

RIVERDALE BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Riverdale, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Riverdale Board of Education

Riverdale, New Jersey

For The Fiscal Year Ended June 30, 2021

Prepared by

Business Office

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INTRODUCTORY SECTION



Riverdale PUBLIC SCHOOL

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February 9, 2022

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

Dear Board Members:

The comprehensive annual financial report of the Riverdale School District (the "District") for the fiscal year ended June 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Riverdale School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

The District provides a full range of educational services appropriate to grade levels PreK through 8. These services include general, as well as special education for students designated as needing the same, via their IEP. Due to the COVID-19 pandemic, the District completed the 2020/2021 fiscal year with an enrollment of 295 students, which is 34 students fewer than the previous year's enrollment.

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

Fiscal Year	Student Enrollment	Percent Change
2020-2021	295	-10.3%
2019-2020	329	-3.5%
2018-2019	341	2.4%
2017-2018	333	-1.4%
2016-2017	338	-1.1%
2015-2016	342	3.0%
2014-2015	332	0.6%
2013-2014	330	-0.9%
2012-2013	333	2.7%
2011-2012	324	6.8%
2010-2011	318	1.9%

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

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

3) MAJOR INITIATIVES: The Riverdale School District’s goals reflect our belief that the education of our students remains our top priority. As a Pre-K-8 school District of 295 students, we have been able to personalize instruction by maintaining small class sizes, wherever possible, in an environment of high expectations for students socially, emotionally, and academically. Student performances on state and local assessments are clear examples of the district’s effectiveness in attaining high levels of student achievement.

During the 2020/2021 school year, teachers and administrators were committed to examining instructional methodologies in the following curricular areas: instruction through new technologies, differentiated instruction, writing process, language arts literacy, mathematics, student wellness, inclusion, and special education. Through the continued efforts of the District, professional development activities were aligned to instructional improvement. The curriculum reflects a focus on the integration of critical thinking skills, use of technological applications, organizational strategies, and writing instruction throughout all disciplines. These efforts optimize the learning experiences for our students.

Our five-year curriculum review/revision cycle is one of our ongoing efforts to establish clear learning objectives and safeguard all students are meeting or exceeding NJSLs. The student activities we provide for our students include: Student Council, National Junior Honor Society, an interscholastic athletic program, drama, choral and band after-school programs, visual arts presentations, and a science fair.

3) MAJOR INITIATIVES (Continued)

Responding to the New Jersey State mandate for professional growth, teachers, parents, and administrators have provided input to guide professional development opportunities for our staff. As a result, the district has provided staff with training in diverse areas. District staff has received training in differentiated instruction, technology applications, and Fountas & Pinnell reading program.

The district's technology plan incorporates technology across the full spectrum of each core content area and utilizing new equipment and software, including the interactive Smart Boards and FM systems, Riverdale continues to be able to support students' 1:1 Chromebook needs. Internet access is available throughout the school and is safeguarded through appropriate filters and an acceptable use policy.

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

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

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

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

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved

by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements and are accounted for in the capital projects fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2021.

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

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

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

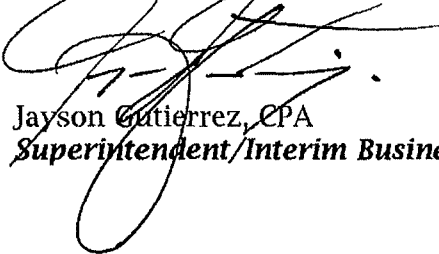
9) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

10) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board's audit committee selected the accounting firm of Lerch, Vinci, & Higgins, LLP, CPAs. In addition to meeting the requirements set forth in state statutes the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and state OMB Circular 15-08. The auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

11) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Riverdale Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school District and thereby contributing their full support to the development and maintenance of our financial operation. The

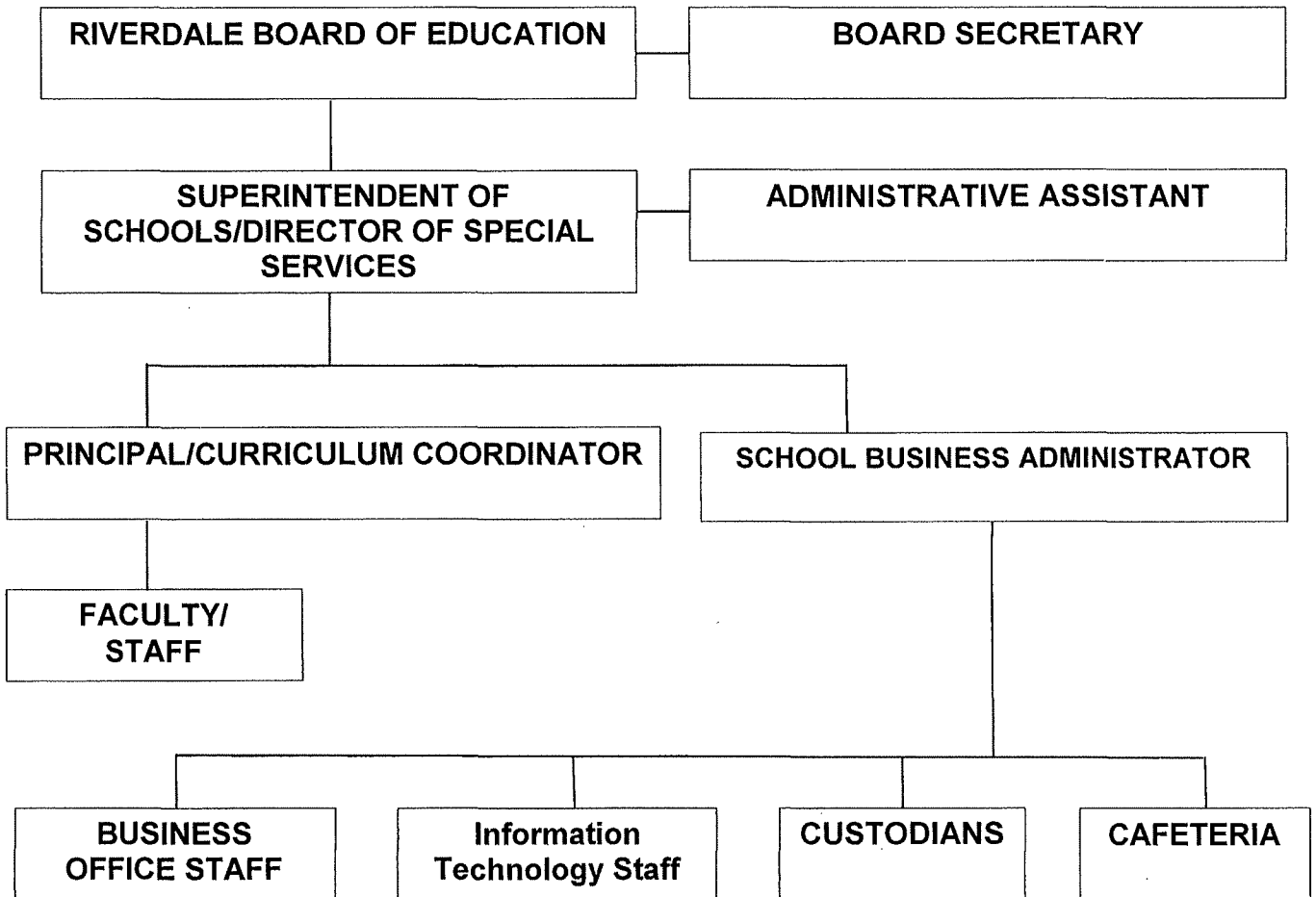
preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



Jayson Gutierrez, CPA
Superintendent/Interim Business Administrator-Board Secretary

RIVERDALE BOARD OF EDUCATION
ORGANIZATIONAL CHART



**RIVERDALE BOARD OF EDUCATION
RIVERDALE, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2021**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Jessica Muzzio-Rentas, President	2022
Marybeth Thomas, Vice President	2023
Kelly Norris	2021
Keith Hamilton	2021
Kathleen Miceli	2022
Ann Marie Nadinglu	2022
Russell Hatzel	2021

Other Officials

Jayson Gutierrez, Acting Superintendent/Business Administrator/Board Secretary

Omar Garcia, Treasurer of School Monies

**RIVERDALE BOARD OF EDUCATION
RIVERDALE, NEW JERSEY**

CONSULTANTS AND ADVISORS

Audit Firm

Lerch, Vinci & Higgins, LLP
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Fair Lawn, NJ 07410

Attorney

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Westfield, NJ 07090

Architect

Solutions Architecture
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2nd Floor Suite 2
Newark, NJ 07104

Official Depository

Lakeland Bank
250 Oak Ridge Road
Oak Ridge, NJ 07438

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverdale Board of Education, as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverdale Board of Education as of June 30, 2021, 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.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2021, the Riverdale Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities which provided guidance on identifying fiduciary activities and how they should be reported. The adoption of this standard resulted in a change to how previously reported fiduciary fund activities are currently reported in the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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


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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated February 9, 2022 on our consideration of the Riverdale Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Riverdale Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Riverdale Board of Education's internal control over financial reporting and compliance.



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



Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
February 9, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Riverdale Board of Education
Riverdale, New Jersey

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2021

This section of the Riverdale Board of Education's comprehensive annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34- Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2020-2021) and the prior year (2019-2020) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2020-2021 fiscal year are as follows:

- The assets and deferred outflows of resources of the Riverdale Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$7,013,162. (net position).
- The District's total net position increased \$777,096.
- Overall district revenues were \$10,827,447. General revenues accounted for \$8,461,329 or 78% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2,366,118 or 22% of total revenues.
- The school district had \$9,985,336 in expenses for governmental activities; only \$2,297,917 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$8,461,317 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$3,807,592. Of this amount \$224,894 is available for spending at the District's discretion (unassigned fund balance – General Fund),

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

**Management’s Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

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

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

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

Riverdale Board of Education
Riverdale, New Jersey

Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2021

District-Wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

Riverdale Board of Education
Riverdale, New Jersey

Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2021

The district has three kinds of funds:

- *Governmental funds*- Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- *Proprietary funds*- Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.

FINANCIAL ANALYSIS OF THE RIVERDALE BOARD OF EDUCATION AS A WHOLE

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

Table A-1 provides a summary of the school district's net position for 2021 and 2020.

Net position. The district's combined net position was \$7,013,162 on June 30, 2021. (See Table A-1).

Riverdale Board of Education
Riverdale, New Jersey

Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2021

Table A-1
Net Position
as of June 30, 2021 and 2020

	Governmental Activities		Business-Type Activities		Total	
	2021	2020 (Restated)	2021	2020	2021	2020 (Restated)
Assets						
Current and other assets	\$ 3,868,877	\$ 3,286,561	\$ 47,163	\$ 50,794	\$ 3,916,040	\$ 3,337,355
Capital assets, net	<u>4,329,759</u>	<u>4,298,755</u>	<u>19,366</u>	<u>19,683</u>	<u>4,349,125</u>	<u>4,318,438</u>
Total Assets	<u>8,198,636</u>	<u>7,585,316</u>	<u>66,529</u>	<u>70,477</u>	<u>8,265,165</u>	<u>7,655,793</u>
Deferred Outflows of Resources	<u>174,020</u>	<u>275,672</u>	-	-	<u>174,020</u>	<u>275,672</u>
Total Assets and Deferred Outflows of Resources	<u>8,372,656</u>	<u>7,860,988</u>	<u>66,529</u>	<u>70,477</u>	<u>8,439,185</u>	<u>7,931,465</u>
Liabilities						
Non-Current liabilities	900,007	1,085,140			900,007	1,085,140
Other liabilities	<u>61,285</u>	<u>141,405</u>	<u>2,352</u>	<u>8,410</u>	<u>63,637</u>	<u>149,815</u>
Total Liabilities	<u>961,292</u>	<u>1,226,545</u>	<u>2,352</u>	<u>8,410</u>	<u>963,644</u>	<u>1,234,955</u>
Deferred Inflows of Resources	<u>462,240</u>	<u>459,217</u>	<u>139</u>	<u>1,227</u>	<u>462,379</u>	<u>460,444</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,423,532</u>	<u>1,685,762</u>	<u>2,491</u>	<u>9,637</u>	<u>1,426,023</u>	<u>1,695,399</u>
Net Position						
Net Investment in capital assets	4,311,658	4,254,317	19,366	19,683	4,331,024	4,274,000
Restricted	1,822,343	1,829,495			1,822,343	1,829,495
Unrestricted	<u>815,123</u>	<u>91,414</u>	<u>44,672</u>	<u>41,157</u>	<u>859,795</u>	<u>132,571</u>
Total Net Position	<u>\$ 6,949,124</u>	<u>\$ 6,175,226</u>	<u>\$ 64,038</u>	<u>\$ 60,840</u>	<u>\$ 7,013,162</u>	<u>\$ 6,236,066</u>

Table A-2 on the following page shows changes in net position for fiscal year 2021 and 2020.

