$ (5,365,531)	\$ (5,194,027)	\$ (5,344,034)	\$ (5,573,276)	\$ (5,598,912)	\$ (5,745,988)	\$ (5,969,601)
<b>General Revenues and Other Changes in Net Position:</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 4,312,289	\$ 4,411,358	\$ 4,499,585	\$ 4,642,321	\$ 4,668,552	\$ 4,739,666	\$ 4,981,583	\$ 5,232,745	\$ 5,393,027	\$ 5,500,888
Taxes levied for debt service	147,408	147,405	147,185	141,748	141,310	135,655				
Unrestricted grants and contributions	425,352	496,448	536,860	893,988	546,370	570,294	543,989	535,255	546,699	535,602
Miscellaneous income	24,970	6,567	5,402	55,853	44,796	48,810	55,707	54,531	40,880	31,357
Transfers										
Total governmental activities	4,910,019	5,061,778	5,189,032	5,733,910	5,401,028	5,494,425	5,581,279	5,822,531	5,980,606	6,067,847
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	-	-
Miscellaneous							2,996			
Total business-type activities	-	-	-	-	-	-	2,996	-	-	-
Total district-wide	\$ 4,910,019	\$ 5,061,778	\$ 5,189,032	\$ 5,733,910	\$ 5,401,028	\$ 5,494,425	\$ 5,584,275	\$ 5,822,531	\$ 5,980,606	\$ 6,067,847
<b>Change in Net Position:</b>										
Governmental activities	\$ 287,759	\$ 260,756	\$ 230,700	\$ 360,962	\$ 195,810	\$ 159,212	\$ 14,917	\$ 217,390	\$ 245,591	\$ 103,936
Business-type activities	(3,423)	7,142	(14,898)	7,417	11,191	(8,821)	(3,918)	6,229	(10,973)	(5,690)
Total district-wide	\$ 284,336	\$ 267,898	\$ 215,802	\$ 368,379	\$ 207,001	\$ 150,391	\$ 10,999	\$ 223,619	\$ 234,618	\$ 98,246

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

J-3

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Restricted for:										
Capital reserve	\$ 59,383	\$ 94,940	\$ 128,530	\$ 284,020	\$ 358,311	\$ 431,664	\$ 61,118	\$ 365,162	\$ 501,400	\$ 471,858
Future tuition payments	-	-	-	-	-	59,000	59,000	-	-	96,000
Maintenance reserve	155,066	234,534	241,613	241,613	241,613	241,613	163,138	241,613	241,613	241,613
Excess surplus	-	-	-	12,265	-	-	-	47,167	47,283	39,755
Excess surplus - designated for subsequent year's budget	-	-	-	-	12,265	-	-	-	47,167	47,283
Assigned for:										
Year-end Encumbrances	63,496	16,096	40,242	16,643	20,218	12,592	686,229	76,520	92,517	148,420
Subsequent year's budget	53,500	101,000	53,500	-	-	-	-	-	-	-
Unrestricted	242,165	222,130	223,887	22,497	223,137	245,388	216,941	204,226	209,097	224,699
Total general fund	<u>\$ 573,610</u>	<u>\$ 668,700</u>	<u>\$ 687,772</u>	<u>\$ 577,038</u>	<u>\$ 855,544</u>	<u>\$ 990,257</u>	<u>\$ 1,186,426</u>	<u>\$ 934,688</u>	<u>\$ 1,139,077</u>	<u>\$ 1,269,628</u>
All Other Governmental Funds										
Reserved:										
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