Riverdale Board of Education
Riverdale, New Jersey

Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2021

Table A-2
Changes in Net Position
For the Fiscal Years Ended June 30, 2021 and 2020

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues						
Program Revenues						
Charges for Services	\$ 24,794	\$ 22,575	\$ 16,039	\$ 48,258	\$ 40,833	\$ 70,833
Operating/Capital Grants and Contributions	2,273,123	1,864,477	52,162	41,867	2,325,285	1,906,344
General Revenues						
Property Taxes	8,391,926	8,227,378			8,391,926	8,227,378
Miscellaneous	69,391	9,175	12	4	69,403	9,179
Total Revenues	<u>10,759,234</u>	<u>10,123,605</u>	<u>68,213</u>	<u>90,129</u>	<u>10,827,447</u>	<u>10,213,734</u>
Expenses						
Instruction						
Regular	5,020,922	4,669,037			5,020,922	4,669,037
Special Education	1,546,878	1,517,097			1,546,878	1,517,097
Other Instruction	339,346	225,973			339,346	225,973
School Sponsored Activities and Athletics	58,174	60,025			58,174	60,025
Support Services						
Student and Instruction Related Serv.	1,030,573	907,595			1,030,573	907,595
General Administrative Services	356,549	404,440			356,549	404,440
School Administrative Services	185,543	219,987			185,543	219,987
Central Services	270,659	285,157			270,659	285,157
Plant Operations and Maintenance	685,842	731,324			685,842	731,324
Pupil Transportation	489,725	472,470			489,725	472,470
Food Services			60,510	92,770	60,510	92,770
Technology Initiative			4,505	975	4,505	975
Interest on Long-Term Debt	1,125	2,014	-	-	1,125	2,014
Total Expenses	<u>9,985,336</u>	<u>9,495,119</u>	<u>65,015</u>	<u>93,745</u>	<u>10,050,351</u>	<u>9,588,864</u>
Change in Net Position	773,898	628,486	3,198	(3,616)	777,096	624,870
Net Position, Beginning of Year	6,175,226	5,486,168	60,840	64,456	6,236,066	5,550,624
Prior Period Adjustment	-	60,572	-	-	-	60,572
Net Position, End of Year	<u>\$ 6,949,124</u>	<u>\$ 6,175,226</u>	<u>\$ 64,038</u>	<u>\$ 60,840</u>	<u>\$ 7,013,162</u>	<u>\$ 6,236,066</u>

Riverdale Board of Education Riverdale, New Jersey

Management’s Discussion and Analysis (continued) Fiscal Year Ended June 30, 2021

Governmental Activities. The District’s total revenues were \$10,759,234. The local share of the revenues, that included property taxes, investment earnings, and miscellaneous revenue, amounted to \$8,461,317 or 79% of total revenues. Funding from state and federal sources and charges for services amounted to \$2,297,917 or 21%. (See Figure A-2)

The District’s expenses are predominantly related to instruction and support services. Instruction totaled \$6,965,320 (70%) and student support services and interest on long-term debt totaled \$3,020,016 (30%) of total expenditures. (See Figure A-3)

Figure A-2 Revenues by Sources – Governmental Activities
For Fiscal Year 2021

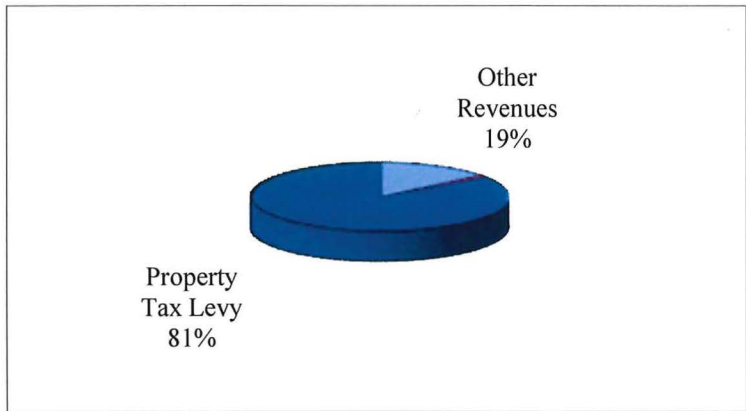
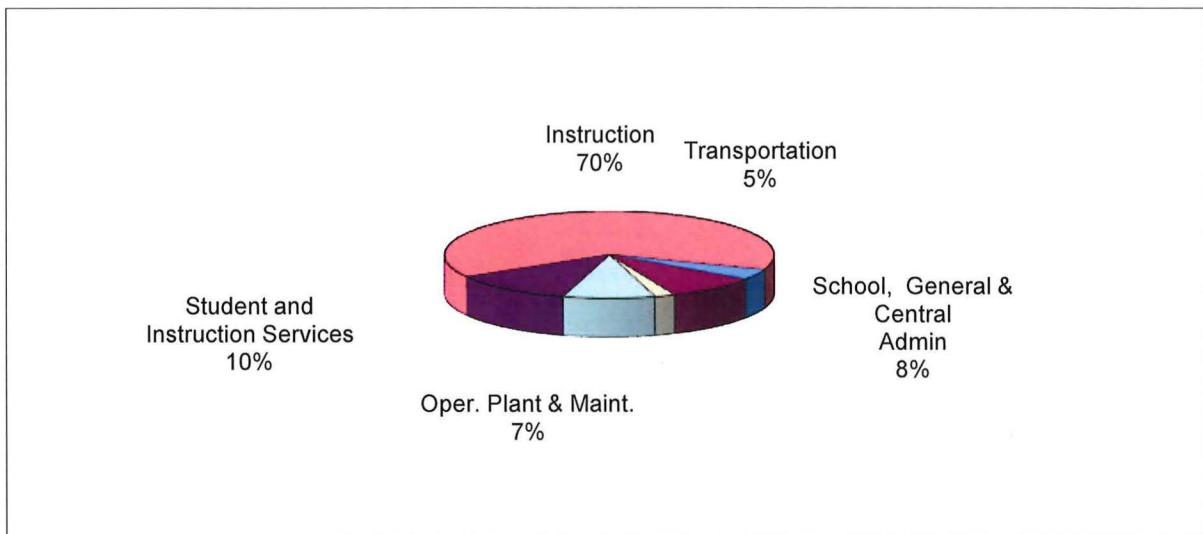


Figure A-3 Expenses by Function – Governmental Activities
For Fiscal Year 2021



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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2021**

Table A-3
Cost and Net Cost of Services for Governmental Activities
For the Fiscal Years Ended June 30, 2021 and 2020

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Governmental Activities				
Instruction				
Regular	5,020,922	4,669,037	\$ 3,926,834	\$ 3,887,310
Special Education	1,546,878	1,517,097	934,080	828,165
Other Instruction	339,346	225,973	224,203	147,104
School Sponsored Activities and Athletics	58,174	60,025	30,561	59,319
Support Services	-			
Student and Instruction Related Svcs.	1,030,573	907,595	810,071	778,305
General Administrative Services	356,549	404,440	331,864	400,045
School Administrative Services	185,543	219,987	130,525	179,934
Central Services	270,659	285,157	250,696	281,204
Plant Operations and Maintenance	685,842	731,324	652,563	662,934
Pupil Transportation	489,725	472,470	394,897	381,733
Interest on Long-Term Debt	1,125	2,014	1,125	2,014
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Governmental Activities	<u>\$ 9,985,336</u>	<u>\$ 9,495,119</u>	<u>\$ 7,687,419</u>	<u>\$ 7,608,067</u>

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2021 was \$65,015. These costs were funded by operating grants and charges for services (Detailed on Table A-2).

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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2021**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$3,807,592. At June 30, 2020, the fund balance was \$3,145,158.

Revenues for the District's governmental funds were \$10,036,027 while total expenditures were \$9,373,593.

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

The following schedule presents a summary of General Fund revenues for the fiscal years ended June 30, 2021 and 2020.

	Fiscal Year Ended <u>6/30/2021</u>	Fiscal Year Ended <u>6/30/2020</u>	Amount of Increase <u>(Decrease)</u>	Percent Change
Local Sources:				
Property Taxes	\$ 8,391,926	\$ 8,227,378	\$ 164,548	2.0%
Miscellaneous	69,391	31,750	37,641	118.6%
Intergovernmental State Sources	<u>1,386,614</u>	<u>1,309,730</u>	<u>76,884</u>	5.9%
 Total Revenues	 <u>\$ 9,847,931</u>	 <u>\$ 9,568,858</u>	 <u>\$ 279,073</u>	 2.9%

The General Fund revenues increased by \$279,073 or 3% from the previous year.

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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2021**

General Fund (Continued)

The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2021 and 2020.

	Fiscal Year Ended <u>6/30/2021</u>	Fiscal Year Ended <u>6/30/2020</u>	Amount of Increase <u>(Decrease)</u>	Percent Change
Instruction	\$ 6,209,587	\$ 5,969,439	\$ 240,148	4%
Support Services	2,654,395	2,699,201	(44,806)	-2%
Debt Service	27,461	27,461	-	0%
Capital Outlay	<u>289,334</u>	<u>416,282</u>	<u>(126,948)</u>	-30%
 Total Expenditures	 <u>\$ 9,180,777</u>	 <u>\$ 9,112,383</u>	 <u>\$ 68,394</u>	 1%

Total General Fund expenditures decreased by \$68,394 or 1% from the previous year.

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

Revenues of the Special Revenue Fund were \$188,096 for the year ended June 30, 2021. Federal sources accounted for \$163,302 or 87% of Special Revenue Fund's revenue for the year.

Total Special Revenue Fund revenues increased \$59,294 or 46% from the previous year.

Expenditures of the Special Revenue Fund were \$192,816. Instructional expenditures were \$171,385 or 89%.

Proprietary Funds

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

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

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

**Management’s Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2021**

GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

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

Capital Assets. At the end of the fiscal year 2021, the school district had invested in land, buildings, machinery and equipment as stated in Table A-4 as follows:

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

	Governmental Activities		Business-Type Activities		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 11,800	\$ 11,800			\$ 11,800	\$ 11,800
Construction in Progress	109,611	145,857			109,611	145,857
Buildings and Building Improvements	7,650,306	7,360,250			7,650,306	7,360,250
Machinery and Equipment	<u>569,820</u>	<u>538,645</u>	<u>\$ 51,634</u>	<u>\$ 48,104</u>	<u>621,454</u>	<u>586,749</u>
Total	8,341,537	8,056,552	51,634	48,104	8,393,171	8,104,656
Less: Accumulated Depreciation	<u>(4,011,778)</u>	<u>(3,757,797)</u>	<u>(32,268)</u>	<u>(28,421)</u>	<u>(4,044,046)</u>	<u>(3,786,218)</u>
Total	<u>\$ 4,329,759</u>	<u>\$ 4,298,755</u>	<u>\$ 19,366</u>	<u>\$ 19,683</u>	<u>\$ 4,349,125</u>	<u>\$ 4,318,438</u>

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

Debt Administration. As of June 30, 2021 the school district had long-term debt and outstanding long-term liabilities in the amount of \$900,007.

Riverdale Board of Education
Riverdale, New Jersey

Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2021

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

	<u>2021</u>	<u>2020</u>
Capital Lease Payable	\$ 18,102	\$ 44,438
Net Pension Liability	782,776	931,058
Compensated Absences Payable	<u>99,129</u>	<u>109,645</u>
Total	<u>\$ 900,007</u>	<u>\$ 1,085,141</u>

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

RIVERDALE BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,824,169	\$ 38,351	\$ 3,862,520
Receivables, net			
Receivables from Other Governments	44,708	8,111	52,819
Other		146	146
Inventory		555	555
Capital Assets, not being depreciated	121,411		121,411
Capital Assets, net of depreciation	<u>4,208,348</u>	<u>19,366</u>	<u>4,227,714</u>
Total Assets	<u>8,198,636</u>	<u>66,529</u>	<u>8,265,165</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows on Net Pension Liability	<u>174,020</u>	-	<u>174,020</u>
Total Deferred Outflows of Resources	<u>174,020</u>	-	<u>174,020</u>
Total Assets and Deferred Outflows of Resources	<u>8,372,656</u>	<u>66,529</u>	<u>8,439,185</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	54,198	64	54,262
Unearned Revenue	7,087	2,288	9,375
Noncurrent Liabilities			
Due within one year	28,013		28,013
Due beyond one year	<u>871,994</u>	-	<u>871,994</u>
Total Liabilities	<u>961,292</u>	<u>2,352</u>	<u>963,644</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows on Net Pension Liability	462,240		462,240
Deferred Commodities Revenue	-	139	139
Total Deferred Inflows of Resources	<u>462,240</u>	<u>139</u>	<u>462,379</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,423,532</u>	<u>2,491</u>	<u>1,426,023</u>
NET POSITION			
Net Investment in Capital Assets	4,311,658	19,366	4,331,024
Restricted for:			
Capital Projects	1,239,371		1,239,371
Other Purposes	582,972		582,972
Unrestricted	<u>815,123</u>	<u>44,672</u>	<u>859,795</u>
Total Net Position	<u>\$ 6,949,124</u>	<u>\$ 64,038</u>	<u>\$ 7,013,162</u>

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

**RIVERDALE BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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	\$ 5,020,922		\$ 1,094,568		\$ (3,926,354)		\$ (3,926,354)
Special Education	1,546,878		612,798		(934,080)		(934,080)
Other Instruction	339,346		115,143		(224,203)		(224,203)
School Sponsored Activities and Athletics	58,174	24,794	2,339		(31,041)		(31,041)
Support Services							
Student and Instruction Related Services	1,030,573		220,502		(810,071)		(810,071)
General Administration Services	356,549		24,685		(331,864)		(331,864)
School Administration Services	185,543		55,018		(130,525)		(130,525)
Central Services	270,659		19,963		(250,696)		(250,696)
Plant Operations and Maintenance	685,842		33,279		(652,563)		(652,563)
Pupil Transportation	489,725		94,828		(394,897)		(394,897)
Interest on Debt	1,125	-	-	-	(1,125)	-	(1,125)
Total Governmental Activities	9,985,336	24,794	2,273,123	-	(7,687,419)	-	(7,687,419)
Business-Type Activities							
Food Service	60,510	5,435	52,162	-	-	\$ (2,913)	(2,913)
Technology Initiative	4,505	10,604	-	-	-	6,099	6,099
Total Business-Type Activities	65,015	16,039	52,162	-	-	3,186	3,186
Total Primary Government	\$ 10,050,351	\$ 40,833	\$ 2,325,285	\$ -	(7,687,419)	3,186	(7,684,233)
General Revenues							
Property Taxes, Levied for General Purposes					8,391,926		8,391,926
Miscellaneous Income					69,391	12	69,403
Total General Revenues					8,461,317	12	8,461,329
Change in Net Position					773,898	3,198	777,096
Net Position, Beginning of Year (Restated)					6,175,226	60,840	6,236,066
Net Position, End of Year					\$ 6,949,124	\$ 64,038	\$ 7,013,162

FUND FINANCIAL STATEMENTS

**RIVERDALE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 3,806,275	\$ 17,894		\$ 3,824,169
Receivables				
Intergovernmental	8,964	35,744		44,708
Interfunds Receivable	32,257	-	\$ -	32,257
	<u>3,847,496</u>	<u>53,638</u>	<u>\$ -</u>	<u>\$ 3,901,134</u>
Total Assets	<u>\$ 3,847,496</u>	<u>\$ 53,638</u>	<u>\$ -</u>	<u>\$ 3,901,134</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 28,625			\$ 28,625
Interfunds Payable		32,257		32,257
Intergovernmental Accounts Payable	15,118			15,118
Payroll Deductions and Withholdings	10,455			10,455
Unearned Revenue	3,600	3,487	\$ -	7,087
	<u>57,798</u>	<u>35,744</u>	<u>-</u>	<u>93,542</u>
Total Liabilities	<u>57,798</u>	<u>35,744</u>	<u>-</u>	<u>93,542</u>
Fund Balances				
Restricted Fund Balance				
Excess Surplus	1,119,125			1,119,125
Excess Surplus - Designated for Subsequent Year's Expenditures	405,191			405,191
Capital Reserve	819,371			819,371
Capital Reserve - Designated for Subsequent Year's Expenditures	420,000			420,000
Maintenance Reserve	274,312			274,312
Maintenance Reserve - Designated for Subsequent Year's Expenditures	60,000			60,000
Tuition Adjustments	100,000			100,000
Tuition Adjustments - Designated for Subsequent Year's Expenditures	100,000			100,000
Unemployment Compensation	30,766			30,766
Student Activities and Athletics		17,894		17,894
Assigned				
Year End Encumbrances	236,039			236,039
Unassigned Fund Balance	224,894	-	-	224,894
	<u>3,789,698</u>	<u>17,894</u>	<u>-</u>	<u>3,807,592</u>
Total Fund Balances	<u>3,789,698</u>	<u>17,894</u>	<u>-</u>	<u>3,807,592</u>
Total Liabilities and Fund Balances	<u>\$ 3,847,496</u>	<u>\$ 53,638</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 \$8,341,537, and the accumulated depreciation is \$4,011,778. 4,329,759

Certain amounts resulting from the calculation of liabilities are reported as deferred outflows and deferred inflows of resources on the statement of net position and amortized over future years. (See Note 2A) (288,220)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 2A) (900,007)

Net position of governmental activities \$ 6,949,124

RIVERDALE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources				
Property Tax Levy	\$ 8,391,926			\$ 8,391,926
Tuition	12,000			12,000
Interest	5,879			5,879
Miscellaneous	51,512	-	-	51,512
Total - Local Sources	8,461,317	-	-	8,461,317
State Sources	1,386,614			1,386,614
Federal Sources		\$ 163,302	-	163,302
Other Sources	-	24,794	-	24,794
Total Revenues	9,847,931	188,096	-	10,036,027
EXPENDITURES				
Current				
Instruction				
Regular Instruction	4,468,094	138,645		4,606,739
Special Education Instruction	1,418,066	3,226		1,421,292
Other Instruction	296,258			296,258
School-Sponsored Activities and Athletics	27,169	29,514		56,683
Support Services				
Student and Instruction Related Services	920,004	21,431		941,435
General Administrative Services	351,703			351,703
School Administrative Services	173,926			173,926
Central Services	227,625			227,625
Administration Information Technology	30,307			30,307
Plant Operations and Maintenance	464,053			464,053
Pupil Transportation	486,777			486,777
Debt Service				
Principal	26,336			26,336
Interest and Other Charges	1,125			1,125
Capital Outlay	289,334	-	\$ -	289,334
Total Expenditures	9,180,777	192,816	-	9,373,593
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	667,154	(4,720)	-	662,434
OTHER FINANCING SOURCES(USES)				
Capital Lease Proceeds				-
Transfers In				-
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	-	-	-	-
Net Change in Fund Balance	667,154	(4,720)	-	
Fund Balance, Beginning of Year (Restated)	3,122,544	22,614	-	3,145,158
Fund Balance, End of Year	\$ 3,789,698	\$ 17,894	\$ -	\$ 3,807,592

**RIVERDALE BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 662,434

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

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

Capital Outlay	\$ 289,334	
Depreciation Expense	<u>(254,851)</u>	
		34,483

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, donations) is to decrease net position. These transactions are not reported in the governmental fund financial statements.

Loss on Disposal of Capital Assets		(3,479)
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In the statement of activities, certain operating expenses - compensated absences and pension expense - are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial sources (used) paid:

Decrease in Compensated Absences	10,516	
Decrease in Pension Expense	<u>43,608</u>	
		54,124

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

Capital Leases		<u>26,336</u>
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Change in net position of governmental activities (Exhibit A-2)		<u>\$ 773,898</u>
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**RIVERDALE BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2021**

Business-Type Activities - Enterprise Fund

	<u>Food Service</u>	<u>Non-Major Technology Initiative</u>	<u>Totals</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 28,798	\$ 9,553	\$ 38,351
Intergovernmental Receivable			
State	220		220
Federal	7,891		7,891
Other Accounts Receivable	146		146
Inventories	555	-	555
	<u>37,610</u>	<u>9,553</u>	<u>47,163</u>
Total Current Assets			
Capital Assets			
Equipment	51,634		51,634
Less: Accumulated Depreciation	(32,268)	-	(32,268)
	<u>19,366</u>	<u>-</u>	<u>19,366</u>
Total Capital Assets			
Total Assets	<u>56,976</u>	<u>9,553</u>	<u>66,529</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	64		64
Unearned Revenue	2,288	-	2,288
	<u>2,352</u>	<u>-</u>	<u>2,352</u>
Total Current Liabilities			
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue	139	-	139
	<u>2,491</u>	<u>-</u>	<u>2,491</u>
Total Liabilities and Deferred Inflows of Resources			
NET POSITION			
Invested in Capital Assets	19,366		19,366
Unrestricted	35,119	9,553	44,672
	<u>54,485</u>	<u>9,553</u>	<u>64,038</u>
Total Net Position	<u>\$ 54,485</u>	<u>\$ 9,553</u>	<u>\$ 64,038</u>

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

**RIVERDALE BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Business-Type Activities - Enterprise Fund</u>		
	<u>Food Service</u>	<u>Non-Major Technology Initiative</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for Services			
Receipts from Customers	\$ 5,435	\$ 10,604	\$ 16,039
Total Operating Revenues	<u>5,435</u>	<u>10,604</u>	<u>16,039</u>
OPERATING EXPENSES			
Purchased Services			-
Supplies and Materials	6,922	4,505	11,427
Repair and Maintenance	7,689		7,689
Cost of Sales	42,052		42,052
Depreciation Expense	<u>3,847</u>	<u>-</u>	<u>3,847</u>
Total Operating Expenses	<u>60,510</u>	<u>4,505</u>	<u>65,015</u>
Operating Income (Loss)	<u>(55,075)</u>	<u>6,099</u>	<u>(48,976)</u>
NONOPERATING REVENUES			
Interest Earnings		12	12
State Sources			
State School Lunch Program	1,064		1,064
Federal Sources			
National Lunch Program	41,229		41,229
Food Distribution Program	<u>9,869</u>	<u>-</u>	<u>9,869</u>
Total Nonoperating Revenues	<u>52,162</u>	<u>12</u>	<u>52,174</u>
Change in Net Position	(2,913)	6,111	3,198
Net Position, Beginning of Year	<u>57,398</u>	<u>3,442</u>	<u>60,840</u>
Net Position, End of Year	<u>\$ 54,485</u>	<u>\$ 9,553</u>	<u>\$ 64,038</u>

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

**RIVERDALE BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Business-Type Activities - Enterprise Fund

	<u>Food Service</u>	<u>Non-Major Technology Initiative</u>	<u>Totals</u>
Cash Flows from Operating Activities			
Cash Received from Customers and Other Operating Activities	\$ (2,592)	\$ 10,604	\$ 8,012
Cash Payments for Employees - Salaries and Benefits	-	-	-
Cash Payments to Suppliers for Goods and Services	(50,744)	(4,505)	(55,249)
Net Cash Provided (Used) by Operating Activities	(53,336)	6,099	(47,237)
Cash Flows from Noncapital Financing Activities			
Cash Received from State and Federal Subsidy Reimbursements	42,293	-	42,293
Net Cash Provided by Noncapital Financing Activities	42,293	-	42,293
Cash Flows from Capital and Related Financing Activities			
Purchases of capital assets	(3,530)	-	(3,530)
Net cash (used) by capital and related financing activities	(3,530)	-	(3,530)
Cash Flows from Investing Activities			
Interest Earnings	-	12	12
Net Cash Provided by Investing Activities	-	12	12
Net Increase in Cash and Cash Equivalents	(14,573)	6,111	(8,462)
Cash and Cash Equivalents, Beginning of Year	43,371	3,442	46,813
Cash and Cash Equivalents, End of Year	\$ 28,798	\$ 9,553	\$ 38,351
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	\$ (55,075)	\$ 6,099	\$ (48,976)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation Expense	3,847		3,847
Non-Cash Federal Assistance-Food Distribution Program	9,869		9,869
Change in Assets, Liabilities and Deferred Inflows of Resources			
Increase/(Decrease) in Accounts Payable	(4,786)		(4,786)
(Increase)/Decrease in Inventory	836		836
Increase/(Decrease) in Unearned Revenue	(1,272)		(1,272)
(Increase)/Decrease in Accounts Receivable	(5,667)		(5,667)
Increase/(Decrease) in Deferred Commodities Revenue	(1,088)	-	(1,088)
Total Adjustments	1,739	-	1,739
Net Cash Provided (Used) by Operating Activities	\$ (53,336)	\$ 6,099	\$ (47,237)
Non-Cash Investing, Capital and Financing Activities			
Value Received - Food Distribution Program			\$ 9,869

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

NOTES TO THE FINANCIAL STATEMENTS

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

During fiscal year 2021, the District adopted the following GASB statement:

- GASB No. 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 established 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.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements. Currently the District has no fiduciary funds.

District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs, student activity funds derived from athletic events or other activities.

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

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

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

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

1. *Cash, Cash Equivalents and Investments*

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

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

2. *Receivables*

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

3. *Inventories*

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

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

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Capital Assets*

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

5. *Deferred Outflows/Inflows of Resources*

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

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. *Compensated Absences*

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

7. *Pensions*

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

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

8. *Long-Term Obligations*

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

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2021 audited excess surplus that is required to be appropriated in the 2022/2023 original budget certified for taxes.

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

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

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2021/2022 District budget certified for taxes.

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 3).

Maintenance Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2021/2022 District budget certified for taxes

Tuition Adjustments – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2020/2021 contract year and is required to be liquidated in the second year following the contract year with any remaining balance related to that contract year to be reserved and budgeted for property tax relief in the 2022/23 original budget certified for taxes.

Tuition Adjustment – Designated for Subsequent Year's Expenditures – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2019/2020 contract year that is appropriated in the 2021/2022 original budget certified for taxes.

Unemployment Compensation Reserve – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District's election for payment in lieu of contributions (benefit reimbursement method). (See Note 5).

Student Activities – This restriction was created in accordance with NJAC 6A:23A-16.12 to represent the accumulation of funds derived from athletic events and other student organizations reserved for the payment of student group activities.

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

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Net Position/Fund Balance (Continued)

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

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

10. Fund Balance Policies

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

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

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

3. Tuition Revenues and Expenditures

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

Tuition Expenditures - Tuition charges for the fiscal years 2019-2020 and 2021-2022 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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

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

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position - governmental activities as reported in the district-wide statement of net position. One element of that reconciliation explains that “deferred outflows and inflows related to net pension liability are amortized over future years and therefore are not reported in the funds”. The details of this \$(288,220) difference are as follows:

Deferred Outflows on Net	
Pension Liability	\$ 174,020
Deferred Inflows on Net	
Pension Liability	<u>(462,240)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (288,220)</u>

Another element of that reconciliation explains that “long-term liabilities, including capital leases payable, net pension liability and compensated absences are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(900,007) difference are as follows:

Capital Leases Payable	\$ (18,102)
Net Pension Liability	(782,776)
Compensated Absences	<u>(99,129)</u>
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (900,007)</u>

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2020/2021. Also, during 2020/2021 the Board increased the original budget by \$445,724. The increase was funded by the additional appropriation of grant awards, student activity revenue and the reappropriation of prior year general fund encumbrances.