J-4

	<b>Fiscal Year Ending June 30,</b>									
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Revenues</b>										
Tax levy	\$ 4,459,697	\$ 4,558,763	\$ 4,646,770	\$ 4,784,069	\$ 4,809,862	\$ 4,875,321	\$ 4,981,583	\$ 5,232,745	\$ 5,393,027	\$ 5,500,888
Tuition charges	-	14,000	17,132	50,162	39,706	44,601	49,782	39,656	30,574	17,200
Miscellaneous	24,970	6,567	5,402	6,691	5,090	5,959	5,925	14,875	10,306	14,157
State sources	710,460	813,272	942,705	900,587	966,761	1,080,320	1,136,453	1,225,818	1,314,197	1,304,734
Federal sources	107,313	132,908	109,640	119,706	111,134	117,316	115,937	118,621	125,013	149,431
<b>Total revenue</b>	<b>5,302,440</b>	<b>5,525,510</b>	<b>5,721,649</b>	<b>5,861,215</b>	<b>5,932,553</b>	<b>6,123,517</b>	<b>6,289,680</b>	<b>6,631,715</b>	<b>6,873,117</b>	<b>6,986,410</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	1,161,524	1,293,675	1,327,093	1,472,085	1,576,751	1,571,992	1,591,251	1,650,947	1,771,872	1,804,333
Special education instruction	290,751	400,539	347,908	337,929	341,943	354,564	380,849	418,051	464,781	424,626
Other special instruction	103,219	112,434	119,759	138,494	134,798	137,638	138,994	124,347	126,288	171,091
<b>Support Services:</b>										
Tuition	1,294,174	1,300,048	1,350,683	1,230,509	1,137,815	1,252,490	1,181,723	1,318,444	1,241,432	1,347,677
Student & instruction related services	593,686	519,105	481,126	515,034	529,087	563,948	547,144	500,995	526,530	548,075
General and business admin. services	332,433	341,085	340,288	347,856	371,900	412,281	395,912	406,613	446,739	453,363
Plant operations and maintenance	393,282	307,764	364,916	396,311	495,661	384,269	489,181	313,232	435,161	442,300
Pupil transportation	106,902	95,438	130,989	93,104	99,009	103,463	101,508	88,184	80,351	99,572
Employee benefits	716,509	851,974	977,396	928,785	927,205	1,014,142	1,214,219	1,377,210	1,435,784	1,447,728
Capital outlay	18,822	60,953	115,234	170,094	98,568	58,362	52,730	685,430	140,020	117,094
<b>Debt service:</b>										
Principal	115,000	120,000	125,000	125,000	130,000	130,000	-	-	-	-
Interest and other charges	32,408	27,405	22,185	16,748	11,310	5,655	-	-	-	-
<b>Total expenditures</b>	<b>5,158,710</b>	<b>5,430,420</b>	<b>5,702,577</b>	<b>5,771,949</b>	<b>5,854,047</b>	<b>5,988,804</b>	<b>6,093,511</b>	<b>6,883,453</b>	<b>6,668,958</b>	<b>6,855,859</b>
Excess (Deficiency) of revenues over (under) expenditures	143,730	95,090	19,072	89,266	78,506	134,713	196,169	(251,738)	204,159	130,551
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 143,730</b>	<b>\$ 95,090</b>	<b>\$ 19,072</b>	<b>\$ 89,266</b>	<b>\$ 78,506</b>	<b>\$ 134,713</b>	<b>\$ 196,169</b>	<b>\$ (251,738)</b>	<b>\$ 204,159</b>	<b>\$ 130,551</b>
Debt service as a percentage of noncapital expenditures	2.87%	2.75%	2.63%	2.53%	2.46%	2.29%	0.00%	0.00%	0.00%	0.00%

**Source: District records**

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

J-5

<u>Fiscal Year Ending June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Donations</u>	<u>Prior Year Refunds</u>	<u>Miscellaneous</u>	<u>Total</u>
2011	\$ 5,951	\$ 15,400	\$ -	\$ 3,457	\$ 162	\$ 24,970
2012	5,203	14,000		1,364		20,567
2013	4,229	17,132		854	319	22,534
2014	4,382	50,162			2,309	56,853
2015	3,200	39,706			1,890	44,796
2016	3,727	44,601			482	48,810
2017	3,576	49,782		1,762	587	55,707
2018	4,284	39,656	160	8,910	1,521	54,531
2019	7,740	30,574			2,566	40,880
2020	8,751	17,200		1,397	4,009	31,357
	<u>\$ 51,043</u>	<u>\$ 318,213</u>	<u>\$ 160</u>	<u>\$ 17,744</u>	<u>\$ 13,845</u>	<u>\$ 401,005</u>

Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2011	\$ 1,258,400	\$ 255,935,000	\$ 17,405,800	\$ 1,600,300	\$ 7,261,100	\$ 283,460,600	\$ 207,789	\$ 283,668,389	\$ 29,326,200	\$ 1.607	\$ 287,857,457
2012	1,103,200	255,357,500	17,405,800	1,600,300	7,221,000	282,687,800	202,256	282,890,056	29,412,200	1.642	277,186,286
2013	791,600	218,189,400	15,361,900	1,358,900	6,058,500	241,760,300	210,986	241,971,286	26,449,800	1.977	258,962,003
2014	791,600	218,089,800	15,361,900	1,358,900	6,058,500	241,660,700	157,848	241,818,548	26,449,800	1.989	257,409,225
2015	692,300	218,345,700	15,361,900	1,358,900	6,058,500	241,817,300	100	241,817,400	26,449,800	2.016	255,483,001
2016	692,300	218,445,800	15,586,900	1,358,900	6,058,500	242,142,400	100	242,142,500	26,449,800	2.057	263,576,762
2017	744,000	218,261,100	15,586,900	1,358,900	6,058,500	242,009,400	100	242,009,500	26,449,800	2.162	274,264,126
2018	744,000	217,984,300	15,586,900	1,358,900	6,058,500	241,732,600	86	241,732,686	26,660,500	2.231	280,151,090
2019	744,000	217,958,100	15,586,900	1,358,900	6,058,500	241,706,400	86	241,706,486	26,911,300	2.275	279,283,334
2020	719,200	218,014,200	15,957,700	650,000	6,058,500	241,399,600	100	241,399,700	26,877,600	2.328	287,837,670

Source:  
 Municipal Tax Assessor

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

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

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

R Revaluation

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

J-7

Fiscal Year Ended June 30,	Riverton School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Borough of Riverton	Burlington County	
2011	\$ 1.557	\$ 0.050	\$ 1.607	\$ 0.598	\$ 0.385	\$ 2.590
2012	1.592	0.050	1.642	0.606	0.373	2.621
2013	1.919	0.058	1.977	0.754	0.406	3.137
2014	1.931	0.058	1.989	0.796	0.407	3.192
2015	1.960	0.056	2.016	0.818	0.438	3.272
2016	2.057	-	2.057	0.837	0.444	3.338
2017	2.162	-	2.162	0.854	0.462	3.478
2018	2.231	-	2.231	0.854	0.464	3.549
2019	2.275	-	2.275	0.854	0.461	3.590
2020	2.328	-	2.328	0.854	0.471	3.653

**Source:** Municipal Tax Collector

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

**J-8**

<u>Taxpayer</u>	<u>2020</u>		<u>Taxpayer</u>	<u>2011</u>	
	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>		<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>
Individual #1	\$ 2,474,400	1.03%	The Shops at Riverton, LLC	\$ 3,740,600	1.32%
ARCP CV Riverton NH, LLC	2,450,100	1.01%	National Casein	1,778,900	0.63%
Cedar Lane Manor Apt., LLC	1,417,600	0.59%	Cedar Lane Manor	1,656,000	0.58%
Individual #2	1,378,200	0.57%	Moccia Properties	1,449,300	0.51%
PHK Reality LLC	1,224,900	0.51%	Riverton Country Club	1,381,600	0.49%
APK Properties, LLC	1,192,000	0.49%	Goffredo, Phyllis	1,374,000	0.48%
K&P1 Realty, LLC	911,300	0.38%	DiLeo, Mark and Paula	1,279,300	0.45%
Individual #3	880,800	0.36%	Dolecky, Thomas	1,270,000	0.45%
Individual #4	871,600	0.36%	Goffredo, Daniel	1,198,000	0.42%
Individual #5	861,300	0.36%	Riverton Square, LLC	1,074,100	0.38%
<b>Total</b>	<b>\$ 13,662,200</b>	<b>5.66%</b>		<b>\$ 16,201,800</b>	<b>5.71%</b>

**Source:** Municipal Tax Assessor



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

J-9

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Calendar Year</u>	<u>Collected within the Fiscal Year of the Levy<sup>a</sup></u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2011	\$ 4,459,697	\$ 4,459,697	100.00%	\$ -
2012	4,558,763	4,558,763	100.00%	-
2013	4,646,770	4,646,770	100.00%	-
2014	4,784,069	4,784,069	100.00%	-
2015	4,809,862	4,809,862	100.00%	-
2016	4,875,321	4,875,321	100.00%	-
2017	4,981,583	4,981,583	100.00%	-
2018	5,232,745	5,232,745	100.00%	-
2019	5,393,027	5,393,027	100.00%	-
2020	5,500,888	5,500,888	100.00%	-