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

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

B. Capital Reserve

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

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020		\$ 1,050,161
Increased by		
Deposits Approved by Board Resolution	\$ 900,000	
Interest Earnings	<u>1,210</u>	
		<u>901,210</u>
		1,951,371
Withdrawals		
Approved in District Budget	302,000	
Withdrawal by Board Resolution	<u>410,000</u>	
		<u>712,000</u>
Balance, June 30, 2021		<u>\$ 1,239,371</u>

\$420,000 of the capital reserve balance at June 30, 2021 was designated and appropriated for use in the 2021/2022 original budget certified for taxes.

D. Maintenance Reserve

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

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

The activity of the maintenance reserve for the fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020		\$ 418,761
Increased by		
Deposit Approved by Board Resolution	\$ 50,000	
Interest earnings	<u>551</u>	
		<u>50,551</u>
		469,312
Withdrawals		
Approved in District Budget	(75,000)	
Withdrawal by Board Resolution	<u>(60,000)</u>	
		<u>(135,000)</u>
Balance, June 30, 2021		<u>\$ 334,312</u>

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Maintenance Reserve (Continued)

The June 30, 2021 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$418,761. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities. \$60,000 of the maintenance reserve balance at June 30, 2021 was designated and appropriated for use in the 2021/2022 original budget certified for taxes.

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 4% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2021 is \$1,524,316. Of this amount, \$405,191 was designated and appropriated in the 2021/2022 original budget certified for taxes and the remaining amount of \$1,119,125, will be appropriated in the 2022/2023 original budget certified for taxes.

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2021, the book value of the Board's deposits were \$3,862,520 and bank and brokerage firm balances of the Board’s deposits amounted to \$3,994,272. The Board's deposits which are displayed on the various fund balance sheets as "cash" or “cash and cash equivalents” are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ <u>3,994,272</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2021 none of the Board’s bank balances were exposed to custodial credit risk.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments

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

As of June 30, 2021, the Board had no outstanding investments.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Board’s investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer.

B. Receivables

Receivables as of June 30, 2021 for the district’s individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise Fund</u>	<u>Total</u>
Receivables:				
Intergovernmental				
Federal		\$ 35,744	\$ 7,891	\$ 43,635
State	\$ 8,964		220	9,184
Other	<u>32,257</u>	-	<u>146</u>	<u>32,403</u>
Gross Receivables	41,221	35,744	8,257	85,222
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 41,221</u>	<u>\$ 35,744</u>	<u>\$ 8,257</u>	<u>\$ 85,222</u>

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

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

	<u>Unearned</u>
General Fund	
Tuition	\$ 3,600
Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>3,487</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 7,087</u>

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	<u>Balance, July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2021</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 11,800			\$ 11,800
Construction in Progress	<u>145,857</u>	\$ 109,611	\$ (145,857)	<u>109,611</u>
Total capital assets, not being depreciated	<u>157,657</u>	<u>109,611</u>	<u>(145,857)</u>	<u>121,411</u>
Capital assets, being depreciated:				
Buildings and Building Improvements	7,360,250	290,056		7,650,306
Machinery and equipment	<u>538,645</u>	<u>35,524</u>	<u>(4,349)</u>	<u>569,820</u>
Total capital assets being depreciated	<u>7,898,895</u>	<u>325,580</u>	<u>(4,349)</u>	<u>8,220,126</u>
Less accumulated depreciation for:				
Buildings and Building Improvements	(3,417,258)	(200,199)		(3,617,457)
Machinery and equipment	<u>(340,539)</u>	<u>(54,652)</u>	<u>870</u>	<u>(394,321)</u>
Total accumulated depreciation	<u>(3,757,797)</u>	<u>(254,851)</u>	<u>870</u>	<u>(4,011,778)</u>
Total capital assets, being depreciated, net	<u>4,141,098</u>	<u>70,729</u>	<u>(3,479)</u>	<u>4,208,348</u>
Governmental activities capital assets, net	<u>\$ 4,298,755</u>	<u>\$ 180,340</u>	<u>\$ (149,336)</u>	<u>\$ 4,329,759</u>

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2020</u>
Business-type activities:				
Capital assets, being depreciated:				
Machinery and equipment	\$ 48,104	\$ 3,530	-	\$ 51,634
Total capital assets being depreciated	<u>48,104</u>	<u>3,530</u>	<u>-</u>	<u>51,634</u>
Less accumulated depreciation for:				
Machinery and equipment	<u>(28,421)</u>	\$ (3,847)	-	<u>(32,268)</u>
Total accumulated depreciation	<u>(28,421)</u>	<u>(3,847)</u>	<u>-</u>	<u>(32,268)</u>
Total capital assets, being depreciated, net	<u>19,683</u>	<u>(317)</u>	<u>-</u>	<u>19,366</u>
Business-type activities capital assets, net	<u>\$ 19,683</u>	<u>\$ (317)</u>	<u>\$ -</u>	<u>\$ 19,366</u>

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

Governmental Activities:	
Instruction	
Regular	\$ 38,376
Total Instruction	<u>38,376</u>
Support Services	
Student and Instruction Related Services	6,910
Admin Info Technology	207,658
Plant Operations and Maintenance of Plant	<u>1,907</u>
Total Support Services	<u>216,475</u>
Total depreciation expense - governmental activities	<u>\$ 254,851</u>
Business-Type Activities:	
Food Service	<u>\$ 3,847</u>

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2021, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	<u>\$ 32,257</u>

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

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

F. Leases

Capital Leases

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

The capital assets acquired through capital leases are as follows:

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

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

Capital Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 were as follows:

<u>Fiscal</u> <u>Year Ending June 30</u>	<u>Governmental</u> <u>Activities</u>
2022	\$ 18,480
Total minimum lease payments	18,480
Less: amount representing interest	(378)
Present value of minimum lease payments	<u>\$ 18,102</u>

G. Long-Term Debt

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2021 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 27,475,484
Less: Net Debt	<u>-</u>
Remaining Borrowing Power	<u>\$ 27,475,484</u>

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2021, was as follows:

	<u>Balance,</u> <u>July 1, 2020</u>	<u>Increases</u>	<u>Reductions</u>	<u>Balance,</u> <u>June 30, 2021</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Governmental activities:					
Capital Leases	\$ 44,438		\$ 26,336	\$ 18,102	\$ 18,102
Net Pension Liability	931,058		148,282	782,776	
Compensated Absences Payable	<u>109,645</u>	<u>-</u>	<u>10,516</u>	<u>99,129</u>	<u>9,911</u>
Governmental activity					
Long-term liabilities	<u>\$ 1,085,141</u>	<u>\$ -</u>	<u>\$ 185,134</u>	<u>\$ 900,007</u>	<u>\$ 28,013</u>

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

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 5 OTHER INFORMATION

A. Risk Management

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

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

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

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

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

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

Fiscal Year Ended <u>June 30,</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2021	\$ 5,800	\$ 13,057	\$ 30,766
2020	6,087	10,494	37,959
2019	6,206	4,822	42,305

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (Continued)

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2021, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

The following represents the membership tiers for PERS:

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

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

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

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

The following represent the membership tiers for TPAF:

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

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

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Other Pension Funds

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

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

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

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

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Investment Valuation

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

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

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2020 is \$16.4 billion and the plan fiduciary net position as a percentage of the total pension liability is 58.32%. The collective net pension liability of the State funded TPAF at June 30, 2020 is \$66.0 billion and the plan fiduciary net position as a percentage of total pension liability is 24.60%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2019 which were rolled forward to June 30, 2020.

Actuarial Methods and Assumptions

In the July 1, 2019 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2021.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2021 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2021, 2020 and 2019 were equal to the required contributions.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

During the fiscal years ended June 30, 2021, 2020 and 2019 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-Behalf <u>TPAF</u>	<u>DCRP</u>
2021	\$ 52,511	\$ 624,735	\$ 5,492
2020	50,262	483,354	8,228
2019	44,762	430,843	11,218

In addition for fiscal years 2021, 2020 and 2019 the District contributed \$-0-, \$192 and \$240, respectively for PERS and the State contributed \$420, \$434 and \$440, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$187,298 during the fiscal year ended June 30, 2021 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2019 through June 30, 2020. Employer allocation percentages have been rounded for presentation purposes.

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2020 are based on the ratio of each employer’s contribution to total employer contributions of the group for the fiscal year ended June 30, 2020.

At June 30, 2021, the District reported in the statement of net position (accrual basis) a liability of \$782,776 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. The District’s proportionate share of the net pension liability was based on the ratio of the District’s share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2020. At June 30, 2020, the District’s proportionate share was 0.00480percent, which was a decrease of .00037 percent from its proportionate share measured as of June 30, 2019 of .00517 percent.

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$50,488 for PERS. The pension contribution made by the District during the current 2020/2021 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2021 with a measurement date of the prior fiscal year end of June 30, 2020. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2021 for contributions made subsequent to the measurement date. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 14,253	\$ 2,768
Changes of Assumptions	25,394	327,756
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	26,756	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>107,617</u>	<u>131,716</u>
Total	<u>\$ 174,020</u>	<u>\$ 462,240</u>

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

At June 30, 2021, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2022	\$ (115,673)
2023	(100,265)
2024	(38,530)
2025	(27,334)
2026	(6,418)
Thereafter	-
	<u>\$ (288,220)</u>

Actuarial Assumptions

The District's total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2020 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%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2021	June 30, 2020	7.00%
2020	June 30, 2019	6.28%

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

There was no crossover period for the PERS defined benefit plan. Therefore the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability

The following presents the District’s proportionate share of the PERS net pension liability calculated using the discount rate of 7.00%, as well as what the District’s proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>985,384</u>	\$ <u>782,776</u>	\$ <u>610,857</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability as of the measurement date of June 30, 2020. A sensitivity analysis specific to the District’s net pension liability at June 30, 2020 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2019 through June 30, 2020. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2020, the State's pension contribution was less than the actuarial determined amount.

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

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$886,469 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2021 the State's proportionate share of the net pension liability attributable to the District is \$14,255,527. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. The nonemployee allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2020. At June 30, 2020, the State's share of the net pension liability attributable to the District was .02164 percent, which was an increase of .00018 percent from its proportionate share measured as of June 30, 2019 of .02146 percent.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2020 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%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

Fiscal Year	Measurement Date	Discount Rate
2021	June 30, 2020	5.40%
2020	June 30, 2019	5.60%

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

Period of Projected Benefit

Payments for which the Following Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2062
Municipal Bond Rate *	From July 1, 2062 and Thereafter

* The municipal bond return rate used is 2.21% as of the measurement date of June 30, 2020. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 5.40%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (4.40 percent) or 1-percentage-point higher (6.40 percent) than the current rate:

	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 16,744,786</u>	<u>\$ 14,255,527</u>	<u>\$ 12,188,615</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2020. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2020 was not provided by the pension system.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

D. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

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

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2019:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>149,304</u>
Total	<u>366,108</u>

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2020 is \$67.8 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2019 which were rolled forward to June 30, 2020.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2019 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.18 billion to the OPEB plan in fiscal year 2020.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. over a period not to exceed thirty years. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2021, 2020, and 2019 were \$195,782, \$179,315 and \$195,429, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

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

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

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$657,255. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2021 the State's proportionate share of the OPEB liability attributable to the District is \$10,844,177. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2020. At June 30, 2020, the state's share of the OPEB liability attributable to the District was .02599 percent, which was an increase of .0098 percent from its proportionate share measured as of June 30, 2019 of .01619 percent.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions

The OPEB liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.45%
Rate Thereafter	1.55% to 4.45%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 Healthy "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2020.

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

For the June 30, 2020 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2021	June 30, 2020	2.21%
2020	June 30, 2019	3.50%

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

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2019 Measurement Date	\$ <u>6,756,198</u>
Changes Recognized for the Fiscal Year:	
Service Cost	369,594
Interest on the Total OPEB Liability	246,227
Differences Between Expected and Actual Experience	1,674,366
Changes of Assumptions	1,980,858
Gross Benefit Payments	(188,788)
Contributions from the Member	<u>5,722</u>
Net Changes	\$ <u>4,087,979</u>
Balance, June 30, 2020 Measurement Date	\$ <u><u>10,844,177</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50% percent in 2019 to 2.21% percent in 2021.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 2.21%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate:

	1% Decrease <u>(1.21%)</u>	Current Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>13,073,215</u>	\$ <u>10,844,177</u>	\$ <u>9,101,284</u>

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ <u>8,753,785</u>	\$ <u>10,844,177</u>	\$ <u>13,333,369</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020 were not provided by the pension system.