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

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

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

J-10

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Total District	Percentage of Personal Income <sup>b</sup>	Per Capita <sup>c</sup>
	General Obligation Bonds <sup>a</sup>	Capital Leases	Capital Leases				
2011	\$ 630,000	\$ -	\$ -		\$ 630,000	0.46%	\$ 228
2012	510,000	-	-		510,000	0.36%	185
2013	385,000	-	-		385,000	0.27%	140
2014	260,000	-	-		260,000	0.18%	95
2015	130,000	-	-		130,000	0.09%	48
2016	-	-	-		-	-	-
2017	-	-	-		-	-	-
2018	-	-	-		-	-	-
2019	-	-	-		-	-	-
2020	-	-	-		-	-	-

Sources:

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

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

J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable <sup>b</sup>	Per Capita <sup>c</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding <sup>a</sup>		
2011	\$ 630,000	\$ -	\$ 630,000	0.22%	227
2012	510,000	-	510,000	1.80%	184
2013	385,000	-	385,000	0.16%	139
2014	260,000	-	260,000	0.11%	94
2015	130,000	-	130,000	0.05%	47
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-

**Sources:**

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

**Riverton School District  
 Ratios of Overlapping Governmental Activities Debt  
 As of December 31, 2019**

J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Borough of Riverton (1)	\$ 2,376,448	100.000%	\$ 2,376,448
Burlington County General Obligation Debt (1)	221,311,009	0.581% (2)	1,285,817
			<hr/>
Subtotal, overlapping debt			3,662,265
Riverton School District Direct Debt			<hr/> -
<b>Total direct and overlapping debt</b>			<hr/> <b>\$ 3,662,265</b> <hr/>

**Sources:**

- (1) Annual Debt Statement.
- (2) The County percentage is based upon a calculation reflecting the Borough's share of the 2019 Equalized Valuation. The source for this computation was the 2019 County Abstract of Ratables, provided by the County Board of Taxation.

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

J-13

Legal Debt Margin Calculation for Fiscal Year 2020

	Equalized valuation basis
	2017 \$ 279,973,855
	2018 278,814,994
	2019 287,711,463
	<u>\$ 846,500,312</u>
Average equalized valuation of taxable property	<u>\$ 282,166,771</u>
Debt limit (3% of average equalized valuation) (2)	8,465,003
Net bonded school debt	-
Legal debt margin	<u>\$ 8,465,003</u>

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 8,630,083	\$ 8,642,533	\$ 8,219,233	\$ 7,914,354	\$ 7,691,025	\$ 7,743,761	\$ 7,914,562	\$ 8,166,213	\$ 8,327,056	\$ 8,465,003
Total net debt applicable to limit (3)	<u>630,000</u>	<u>510,000</u>	<u>385,000</u>	<u>260,000</u>	<u>130,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 8,000,083</u>	<u>\$ 8,132,533</u>	<u>\$ 7,834,233</u>	<u>\$ 7,654,354</u>	<u>\$ 7,561,025</u>	<u>\$ 7,743,761</u>	<u>\$ 7,914,562</u>	<u>\$ 8,166,213</u>	<u>\$ 8,327,056</u>	<u>\$ 8,465,003</u>
Total net debt applicable to the limit as a percentage of debt limit	7.30%	5.90%	4.68%	3.29%	1.69%	0.00%	0.00%	0.00%	0.00%	0.00%

Sources:

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

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

J-14

<b>Year</b>	<b>Population <sup>a</sup></b>	<b>Personal Income (thousands of dollars) <sup>b</sup></b>	<b>Per Capita Personal Income <sup>c</sup></b>	<b>Unemployment Rate <sup>d</sup></b>
2011	2,763	\$ 138,194,208	\$ 50,016	5.4%
2012	2,765	141,310,855	51,107	5.6%
2013	2,749	141,908,878	51,622	7.4%
2014	2,739	147,248,640	53,760	5.5%
2015	2,723	153,201,426	56,262	4.7%
2016	2,705	156,354,410	57,802	3.5%
2017	2,696	160,112,744	59,389	3.4%
2018	2,687	166,916,440	62,120	3.2%
2019	2,685	e	e	2.6%
2020	e	e	e	e

**Source:**

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

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

**J-16**

<b>Function/Program</b>	<b>Fiscal Year Ending June 30,</b>									
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Instruction										
Regular	19	19	20	20	21	22	24	24	24	27
Special education	3	3	3	3	3	3	3	3	3	3
Support Services:										
Student & instruction related services	3	3	4	4	4	4	4	3	3	3
General and business administrative services	3	3	3	3	3	3	3	3	3	3
Plant operations and maintenance	2	2	2	2	2	2	2	2	2	2
Business and other support services	2	2	2	2	2	2	2	2	2	2
<b>Total</b>	<b>32</b>	<b>32</b>	<b>34</b>	<b>34</b>	<b>35</b>	<b>36</b>	<b>38</b>	<b>37</b>	<b>37</b>	<b>40</b>

**Source:**  
District Personnel Records

Riverton School District  
 Operating Statistics,  
 Last Ten Fiscal Years

J-17

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
2011	279	\$ 4,992,480	\$ 17,894	-6.70%	22	1:12	279.2	268.8	3.64%	96.28%
2012	280	5,222,062	18,650	4.22%	22	1:12	283.3	274.3	1.47%	96.82%
2013	283	5,440,158	19,223	3.07%	23	1:12	284.0	274.3	0.25%	96.58%
2014	304	5,460,107	17,961	-6.57%	23	1:13	302.9	293.8	6.65%	97.02%
2015	295	5,614,169	19,031	5.96%	24	1:12	293.1	282.9	-3.24%	96.52%
2016	306	5,794,787	18,937	-0.49%	25	1:12	308.6	297.7	5.29%	96.47%
2017	291	6,040,781	20,759	9.62%	27	1:11	291.0	279.3	-5.70%	95.99%
2018	296	6,198,023	20,939	0.87%	27	1:11	295.0	283.6	1.37%	96.13%
2019	290	6,528,938	22,514	7.52%	27	1:11	294.6	284.6	-0.14%	96.61%
2020	303	6,738,765	22,240	-1.21%	30	1:10	303.4	293.7	2.99%	96.80%

Sources: District records

Note: Enrollment based on annual October district count.

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



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

J-18

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>District Building</b>										
<u>Elementary</u>										
Riverton Elementary (1910)										
Square Feet	42,240	42,240	42,240	42,240	42,240	42,240	42,240	42,240	42,240	42,240
Capacity (students)	322	322	322	322	322	322	322	322	322	322
Enrollment	279	280	283	303	295	306	291	296	290	303

Number of Schools at June 30, 2020

- Elementary = 1
- Middle School = 0
- Senior High School = 0
- Other = 0

**Source:** District Facilities Office

Riverton School District  
 Schedule of Required Maintenance  
 Last Ten Fiscal Years

J-19

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

	Fiscal Year Ending June 30,										Total	
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		
* School Facilities												
Riverton Public School	\$ 97,192	\$ 43,153	\$ 87,011	\$ 108,440	\$ 180,608	\$ 103,544	\$ 147,853	\$ 33,474	\$ 127,189	\$ 132,841	\$ 1,061,305	
Project # (s)												
Total School Facilities	<u>\$ 97,192</u>	<u>\$ 43,153</u>	<u>\$ 87,011</u>	<u>\$ 108,440</u>	<u>\$ 180,608</u>	<u>\$ 103,544</u>	<u>\$ 147,853</u>	<u>\$ 33,474</u>	<u>\$ 127,189</u>	<u>\$ 132,841</u>	<u>\$ 1,061,305</u>	

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

Source: District records

**Riverton School District  
Insurance Schedule  
June 30, 2020**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1)		
Property (Buildings and Contents Blanketed)	\$ 8,318,759	\$ 2,500
Boiler and Machinery	100,000,000	2,500
General Liability	10,000,000	2,500
Automobile	10,000,000	1,000
Pollution Liability	1,000,000	
Workers' Compensation	Statutory	
Blanket Dishonesty Bond	100,000/500,000	1,000
Student Accident (2)	1,000,000	
School Board Legal Liability(1)	10,000,000	5,000
Surety Bonds (3)		
Treasurer	175,000	
Board Secretary/Business Administrator	80,000	

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

Source: District records

**Single Audit Section**

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

**INDEPENDENT AUDITOR'S REPORT**

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverton School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued my report thereon dated December 18, 2020.

***Internal Control Over Financial Reporting***

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

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

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

***Compliance and Other Matters***

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

***Purpose of this Report***

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

***INVERSO & STEWART, LLC***  
Certified Public Accountants



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

Marlton, New Jersey  
December 18, 2020

***INVERSO & STEWART, LLC***  
**Certified Public Accountants**

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

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on Compliance for Each Major State Program**

I have audited Riverton School District (School District), in the County of Burlington, State of New Jersey's compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2020. The School District's major state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

### Opinion on Each Major State Program

In my opinion, the Riverton School District, in the County of Burlington, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2020.