E. Tax Abatements

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 6 RESTATEMENT

On July 1, 2020, the Riverdale Board of Education implemented GASB Statement No. 84 “Fiduciary Activities”. The Riverdale Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2020 are as follows:

Governmental Activities

The financial statements of the governmental activities as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities, scholarships and payroll related activities which were previously reported as fiduciary activities to governmental activities. The effect of this restatement is to increase net position of governmental activities by \$60,573 from \$6,114,654 as previously reported to \$6,175,226 as of June 30, 2020.

Governmental Funds

The financial statements of the governmental funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities, scholarships and payroll activities previously reported as fiduciary funds to governmental funds. The effect of this restatement is to increase fund balances of governmental funds by \$60,573 from \$3,084,585 as previously reported to \$3,145,158 as of June 30, 2020. General Fund fund balance increased \$37,959 from \$3,084,585 as previously reported to \$3,122,544 as of June 30, 2020. Special Revenue Fund fund balance increased \$22,614 from \$0 as previously reported to \$22,614 as of June 30, 2020.

Fiduciary Funds

The financial statements of the fiduciary funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities to governmental funds as noted above. The effect of this restatement is to decrease total fiduciary net position by \$37,959 from \$37,959 as previously reported to \$0 as of June 30, 2020.

NOTE 7 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

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

Governor Phil Murphy (the “Governor”) of the State of New Jersey (the “State”) declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which spread to the State and to all counties within the State. The Governor also instituted mandatory measures via various executive orders to contain the spread of the virus. These measure, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey’s economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the governor’s pandemic-related executive orders in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate on January 1, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 7 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC (Continued)

Recently, the United States Congress has passed relief and stimulus legislations including the American Rescue Plan Act signed into law by President Biden on March 12, 2021, comprising of \$1.9 trillion in funding to address the COVID-19 Pandemic. This legislation is intended to address the financial impact of the pandemic on the U.S. economy and alleviate the health effects of the COVID-19 pandemic. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the School District. It is too early to predict if the legislation will have its intended affect.

The largest portion of the School District's revenues is derived from local tax revenues levied by the Borough. In that regard, under applicable State statutes, the Borough annually is required to pay 100% of the amount levied for operations and debt service to the School District regardless of delinquencies in applicable property tax collections. The ability of the Borough to fully collect property taxes on a timely basis may be affected by the economic impact of the Pandemic; however, the District does not anticipate an interruption in the timely collection of property taxes from the Borough.

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

REQUIRED SUPPLEMENTARY INFORMATION - PART II

**RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 8,391,926		\$ 8,391,926	\$ 8,391,926	
Tuition from Individuals	15,000		15,000	12,000	\$ (3,000)
Interest	3,400		3,400	5,879	2,479
Interest Earned on Unemployment	-		-	64	64
Unrestricted Miscellaneous Revenue	10,000	-	10,000	51,448	41,448
Total Local Sources	8,420,326	-	8,420,326	8,461,317	40,991
State Sources					
Special Education Aid	317,619	\$ (38,770)	278,849	278,849	-
Transportation Aid	90,222	-	90,222	90,222	-
Security Aid	11,114	-	11,114	11,114	-
Extraordinary Aid	65,600	-	65,600	100,427	34,827
On-behalf TPAF Pension Benefit Contribution (Non-Budget)				613,071	613,071
On-behalf TPAF Pension NCGI Premium (Non-Budget)				11,664	11,664
On-behalf TPAF Post Retirement Medical Contribution (Non-Budget)				195,782	195,782
On-behalf TPAF Long-Term Disability Insurance (Non-Budget)				420	420
TPAF Social Security Contribution (Non-Budget)	-	-	-	187,298	187,298
Total State Sources	484,555	(38,770)	445,785	1,488,847	1,043,062
Total Revenues	8,904,881	(38,770)	8,866,111	9,950,164	1,084,053
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction					
Regular Programs					
Salaries of Teachers					
Preschool	86,449	\$ 5,795	92,244	92,244	-
Kindergarten	152,199	696	152,895	114,392	38,503
Grades 1-5	784,159	(17,945)	766,214	740,807	25,407
Grades 6-8	533,566	17,225	550,791	513,596	37,195
Regular Program - Home Instruction					
Other Salaries for Instruction	2,350	(2,350)	-	-	-
Purchased Professional-Educational Services	2,350	650	3,000	2,900	100
Regular Program - Undistributed Instruction					
Other Salaries for Instruction	73,055	25,192	98,247	69,676	28,571
Other Purchased Services	99,638	(26,213)	73,425	70,183	3,242
General Supplies	122,501	40,718	163,219	118,510	44,709
Textbooks	62,087	76,293	138,380	93,090	45,290
Other Objects	600	-	600	575	25
Total Regular Programs	1,918,954	120,061	2,039,015	1,815,973	223,042

RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 128,489	-	\$ 128,489	\$ 127,947	\$ 542
Other Salaries for Instruction	58,187	-	58,187	12,663	45,524
General Supplies	1,577	-	1,577	490	1,087
Total Learning and/or Language Disabilities	188,253	-	188,253	141,100	47,153
Multiple Disabilities					
Salaries of Teachers	90,514	-	90,514	88,270	2,244
Other Salaries for Instruction	37,402	-	37,402	15,377	22,025
Purchased Professional-Educational Services	25,665	\$ (7,162)	18,503	-	18,503
General Supplies	635	-	635	183	452
Other Objects	250	-	250	-	250
Total Multiple Disabilities	154,466	(7,162)	147,304	103,830	43,474
Resource Room/Resource Center					
Salaries of Teachers	294,517	2,211	296,728	290,288	6,440
Other Salaries for Instruction	6,541	-	6,541	3,998	2,543
General Supplies	1,661	-	1,661	619	1,042
Textbooks	50	-	50	-	50
Total Resource Room/Resource Center	302,769	2,211	304,980	294,905	10,075
Total Special Education - Instruction	645,488	(4,951)	640,537	539,835	100,702
Basic Skills/Remedial Instruction					
Salaries of Teachers	160,640	4,924	165,564	165,564	-
General Supplies	380	27	407	397	10
Total Basic Skills/Remedial Instruction	161,020	4,951	165,971	165,961	10
School Sponsored Cocurricular Activities					
Salaries	32,828	-	32,828	10,800	22,028
Other Objects	550	-	550	-	550
Total School Sponsored Cocurricular Activities	33,378	-	33,378	10,800	22,578
School Sponsored Athletics					
Salaries	17,836	-	17,836	6,252	11,584
Supplies and Materials	2,050	(90)	1,960	471	1,489
Other Objects	5,260	90	5,350	2,700	2,650
Total School Sponsored Athletics	25,146	-	25,146	9,423	15,723

RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Other Instructional Programs					
Salaries	\$ 12,317	-	\$ 12,317	\$ 12,181	\$ 136
Supplies and Materials	490	-	490	-	490
Other Objects	610	-	610	-	610
Total Other Instructional Programs	<u>13,417</u>	<u>-</u>	<u>13,417</u>	<u>12,181</u>	<u>1,236</u>
Total Instruction	<u>2,797,403</u>	<u>\$ 120,061</u>	<u>2,917,464</u>	<u>2,554,173</u>	<u>\$ 363,291</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Regular	1,600,000	20,460	1,620,460	1,514,827	105,633
Tuition to County Voc. School Dist-Regular	174,800	(20,460)	154,340	135,917	18,423
Tuition to Private Schools - Disabled - W/I State	<u>821,519</u>	<u>-</u>	<u>821,519</u>	<u>528,596</u>	<u>292,923</u>
Total Undistributed Expenditures - Instruction	<u>2,596,319</u>	<u>-</u>	<u>2,596,319</u>	<u>2,179,340</u>	<u>416,979</u>
Attendance and Social Work Services					
Salaries	<u>26,961</u>	<u>905</u>	<u>27,866</u>	<u>22,107</u>	<u>5,759</u>
Total Attendance and Social Work Services	<u>26,961</u>	<u>905</u>	<u>27,866</u>	<u>22,107</u>	<u>5,759</u>
Health Services					
Salaries	60,937	(2,437)	58,500	58,305	195
Purchased Professional and Technical Services	3,705	-	3,705	330	3,375
Supplies and Materials	2,120	948	3,068	3,068	-
Other Objects	<u>425</u>	<u>(176)</u>	<u>249</u>	<u>249</u>	<u>-</u>
Total Health Services	<u>67,187</u>	<u>(1,665)</u>	<u>65,522</u>	<u>61,952</u>	<u>3,570</u>
Speech, OT, PT & Related Services					
Salaries	55,230	-	55,230	49,825	5,405
Purchased Professional - Technical Services	82,605	-	82,605	29,143	53,462
Supplies and Materials	<u>700</u>	<u>(321)</u>	<u>379</u>	<u>375</u>	<u>4</u>
Total Speech, OT, PT & Related Services	<u>138,535</u>	<u>(321)</u>	<u>138,214</u>	<u>79,343</u>	<u>58,871</u>
Other Support Serv. Students - Extra. Svcs.					
Salaries	40,789	(16,727)	24,062	23,949	113
Purchased Professional-Educational Services	<u>69,300</u>	<u>12,370</u>	<u>81,670</u>	<u>51,580</u>	<u>30,090</u>
Total Other Support Serv. Students - Extra. Svcs.	<u>110,089</u>	<u>(4,357)</u>	<u>105,732</u>	<u>75,529</u>	<u>30,203</u>
Guidance					
Salaries of Other Professional Staff	58,124	7,851	65,975	65,975	-
Salaries of Secretarial and Clerical Assistants	12,417	(1,000)	11,417	10,189	1,228
Other Purchased Professional & Technical Services	7,038	(973)	6,065	6,064	1
Supplies and Materials	<u>2,500</u>	<u>(2,499)</u>	<u>1</u>	<u>-</u>	<u>1</u>
Total Guidance	<u>80,079</u>	<u>3,379</u>	<u>83,458</u>	<u>82,228</u>	<u>1,230</u>

**RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures(Continued)					
Child Study Teams					
Salaries of Other Professional Staff	\$ 156,644	\$ (4,492)	\$ 152,152	\$ 152,152	\$ -
Salaries of Secretarial and Clerical Assistants	21,913	(2,659)	19,254	13,598	5,656
Other Purchased Professional and Tech. Services	24,232	6,252	30,484	24,164	6,320
Supplies and Materials	1,600	586	2,186	2,186	-
Other Objects	325	670	995	995	-
Total Child Study Teams	204,714	357	205,071	193,095	11,976
Improvement of Inst. Serv.					
Salaries of Supervisors of Instruction	43,840	-	43,840	43,840	-
Other Purchased Professional and Technical Services	5,021	(99)	4,922	4,922	-
Total Improvement of Inst. Serv.	48,861	(99)	48,762	48,762	-
Educational Media Services/School Library					
Salaries	56,801	(23,538)	33,263	28,338	4,925
Purchased Professional and Technical Services	55,140	(1,872)	53,268	53,268	-
Supplies and Materials	5,330	(996)	4,334	4,334	-
Total Educational Media Serv./School Library	117,271	(26,406)	90,865	85,940	4,925
Instructional Staff Training Services					
Other Salaries	12,000	788	12,788	7,788	5,000
Purchased Professional/Educational Services	13,500	(287)	13,213	500	12,713
Other Purchased Services	7,090	(5,621)	1,469	1,469	-
Total Instructional Staff Training Services	32,590	(5,120)	27,470	9,757	17,713
Support Services General Administration					
Salaries	197,024	4,824	201,848	179,949	21,899
Legal Services	19,125	10,373	29,498	29,351	147
Audit Fees	23,500	(575)	22,925	22,471	454
Architectural/Engineering Services	-	-	-	-	-
Other Purchased Professional Services	4,000	(1,166)	2,834	2,640	194
Communications/Telephone	14,917	488	15,405	14,753	652
BOE Other Purchased Services	4,500	(4,500)	-	-	-
Miscellaneous Purchased Services	7,229	1,831	9,060	6,848	2,212
General Supplies	1,500	68	1,568	1,568	-
Miscellaneous Expenditures	500	7,394	7,894	811	7,083
BOE Membership Dues and Fees	4,000	(110)	3,890	3,890	-
Total Support Services General Administration	276,295	18,627	294,922	262,281	32,641
Support Services School Administration					
Salaries of Principal/Asst. Principals	80,000	-	80,000	80,000	-
Salaries of Secretarial and Clerical Assistants	21,833	1,456	23,289	23,289	-
Supplies and Materials	7,050	(1,372)	5,678	5,484	194
Other Objects	2,255	250	2,505	2,505	-
Total Support Services School Administration	111,138	334	111,472	111,278	194

RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Central Services					
Salaries	\$ 164,000	\$ 4,571	\$ 168,571	\$ 145,526	\$ 23,045
Purchased Professional Services	14,750	845	15,595	15,595	-
Miscellaneous Purchased Services	1,550	(1,400)	150	79	71
Supplies and Materials	2,600	2,335	4,935	4,744	191
Miscellaneous Expenditures	1,955	7,533	9,488	2,405	7,083
Total Central Services	184,855	13,884	198,739	168,349	30,390
Admin. Info. Technology					
Purchased Technical Services	34,120	(4,640)	29,480	19,371	10,109
Supplies and Materials	2,250	8,686	10,936	10,936	-
Total Admin. Info. Technology	36,370	4,046	40,416	30,307	10,109
Required Maintenance for School Facilities					
Salaries	56,298	144	56,442	56,442	-
Cleaning, Repair and Maintenance Services	95,000	1,834	96,834	49,451	47,383
General Supplies	13,000	4,761	17,761	13,396	4,365
Total Required Maintenance for School Fac.	164,298	6,739	171,037	119,289	51,748
Custodial Services					
Salaries	176,030	15,588	191,618	105,152	86,466
Salaries of Non-Instructional Aides	32,146	(15,679)	16,467	-	16,467
Purchased, Professional and Technical Services	1,850	-	1,850	1,800	50
Cleaning, Repair and Maintenance Service	20,000	-	20,000	2,407	17,593
Insurance	64,063	-	64,063	56,293	7,770
Miscellaneous Purchased Services	1,975	-	1,975	948	1,027
General Supplies	27,190	13,493	40,683	38,376	2,307
Energy (Natural)	32,202	-	32,202	23,509	8,693
Energy (Electricity)	67,100	-	67,100	49,879	17,221
Other Objects	1,000	-	1,000	579	421
Interest - Energy Savings Impr Prog Bonds	1,077	-	1,077	-	1,077
Principal - Energy Impr Prog Bonds	16,685	-	16,685	16,685	-
Total Custodial Services	441,318	13,402	454,720	295,628	159,092
Student Transportation Services					
Salaries for Pupil Transportation					
(Between Home and School) - Regular	39,521	-	39,521	33,715	5,806
Contracted Serv.-Aid in Lieu of Payments-Non Public	53,760	1,225	54,985	36,276	18,709
Contracted Serv (Bet. Home and Sch)-Vendors	201,208	(17,468)	183,740	177,277	6,463
Contracted Serv (Other than Bet Home & Sch) - Vendors	12,750	(8,500)	4,250	-	4,250
Contracted Serv. (Reg. Students)-ESCs & CTSA	40,000	63,560	103,560	88,512	15,048
Contracted Serv. (Spl.Ed.Students)-ESCs & CTSA	173,474	(32,845)	140,629	135,513	5,116
General Supplies	3,000	-	3,000	976	2,024
Other Objects	2,000	-	2,000	775	1,225
Total Student Transportation Services	525,713	5,972	531,685	473,044	58,641

**RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Unallocated Benefits-Employee Benefits					
Social Security Contributions	\$ 88,488	-	\$ 88,488	\$ 64,865	\$ 23,623
Other Retirement Contributions - PERS	54,623	-	54,623	52,511	2,112
Other Retirement Contributions - Regular	13,330	-	13,330	5,492	7,838
Unemployment Compensation	6,000	-	6,000	6,000	-
Unemployment Compensation (Non-Budget)	-	-	-	7,057	(7,057)
Workmen's Compensation	27,824	-	27,824	24,683	3,141
Health Benefits	995,650	-	995,650	820,674	174,976
Tuition Reimbursement	25,000	-	25,000	9,869	15,131
Other Employee Benefits	22,981	-	22,981	10,558	12,423
Total Unallocated Benefits - Employee Benefits	1,233,896	-	1,233,896	1,001,709	232,187
On-behalf TPAF Pension Benefit Contribution (Non-Budget)	-	-	-	613,071	(613,071)
On-behalf TPAF Pension NCGI Premium (Non-Budget)	-	-	-	11,664	(11,664)
On-behalf TPAF Post Retirement Medical Contribution (Non-Budget)	-	-	-	195,782	(195,782)
On-behalf TPAF Long-Term Disability Insurance (Non-Budget)	-	-	-	420	(420)
On-behalf TPAF Social Security Contributions (Non-Budget)	-	-	-	187,298	(187,298)
Total On-Behalf TPAF Benefits (Non-Budgeted)	-	-	-	1,008,235	(1,008,235)
Interest on Maintenance Reserve	200	\$ (200)	-	-	-
Total Undistributed Expenditures	6,396,689	29,477	6,426,166	6,308,173	117,993
Total Expenditures - Current Expenditures	9,194,092	149,538	9,343,630	8,862,346	481,284
CAPITAL OUTLAY					
Equipment					
Instruction - Grades 1-5	144,000	(28,038)	115,962	48,174	67,788
Instruction - Grades 6-8	86,000	1,935	87,935	19,412	68,523
Undistributed Expenditures - Req Maint for School Facilities	69,341	8,358	77,699	64,621	13,078
Undistributed Expenditures - School Buses	-	-	-	-	-
Total Equipment	299,341	(17,745)	281,596	132,207	149,389
Facilities and Acquisition and Construction Services					
Architect and Engineering Services	67,200	876	68,076	11,872	56,204
Construction Services	234,800	180,196	414,996	145,255	269,741
Assessment for Debt Service on SDA Funding	16,125	-	16,125	16,125	-
Total Facilities Acquis. and Const. Services	318,125	181,072	499,197	173,252	325,945

RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CAPITAL OUTLAY (CONTINUED)					
Interest to Capital Reserve	\$ 200	\$ (200)	-	-	-
Total Capital Outlay	<u>617,666</u>	<u>163,127</u>	<u>\$ 780,793</u>	<u>\$ 305,459</u>	<u>\$ 475,334</u>
Total Expenditures	<u>9,811,758</u>	<u>312,665</u>	<u>10,124,423</u>	<u>9,167,805</u>	<u>956,618</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(906,877)	(351,435)	(1,258,312)	782,359	2,040,671
Other Financing Sources (Uses)					
Transfer to Charter Schools	<u>(12,972)</u>	<u>-</u>	<u>(12,972)</u>	<u>(12,972)</u>	<u>-</u>
Total Other Financing (Uses)	<u>(12,972)</u>	<u>-</u>	<u>(12,972)</u>	<u>(12,972)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(919,849)</u>	<u>(351,435)</u>	<u>(1,271,284)</u>	<u>769,387</u>	<u>2,040,671</u>
Fund Balance, Beginning of Year (Restated)	<u>3,157,145</u>	<u>-</u>	<u>3,157,145</u>	<u>3,157,145</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,237,296</u>	<u>\$ (351,435)</u>	<u>\$ 1,885,861</u>	<u>\$ 3,926,532</u>	<u>\$ 2,040,671</u>
Restricted Fund Balance:					
Excess Surplus				\$ 1,119,125	
Excess Surplus - Designated for Subsequent Year's Expenditures				405,191	
Capital Reserve				819,371	
Capital Reserve - Designated for Subsequent Year's Expenditures				420,000	
Maintenance Reserve				274,312	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				60,000	
Tuition Reserve				100,000	
Tuition Reserve - Designated for Subsequent Year's Expenditures				100,000	
Unemployment Compensation				30,766	
Assigned Fund Balance:					
Year-End Encumbrances				236,039	
Designated for Subsequent Year's Expenditures					
Unassigned Fund Balance:				<u>361,728</u>	
				3,926,532	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: State Aid Payments Not Recognized on GAAP Basis					
Delayed State Aid Payments			<u>\$ (136,834)</u>	<u>(136,834)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 3,789,698</u>	

BUDGETARY COMPARISON SCHEDULES

RIVERDALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
Federal	\$ 114,253	\$ 133,059	\$ 247,312	\$ 163,302	\$ (84,010)
Local	-	-	-	24,794	24,794
Total Revenues	<u>114,253</u>	<u>133,059</u>	<u>247,312</u>	<u>188,096</u>	<u>(59,216)</u>
EXPENDITURES					
Instruction					
Salaries	13,091	46,028	59,119	47,042	12,077
Purchased Professional/Educational Services	5,129	19,582	24,711	4,000	20,711
Tuition	64,947	14,302	79,249	79,249	-
General Supplies	23,337	18,208	41,545	11,580	29,965
Stipends	-	4,200	4,200	-	4,200
School Sponsored Co-curricular Activities/Athletics	-	-	-	29,514	(29,514)
Total Instruction	<u>106,504</u>	<u>102,320</u>	<u>208,824</u>	<u>171,385</u>	<u>37,439</u>
Support Services					
Salaries		-		-	-
Personnel Services - Employee Benefits		9,407	9,407	-	9,407
Purchased Professional/Educational Services		-		-	-
Other Purchased Services	1,666	3,984	5,650	-	5,650
Travel/Conference	4,808	(2,808)	2,000	-	2,000
General Supplies	1,275	20,156	21,431	21,431	-
Total Support Services	<u>7,749</u>	<u>30,739</u>	<u>38,488</u>	<u>21,431</u>	<u>17,057</u>
Total Expenditures	<u>114,253</u>	<u>133,059</u>	<u>247,312</u>	<u>192,816</u>	<u>54,496</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,720)</u>	<u>4,720</u>
Fund Balances, Beginning of Year (Restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,614</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,894</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**RIVERDALE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

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

	<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1) \$ 9,950,164	(C-2)	\$ 188,096
Difference - Budget to GAAP:			
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (prior year)	34,601		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (current year)	(136,834)		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Encumbrances, June 30, 2020	-		-
Encumbrances, June 30, 2021	-		-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) \$ <u>9,847,931</u>	(B-2)	\$ <u>188,096</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ 9,180,777	(C-2)	\$ 192,816
Differences - Budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.			
Encumbrances, June 30, 2020	-		-
Encumbrances, June 30, 2021	-		-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>9,180,777</u>	(B-2)	\$ <u>192,816</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

AND

POST-EMPLOYMENT BENEFITS INFORMATION

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

PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Eight Fiscal Years *

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.00480 %	0.00517 %	0.00450 %	0.00456 %	0.00556 %	0.00485 %	0.00526 %	0.00496 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 782,776	\$ 931,058	\$ 886,058	\$ 1,060,527	\$ 1,647,171	\$ 1,088,127	\$ 984,142	\$ 947,534
District's Covered Payroll	303,065	330,602	340,186	300,757	276,965	317,879	311,078	310,024
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	258%	282%	260%	353%	595%	342%	316%	306%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 52,511	\$ 50,262	\$ 44,762	\$ 42,205	\$ 49,408	\$ 41,674	\$ 43,333	\$ 41,595
Contributions in Relation to the Contractually Required Contributions	<u>52,511</u>	<u>50,262</u>	<u>44,762</u>	<u>42,205</u>	<u>49,408</u>	<u>41,674</u>	<u>43,333</u>	<u>41,595</u>
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-
District's Covered Payroll	305,980	303,065	330,602	340,186	300,757	276,965	317,879	311,078
Contributions as a Percentage of Covered Payroll	17.16%	16.58%	13.54%	12.41%	16.43%	15.05%	13.63%	13.37%

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

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>14,255,527</u>	<u>13,168,415</u>	<u>12,068,545</u>	<u>13,864,693</u>	<u>15,095,090</u>	<u>14,296,105</u>	<u>11,971,862</u>	<u>11,605,771</u>
Total	\$ 14,255,527	\$ 13,168,415	\$ 12,068,545	\$ 13,864,693	\$ 15,095,090	\$ 14,296,105	\$ 11,971,862	\$ 11,605,771
District's Covered Payroll	2,270,209	2,231,537	2,309,943	2,162,491	1,917,997	1,933,044	1,946,722	2,087,474
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

**RIVERDALE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Change of Benefit Terms: None.

Change of Assumptions: Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 5.

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

Postemployment Health Benefit Plan

Last Four Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 369,594	\$ 321,905	\$ 361,346	\$ 438,703
Interest on Total OPEB Liability	246,227	284,325	305,403	261,220
Differences Between Expected and Actual Experience	1,674,366	(874,177)	(801,186)	
Changes of Assumptions	1,980,858	100,735	(817,590)	(1,091,346)
Gross Benefit Payments	(188,788)	(207,395)	(190,511)	(246,312)
Contribution from the Member	<u>5,722</u>	<u>6,148</u>	<u>6,584</u>	<u>9,070</u>
Net Change in Total OPEB Liability	4,087,979	(368,459)	(1,135,954)	(628,665)
Total OPEB Liability - Beginning	<u>6,756,198</u>	<u>7,124,657</u>	<u>8,260,611</u>	<u>8,889,276</u>
Total OPEB Liability - Ending	<u>\$ 10,844,177</u>	<u>\$ 6,756,198</u>	<u>\$ 7,124,657</u>	<u>\$ 8,260,611</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>10,844,177</u>	<u>6,756,198</u>	<u>7,124,657</u>	<u>8,260,611</u>
Total OPEB Liability - Ending	<u>\$ 10,844,177</u>	<u>\$ 6,756,198</u>	<u>\$ 7,124,657</u>	<u>\$ 8,260,611</u>
District's Covered Payroll	<u>\$ 2,573,274</u>	<u>\$ 2,562,139</u>	<u>\$ 2,650,129</u>	<u>\$ 2,463,248</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%