### Report on Internal Control Over Compliance

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

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

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

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

**INVERSO & STEWART, LLC**  
Certified Public Accountants



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

Marlton, New Jersey  
December 18, 2020



RIVERTON SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2019			Carryover (Walkover)	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2020		
						(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
<b>U.S. Department of Education</b>															
<b>Passed-through State Department of Education:</b>															
Special Revenue Fund:															
Title I:															
Fiscal Year 2020	84.010A	S010A190030	ESSA446020	\$ 34,503	7/1/19 - 9/30/20	\$ -	\$ -	\$ -	\$ -	\$ 4,631	\$ (34,503)	\$ -	\$ (29,872)	\$ -	\$ -
Fiscal Year 2019	84.010A	S010A180030	ESSA446019	33,344	7/1/18 - 6/30/19	(26,068)				26,068			-	-	-
Title II A:															
Fiscal Year 2020	84.367A	S367A190029	ESSA446020	11,225	7/1/19 - 9/30/20						(10,687)		(10,687)		
Fiscal Year 2019	84.367A	S367A180029	ESSA446019	9,920	7/1/18 - 6/30/19	(9,920)				9,920			-		
I.D.E.A. Part B - Basic:															
Fiscal Year 2020	84.027	H027A190100	IDEA446020	77,626	7/1/19 - 9/30/20					77,626	(77,626)		-		
Fiscal Year 2019	84.027	H027A180100	IDEA446019	78,899	7/1/18 - 6/30/19	(638)				638			-		
I.D.E.A. Part B - Preschool:															
Fiscal Year 2020	84.173	H173A190114	IDEA446020	3,144	7/1/19 - 9/30/20					2,513	(3,144)		(631)		
Fiscal Year 2019	84.173	H173A180114	IDEA446019	3,140	7/1/18 - 6/30/19	(1,129)				1,129			-		
CARES Act															
Fiscal Year 2020	84.425D	S425D200027	N/A	23,471	3/13/20 - 9/30/22						(23,471)		(23,471)		
Total U.S. Department of Education						(37,755)				122,525	(149,431)		(64,661)		
<b>U.S. Department of Agriculture</b>															
<b>Passed-through State Department of Education:</b>															
Enterprise Fund															
National School Lunch Program															
Fiscal Year 2020	10.555	201NJ304N1099	N/A	14,646	7/1/19 - 6/30/20					14,113	(14,646)		(533)		
Fiscal Year 2019	10.555	191NJ304N1099	N/A	14,631	7/1/18 - 6/30/19	(718)				718					
Total U.S. Department of Agriculture						(718)				14,831	(14,646)		(533)		
Total Federal Awards						\$ (38,473)	\$ -	\$ -	\$ -	\$ 137,356	\$ (164,077)	\$ -	\$ (65,194)	\$ -	\$ -

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

**RIVERTON SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Assistance**  
**For the Fiscal Year Ended June 30, 2020**