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

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

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

**RIVERDALE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

**RIVERDALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	IDEA Part B Basic	IDEA Part B Preschool	NCLB Title I	NCLB Title II-A	NCLB Title IV	CARES	CRF	Student Athletics/ Activities	Local	Total 2021
REVENUES										
Intergovernmental										
Federal	\$ 76,023	\$ 3,226	\$ 29,389		\$ 6,355	\$ 26,878	\$ 21,431			\$ 163,302
Local	-	-	-	-	-	-	-	\$ 24,794	-	24,794
Total Revenues	<u>\$ 76,023</u>	<u>\$ 3,226</u>	<u>\$ 29,389</u>	<u>\$ -</u>	<u>\$ 6,355</u>	<u>\$ 26,878</u>	<u>\$ 21,431</u>	<u>\$ 24,794</u>	<u>\$ -</u>	<u>\$ 188,096</u>
EXPENDITURES										
Instruction										
Salaries for Instruction			20,164			26,878				47,042
Purchased Professional/Educational Services			4,000							4,000
Tuition	76,023	3,226								79,249
General Supplies	-	-	5,225	-	6,355				-	11,580
Co-curricular Student Activities/Athletics	-	-	-	-	-	-	-	29,514	-	29,514
Total Instruction	<u>76,023</u>	<u>3,226</u>	<u>29,389</u>	<u>-</u>	<u>6,355</u>	<u>26,878</u>	<u>-</u>	<u>29,514</u>	<u>-</u>	<u>171,385</u>
Support Services										
Salaries										-
Personnel Services - Employee Benefits										-
Purchased Professional/Educational Services										-
Other Purchased Services										-
General Supplies	-	-	-	-	-	-	21,431	-	-	21,431
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,431</u>	<u>-</u>	<u>-</u>	<u>21,431</u>
Capital Outlay- Instructional Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 76,023</u>	<u>\$ 3,226</u>	<u>\$ 29,389</u>	<u>\$ -</u>	<u>\$ 6,355</u>	<u>\$ 26,878</u>	<u>\$ 21,431</u>	<u>\$ 29,514</u>	<u>\$ -</u>	<u>\$ 192,816</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,720)</u>	<u>-</u>	<u>(4,720)</u>
Fund Balance, July 1 (Restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,614</u>	<u>-</u>	<u>22,614</u>
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,894</u>	<u>-</u>	<u>17,894</u>

**RIVERDALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES
PRESCHOOL ALL PROGRAMS - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

CAPITAL PROJECTS FUND

RIVERDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOT APPLICABLE

RIVERDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOT APPLICABLE

ENTERPRISE FUND

EXHIBIT G-1

**RIVERDALE BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

**RIVERDALE BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

**RIVERDALE BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2020</u>	<u>Increased</u>	<u>Matured</u>	<u>Balance, June 30, 2021</u>
Copiers-3	\$ 47,196	0.45%	\$ 12,162		\$ 10,378	\$ 1,784
LED Retrofit Equipment	94,088	2.24%	<u>32,276</u>	<u>-</u>	<u>15,958</u>	<u>16,318</u>
			<u>\$ 44,438</u>	<u>\$ -</u>	<u>\$ 26,336</u>	<u>\$ 18,102</u>

**RIVERDALE BOARD OF EDUCATION
LONG TERM DEBT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	2012	2013	2014 (Restated)	2015	2016	2017	2018	2019	2020 (Restated)	2021
Governmental activities										
Invested in capital assets, net of related debt	\$ 4,593,297	\$ 4,937,669	\$ 4,800,412	\$ 4,612,005	\$ 4,423,483	\$ 4,264,764	\$ 4,107,541	\$ 4,003,970	\$ 4,254,317	\$ 4,311,658
Restricted	471,703	761,897	962,090	962,172	875,956	1,115,415	1,196,492	1,528,761	1,829,495	1,822,343
Unrestricted	879,909	775,471	(190,381)	(230,720)	(418,641)	(544,985)	(355,176)	(46,563)	91,415	815,123
Total governmental activities net position	<u>\$ 5,944,909</u>	<u>\$ 6,475,037</u>	<u>\$ 5,572,121</u>	<u>\$ 5,343,457</u>	<u>\$ 4,880,798</u>	<u>\$ 4,835,194</u>	<u>\$ 4,948,857</u>	<u>\$ 5,486,168</u>	<u>\$ 6,175,226</u>	<u>\$ 6,949,124</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 2,316	\$ 1,737	\$ 9,370	\$ 7,879	\$ 9,119	\$ 12,773	\$ 26,671	\$ 23,177	\$ 19,683	\$ 19,366
Restricted										
Unrestricted	16,004	22,031	12,642	20,198	21,188	30,752	26,963	41,279	41,157	44,672
Total business-type activities net position	<u>\$ 18,320</u>	<u>\$ 23,768</u>	<u>\$ 22,012</u>	<u>\$ 28,077</u>	<u>\$ 30,307</u>	<u>\$ 43,525</u>	<u>\$ 53,634</u>	<u>\$ 64,456</u>	<u>\$ 60,840</u>	<u>\$ 64,038</u>
District-wide										
Invested in capital assets, net of related debt	\$ 4,595,613	\$ 4,939,406	\$ 4,809,782	\$ 4,619,884	\$ 4,432,602	\$ 4,277,537	\$ 4,134,212	\$ 4,027,147	\$ 4,274,000	\$ 4,331,024
Restricted	471,703	761,897	962,090	962,172	875,956	1,115,415	1,196,492	1,528,761	1,829,495	1,822,343
Unrestricted	895,913	797,502	(177,739)	(210,522)	(397,453)	(514,233)	(328,213)	(5,284)	132,572	859,795
Total district net position	<u>\$ 5,963,229</u>	<u>\$ 6,498,805</u>	<u>\$ 5,594,133</u>	<u>\$ 5,371,534</u>	<u>\$ 4,911,105</u>	<u>\$ 4,878,719</u>	<u>\$ 5,002,491</u>	<u>\$ 5,550,624</u>	<u>\$ 6,236,066</u>	<u>\$ 7,013,162</u>

*2020 has been restated for the implementation of GASB 84

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,285,868	\$ 3,520,307	\$ 3,553,560	\$ 4,288,907	\$ 4,269,838	\$ 4,334,901	\$ 4,509,295	\$ 4,521,420	\$ 4,669,037	\$ 5,020,922
Special education	1,324,189	1,324,401	1,619,403	1,747,281	2,094,539	2,286,141	2,268,424	1,658,179	1,517,097	1,546,878
Other instruction	64,166	95,630	107,595	133,987	118,468	140,511	240,515	234,222	225,973	339,346
School Sponsored Activities and Athletics	44,620	53,725	54,988	55,775	58,279	64,221	73,906	75,986	60,025	58,174
Support Services:										
Student & instruction related services	725,022	742,748	820,422	841,953	933,331	939,725	883,134	925,990	907,595	1,030,573
School Administrative services	158,062	160,922	168,892	197,204	170,633	193,458	196,383	185,298	219,987	185,543
General administration	377,719	401,219	354,101	346,971	392,220	461,031	418,131	409,472	404,440	356,549
Central Services	173,254	180,530	193,217	181,511	214,617	222,078	261,622	268,329	285,157	270,659
Plant operations and maintenance	594,606	586,531	640,255	626,950	678,014	756,127	731,890	704,819	731,324	685,842
Pupil transportation	345,811	321,239	432,568	525,741	530,445	531,828	541,819	435,676	472,470	489,725
Interest on long-term debt	14,363	7,989	1,999	1,561	1,101	3,525	3,441	3,338	2,014	1,125
Total governmental activities expenses	7,107,680	7,395,241	7,947,000	8,947,841	9,461,485	9,932,546	10,128,560	9,422,729	9,495,119	9,985,336
Business-type activities:										
Food Service	85,691	77,998	86,928	77,995	93,542	94,851	104,886	108,482	92,770	60,510
Technology Initiative	-	-	-	-	-	-	992	1,515	975	4,505
Total business-type activities expense	85,691	77,998	86,928	77,995	93,542	94,851	105,878	109,997	93,745	65,015
Total district expenses	\$ 7,193,371	\$ 7,473,239	\$ 8,033,928	\$ 9,025,836	\$ 9,555,027	\$ 10,028,397	\$ 10,234,438	\$ 9,532,726	\$ 9,588,864	\$ 10,050,351
Program Revenues										
Governmental activities:										
Charges for Services	\$ 25,200	\$ 86,068	\$ 51,493	\$ 99,986	\$ 37,480	\$ 58,848	\$ 45,000	\$ 27,000	\$ 22,575	\$ 24,794
Operating grants and contributions	755,121	935,149	909,178	1,445,832	1,654,938	2,009,248	2,265,596	1,852,760	1,811,383	2,273,123
Capital grants and contributions	-	-	-	-	-	-	-	-	53,094	-
Total governmental activities program revenues	780,321	1,021,217	960,671	1,545,818	1,692,418	2,068,096	2,310,596	1,879,760	1,887,052	2,297,917
Business-type activities:										
Charges for services										
Food service	\$ 62,505	\$ 52,121	\$ 54,260	\$ 53,568	\$ 58,686	\$ 70,268	\$ 74,572	\$ 73,900	\$ 45,229	\$ 5,435
Technology Initiative	-	-	-	-	-	-	1,212	2,675	3,029	10,604
Operating grants and contributions	29,464	31,307	30,885	30,463	37,048	37,752	40,158	44,103	41,867	52,162
Total business type activities program revenues	91,969	83,428	85,145	84,031	95,734	108,020	115,942	120,678	90,125	68,201
Total district program revenues	\$ 872,290	\$ 1,104,645	\$ 1,045,816	\$ 1,629,849	\$ 1,788,152	\$ 2,176,116	\$ 2,426,538	\$ 2,000,438	\$ 1,977,177	\$ 2,366,118
Net (Expense)/Revenue										
Governmental activities	\$ (6,327,359)	\$ (6,374,024)	\$ (6,986,329)	\$ (7,402,023)	\$ (7,769,067)	\$ (7,865,450)	\$ (7,817,964)	\$ (7,542,969)	\$ (7,608,067)	\$ (7,687,419)
Business-type activities	6,278	5,430	(1,783)	6,036	2,192	13,169	10,064	10,681	(3,620)	3,186
Total district-wide net expense	\$ (6,321,081)	\$ (6,368,594)	\$ (6,988,112)	\$ (7,395,987)	\$ (7,766,875)	\$ (7,852,281)	\$ (7,807,900)	\$ (7,532,288)	\$ (7,611,687)	\$ (7,684,233)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 6,816,628	\$ 6,888,062	\$ 7,004,522	\$ 7,144,612	\$ 7,280,360	\$ 7,761,669	\$ 7,916,902	\$ 8,075,240	\$ 8,227,378	\$ 8,391,926
Unrestricted state & federal aid	11,802	-	-	4,016	4,430	8,671	9,106	857	-	-
Investment earnings	-	-	-	-	-	-	-	-	-	-
Miscellaneous income	12,317	16,090	26,425	24,731	21,618	49,506	5,619	4,183	9,175	69,391
Cancellation of Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Total governmental activities	6,840,747	6,904,152	7,030,947	7,173,359	7,306,408	7,819,846	7,931,627	8,080,280	8,236,553	8,461,317
Business-type activities:										
Miscellaneous Income	-	18	27	29	38	49	45	141	4	12
Total business-type activities	-	18	27	29	38	49	45	141	4	12
Total district-wide	\$ 6,840,747	\$ 6,904,170	\$ 7,030,974	\$ 7,173,388	\$ 7,306,446	\$ 7,819,895	\$ 7,931,672	\$ 8,080,421	\$ 8,236,557	\$ 8,461,329
Change in Net Position										
Governmental activities	\$ 513,388	\$ 530,128	\$ 44,618	\$ (228,664)	\$ (462,659)	\$ (45,604)	\$ 113,663	\$ 537,311	\$ 628,486	\$ 773,898
Business-type activities	6,278	5,448	(1,756)	6,065	2,230	13,218	10,109	10,822	(3,616)	3,198
Total district	\$ 519,666	\$ 535,576	\$ 42,862	\$ (222,599)	\$ (460,429)	\$ (32,386)	\$ 123,772	\$ 548,133	\$ 624,870	\$ 777,096

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ 1,071,340	\$ 1,242,195	\$ 1,445,070	\$ 1,448,630	\$ 1,294,524	\$ 1,491,892	\$ 1,788,344	\$ 2,320,427	\$ 2,472,931	\$ 3,329,765
Committed					16,305	15,290				-
Assigned	48,169	64,957	44,739	25,887	5,751	80,935	57,216	164,252	396,255	236,039
Unassigned	236,112	231,816	231,035	230,248	148,355	148,532	149,920	143,431	215,399	223,894
Total general fund	<u>\$ 1,355,621</u>	<u>\$ 1,538,968</u>	<u>\$ 1,720,844</u>	<u>\$ 1,704,765</u>	<u>\$ 1,464,935</u>	<u>\$ 1,736,649</u>	<u>\$ 1,995,480</u>	<u>\$ 2,628,110</u>	<u>\$ 3,084,585</u>	<u>\$ 3,789,698</u>
All Other Governmental Funds										
Reserved/Restricted	\$ 14,547	\$ 14,547	\$ 14,546	\$ 14,546	\$ 14,546					\$ 17,894
Unreserved	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 14,547</u>	<u>\$ 14,547</u>	<u>\$ 14,546</u>	<u>\$ 14,546</u>	<u>\$ 14,546</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,894</u>