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2019			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2020		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor				(Accounts Receivable)	Deferred Revenue	Due to Grantor
<b>State Department of Education</b>												
General Fund:												
Equalization Aid	20-495-034-5120-078	\$ 262,501	7/1/19- 6/30/20	\$ -	\$ -	\$ -	\$ 244,077	\$ (262,501)	\$ -	\$ (18,424)	\$ -	\$ -
Equalization Aid	19-495-034-5120-078	284,559	7/1/18- 6/30/19	(21,602)			21,602					
Special Education Categorical Aid	20-495-034-5120-089	204,103	7/1/19- 6/30/20				189,778	(204,103)		(14,325)		
Special Education Categorical Aid	19-495-034-5120-089	204,103	7/1/18- 6/30/19	(15,495)			15,495					
Transportation Aid	20-495-034-5120-014	19,613	7/1/19- 6/30/20				18,236	(19,613)		(1,377)		
Transportation Aid	19-495-034-5120-014	19,613	7/1/18- 6/30/19	(1,489)			1,489					
Security Aid	20-495-034-5120-084	33,553	7/1/19- 6/30/20				31,198	(33,553)		(2,355)		
Security Aid	19-495-034-5120-084	33,553	7/1/18- 6/30/19	(2,547)			2,547					
Extraordinary Aid	20-495-034-5120-044	11,180	7/1/19- 6/30/20					(11,180)		(11,180)		
Extraordinary Aid	19-495-034-5120-044	230	7/1/18 - 6/30/19	(230)			230					
On behalf TPAF Pension Contribution	20-495-034-5094-002	434,503	7/1/19- 6/30/20				434,503	(434,503)				
On behalf TPAF Post Retirement Medical	20-495-034-5094-001	161,193	7/1/19- 6/30/20				161,193	(161,193)				
On behalf TPAF LTDI	20-495-034-5094-004	233	7/1/19- 6/30/20				233	(233)				
Reimbursed TPAF Social Security Contr.	20-495-034-5094-003	167,846	7/1/19- 6/30/20				167,846	(167,846)				
Total General Fund				(41,363)			1,288,427	(1,294,725)		(47,661)		
Special Revenue Fund:												
Nonpublic:												
Textbook Aid	20-100-034-5120-064	474	7/1/19- 6/30/20				474	(474)				
Nursing Services	20-100-034-5120-070	1,358	7/1/19- 6/30/20				1,358	(1,358)				
Technology Initiative	20-100-034-5120-373	324	7/1/19- 6/30/20				324	(324)				
Security	20-100-034-5120-509	2,100	7/1/19- 6/30/20				2,100	(2,100)				
Handicapped Services:												
Supplemental Instruction	20-100-034-5120-066	809	7/1/19- 6/30/20				720	(729)		(89)		80
Supplemental Instruction	19-100-034-5120-066	2,379	7/1/18- 6/30/19			1,586			1,586	(168)		1,300
Examination & Classification	20-100-034-5120-066	1,672	7/1/19- 6/30/20				1,504	(372)				
Examination & Classification	19-100-034-5120-066	2,003	7/1/18- 6/30/19			365			365			
Total Special Revenue Fund						1,951	6,480	(5,357)	1,951	(257)		1,380
<b>State Department of Agriculture</b>												
National School Lunch Program (State Share)												
Fiscal Year 2020	20-100-010-3350-023	552	7/1/19- 6/30/20				544	(552)		(8)		
Fiscal Year 2019	19-100-010-3350-023	749	7/1/18- 6/30/19	(38)			38					
Total Enterprise Fund				(38)			582	(552)		(8)		
Total State Financial Assistance				\$ (41,401)	\$ -	\$ 1,951	\$ 1,295,489	\$ (1,300,634)	\$ 1,951	\$ (47,926)	\$ -	\$ 1,380
Less: State Financial Expenditures Not Subject to Major Program Determination												
On-Behalf TPAF Contribution - Pension (Non-Budgeted)								434,503				
On-Behalf TPAF Contribution - Post-Retirement Medical (Non-Budgeted)								161,193				
On-Behalf TPAF Contribution - LTDI (Non-Budgeted)								233				
Total State Financial Expenditures Subject to Major Program Determination								<u>\$ (704,705)</u>				

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

**Riverton School District  
Notes to Schedules of Expenditures  
of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2020**

**I. GENERAL**

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

**2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The school district has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$4,652 in the general fund and \$0- in the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ -	\$ 1,299,377	\$ 1,299,377
Special Revenue	149,431	5,357	154,788
Food Service	<u>14,646</u>	<u>552</u>	<u>15,198</u>
	<u>\$ 164,077</u>	<u>\$ 1,305,286</u>	<u>\$ 1,469,363</u>

**Riverton School District  
Notes to the Schedules of Expenditures  
of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2020  
(Continued)**

**4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**5. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 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.

**6. MAJOR PROGRAMS**

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



RIVERTON SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

State Awards Section

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

Auditee qualified as low-risk auditee?  X  yes   no

Internal Control over major programs:

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

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

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

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>20-495-034-5120-078</u>	<b>State Aid Public Cluster:</b> <u>Equalization Aid</u>
<u>20-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>20-495-034-5120-084</u>	<u>Security Aid</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

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

**Section 2 -- Schedule of Financial Statement Findings**

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

No findings identified.

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

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

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

**FEDERAL AWARDS:**

A federal single audit was not required.

**STATE AWARDS:**

No findings and/or questioned costs identified.



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

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

**FINANCIAL STATEMENT FINDINGS**

There were no prior year audit findings.

**FEDERAL AWARDS**

A federal single audit was not required.

**STATE AWARDS**

There were no prior year audit findings.