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax levy	\$ 6,816,628	\$ 6,888,062	\$ 7,004,522	\$ 7,144,612	\$ 7,280,360	\$ 7,761,669	\$ 7,916,902	\$ 8,075,240	\$ 8,227,378	\$ 8,391,926
Interest earnings	991	2,017	3,682	3,876	3,249	3,403	4,106	4,183	5,271	5,879
Tuition	25,200	86,068	51,493	99,986	37,480	58,848	45,000	27,000	22,575	12,000
Miscellaneous	11,349	14,073	22,743	20,855	18,369	46,103	1,513		3,904	51,512
State sources	643,792	821,653	786,964	814,670	835,559	989,812	1,103,307	1,240,293	1,309,730	1,386,614
Federal sources	123,108	113,496	122,214	113,265	100,694	118,724	91,729	145,703	127,327	163,302
Other sources					3,842	6,497	4,624	1,805	1,475	24,794
Total revenue	7,621,068	7,925,369	7,991,618	8,197,264	8,279,553	8,985,056	9,167,181	9,494,224	9,697,660	10,036,027
Expenditures										
Instruction										
Regular instruction	3,282,837	3,503,483	3,536,948	3,893,919	3,766,221	3,747,118	3,887,200	4,222,775	4,370,293	4,606,739
Special education instruction	1,326,361	1,324,401	1,619,403	1,671,679	1,971,182	2,090,704	2,058,108	1,573,130	1,446,178	1,421,292
Other instruction	64,427	95,630	107,595	118,205	96,625	113,113	191,928	206,137	209,870	296,258
School sponsored activities and athletics	44,821	53,725	54,988	55,775	58,279	64,221	68,947	74,574	59,319	56,683
Support Services:										
Student & inst. related services	727,153	741,984	819,658	807,908	878,262	859,323	778,896	880,933	869,284	941,435
General administration	379,279	401,219	354,101	338,919	370,315	394,872	406,631	416,166	383,462	351,703
School administrative services	158,852	160,922	168,892	170,260	141,232	157,995	160,490	170,230	172,557	173,926
Central services	174,131	180,530	193,217	181,511	214,617	222,078	241,715	261,983	281,204	227,625
Plant operations and maintenance	416,571	401,569	452,109	429,792	481,615	504,485	520,820	505,523	533,365	464,053
Pupil transportation	345,944	321,239	432,568	525,741	530,445	531,828	538,978	434,736	471,910	486,777
Administration Technology										30,307
Capital outlay	27,231	274,932	59,675	9,045	-	170,087	19,645	80,415	416,282	289,334
Debt service:										
Principal	305,000	318,770	8,590	9,028	9,489	31,041	31,551	31,654	25,447	26,336
Interest and other charges	18,940	10,398	1,999	1,561	1,101	3,525	3,441	3,338	2,014	1,125
Total expenditures	7,271,547	7,788,802	7,809,743	8,213,343	8,519,383	8,890,390	8,908,350	8,861,594	9,241,185	9,373,593
Excess (Deficiency) of revenues over (under) expenditures	349,521	136,567	181,875	(16,079)	(239,830)	94,666	258,831	632,630	456,475	662,434
Other Financing sources (uses)										
Transfers in	21,143		1		-	14,546				-
Transfers out	(21,143)		(1)		-	(14,546)				-
Capital Lease Proceeds		46,780	-		-	162,502				-
Cancellation of Accounts Receivable										
Total other financing sources (uses)	-	46,780	-	-	-	162,502	-	-	-	-
Net change in fund balances	\$ 349,521	\$ 183,347	\$ 181,875	\$ (16,079)	\$ (239,830)	\$ 257,168	\$ 258,831	\$ 632,630	\$ 456,475	\$ 662,434
Debt service as a percentage of noncapital expenditures	4.47%	4.38%	0.14%	0.13%	0.12%	0.40%	0.39%	0.40%	0.31%	0.30%

* Noncapital expenditures are total expenditures less capital outlay.

EXHIBIT J-5

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

<u>Fiscal Year Ended June 30</u>	<u>Tuition</u>	<u>Other</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 12,000	\$ 51,512	\$ 5,879	\$ 69,391
2020	22,575	3,904	5,271	31,750
2019	27,000	-	4,183	31,183
2018	45,000	1,513	4,106	50,619
2017	58,848	46,103	3,403	108,354
2016	37,480	18,369	3,249	59,098
2015	99,986	20,855	3,876	124,717
2014	51,493	22,743	3,682	77,918
2013	86,068	14,073	2,017	102,158
2012	25,200	11,326	991	37,517

* Source: School District's Financial Statements

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2012	\$ 24,519,800	\$ 574,056,730	\$ 624,200	\$ 5,600	\$ 259,597,000	\$ 43,301,400	\$ 1,452,800	\$ 903,557,530	\$ 7,245,200	\$ 910,802,730	\$ 854,563,669	\$ 0.749
2013	18,334,400	481,793,800	465,400	5,600	209,935,500	42,536,200	40,794,000	793,864,900	7,430,677	801,295,577	882,433,241	0.864
2014	18,334,400	481,745,500	465,400	5,600	208,547,800	42,536,200	40,794,000	792,428,900	7,245,200	799,674,100	868,202,233	0.881
2015	18,334,400	481,688,400	465,400	5,600	205,831,900	41,226,600	40,794,000	788,346,300	7,245,200	795,591,500	856,801,548	0.904
2016	18,192,800	471,545,300	465,400	5,600	192,456,200	41,226,600	40,794,000	764,685,900	7,245,200	771,931,100	836,741,274	0.969
2017	18,553,400	478,727,300	465,400	5,600	190,231,300	41,234,100	40,792,600	770,009,700	7,245,200	777,254,900	876,544,767	1.006
* 2018	20,161,900	523,199,500	502,200	4,300	210,538,000	45,123,700	46,132,400	845,662,000	7,255,500	852,917,500	943,477,908	0.935
2019	20,005,700	536,368,900	516,200	4,300	214,503,600	45,954,500	47,180,800	864,534,000	7,255,500	871,789,500	934,293,752	0.941
2020	20,069,400	535,770,700	525,100	4,300	213,142,800	46,009,800	47,237,200	862,759,300	7,255,500	870,014,800	940,169,968	0.962
2021	19,265,300	556,176,800	535,200	4,300	215,169,400	47,999,400	48,199,800	887,350,200	5,313,532	892,663,732	942,558,776	0.929

Source: County Abstract of Ratables

^a Tax rates are per \$100

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

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

Calendar <u>Year</u>	<u>Total</u>	Local School <u>District</u>	<u>Municipality</u>	<u>County</u>
2021	\$1.873	\$0.929	\$0.669	\$0.275
2020	1.907	0.962	0.681	0.264
2019	1.883	0.941	0.660	0.282
*2018	1.883	0.935	0.661	0.287
2017	2.019	1.006	0.721	0.292
2016	1.960	0.969	0.722	0.269
2015	1.857	0.904	0.683	0.270
2014	1.843	0.881	0.685	0.277
2013	1.814	0.864	0.673	0.277
2012	1.517	0.749	0.539	0.229

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

(1) Revaluation

Source: Tax Collector

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

Taxpayer	2021		2012	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Newark Metro Multifamily Xchange L	\$ 46,571,700	5.25%	\$ 39,008,000	4.32%
Riverdale Crossing, LLC	44,218,700	4.98%	48,155,500	5.33%
Riverdale Quarry, LLC	21,717,600	2.45%	19,975,500	2.21%
Cresskill Hills, LLC	19,679,400	2.22%	17,780,900	1.97%
Target Corp Prop Tax Dept T-2247	19,450,500	2.19%	22,045,500	2.44%
HD Development of Maryland, INC	16,333,900	1.84%	14,433,800	1.60%
Riverdale Square, LLC	10,357,100	1.17%	10,000,000	1.11%
Filtra CORP	8,471,100	0.95%	7,666,300	0.85%
Cho & Nam Associates, LLC	7,267,900	0.82%	6,604,200	0.73%
SSTI 112 SR23 LLC/PTA-STR #4032	7,143,200	0.81%	N/A	
Verizon-NJ, Prop. Tax Dept.	5,313,532	0.60%	7,430,677	0.82%
Segal Associates of New Jersey, LP	5,104,500	0.58%	N/A	
	<u>\$ 211,629,132</u>	<u>23.85%</u>	<u>\$193,100,377</u>	<u>21.37%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$ 6,816,628	\$ 6,816,628	100.00%	-
2013	6,888,062	6,888,062	100.00%	-
2014	7,004,522	7,004,522	100.00%	-
2015	7,144,612	7,144,612	100.00%	-
2016	7,280,360	7,280,360	100.00%	-
2017	7,761,669	7,761,664	100.00%	-
2018	7,916,902	7,916,902	100.00%	-
2019	8,075,240	8,075,240	100.00%	-
2020	8,227,378	8,227,378	100.00%	-
2021	8,391,926	8,391,926	100.00%	-

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Population	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Project Anticipation Notes	Capital Leases				
2012	\$ 316,000	N/A	N/A	-	N/A	\$ 316,000	4,090	\$ 77	
2013	-	N/A	\$ 44,010	-	N/A	44,010	4,182	11	
2014	-	N/A	35,420	-	N/A	35,420	4,253	8	
2015	-	N/A	26,392	-	N/A	26,392	4,244	6	
2016	-	N/A	16,903	-	N/A	16,903	4,227	4	
2017	-	N/A	133,090	-	N/A	133,090	4,212	32	
2018	-	N/A	101,539	-	N/A	101,539	4,180	24	
2019	-	N/A	69,885	-	N/A	69,885	4,135 *	17	
2020	-	N/A	44,438	-	N/A	44,438	4,132	11	
2021	-	N/A	18,102	-	N/A	18,102	4,113	4	

Source: District records

* Estimate

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2012	\$ 316,000		\$ 316,000	0.03%	\$ 77
2013	-		-	0.00%	-
2014	-		-	0.00%	-
2015	-		-	0.00%	-
2016	-		-	0.00%	-
2017	-		-	0.00%	-
2018	-		-	0.00%	-
2019	-		-	0.00%	-
2020	-		-	0.00%	-
2021	-		-	0.00%	-

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

RIVERDALE BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
AS OF DECEMBER 31, 2021
(Unaudited)

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt			
Borough of Riverdale (1)	\$ 10,993,746	\$ 6,175,689	\$ 4,818,057
Total Direct Debt	<u>\$ 10,993,746</u>	<u>\$ 6,175,689</u>	4,818,057
Net Overlapping Debt of School District:			
County of Morris - Borough's Share			<u>4,255,458</u>
Total Direct and Overlapping Debt			<u>\$ 9,073,515</u>

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

(1) Borough of Riverdale 2020 Annual Debt Statement

**RIVERDALE BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Legal Debt Margin Calculation for Fiscal Year 2020

	Equalized valuation basis
	2020 \$ 932,914,468
	2019 896,633,479
	2018 918,000,434
	<u>\$ 2,747,548,381</u>
Average Equalized Valuation of Taxable Property	\$ 915,849,460
Debt Limit 3% of Average Equalization Value	27,475,484
Total Net Debt Applicable to Limit	-
Legal Debt Margin	<u>\$ 27,475,484</u>

Fiscal Year June 30,

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 26,100,976	\$ 25,775,087	\$ 25,624,673	\$ 25,700,172	\$ 25,571,637	\$ 25,588,387	\$ 26,384,581	\$ 27,063,978	\$ 27,435,876	\$ 27,475,484
Total net debt applicable to limit	<u>316,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 25,784,976</u>	<u>\$ 25,775,087</u>	<u>\$ 25,624,673</u>	<u>\$ 25,700,172</u>	<u>\$ 25,571,637</u>	<u>\$ 25,588,387</u>	<u>\$ 26,384,581</u>	<u>\$ 27,063,978</u>	<u>\$ 27,435,876</u>	<u>\$ 27,475,484</u>
Total net debt applicable to the limit as a percentage of debt limi	1.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income</u>	<u>Population</u>
2021	7.6%	\$ 101,646 *	4,113 *
2020	2.4%	98,842	4,132
2019	2.4%	98,842	4,135
2018	3.2%	98,842	4,180
2017	3.5%	93,555	4,212
2016	3.7%	90,853	4,227
2015	4.7%	88,219	4,244
2014	5.2%	84,260	4,253
2013	7.6%	80,805	4,182
2012	9.9%	79,765	4,090

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

* Estimate

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

<u>Employer</u>	<u>2021</u>		<u>2012</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Instruction										
Regular	26.7	24.0	23.8	23.4	23.4	24.5	23.7	24.00	24.10	23.00
Special education	6.8	9.5	8.2	7.6	7.6	9.0	8.2	7.2	6.3	7.2
Support Services:										
Student & instruction related services	14.8	14.2	13.9	13.7	14.8	10.5	10.5	10.1	9.2	7.8
General administration	2.0	2.0	2.0	2.0	2.0	1.4	1.4	1.5	1.5	2
School administrative services	1.0	1.0	1.0	1.0	1.0	1.5	1.5	1	1	1
Other administrative services										0.09
Central services	3.3	3.3	3.3	3.3	3.3	1.3	1.3	1.3	1.3	1
Administrative Information Technology										
Plant operations and maintenance	4.5	4.5	4.0	4.0	4.0	4.0	4.0	4.1	4.1	4.5
Pupil transportation	-	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Total	<u>59.1</u>	<u>58.8</u>	<u>56.5</u>	<u>55.3</u>	<u>56.4</u>	<u>52.5</u>	<u>50.9</u>	<u>49.5</u>	<u>47.8</u>	<u>46.9</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Pupil/Teacher Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School	Senior High School				
2012	341.5	\$ 6,920,376	\$ 20,265	-1.27%	27.7	1:12	N/A	N/A	341.5	329.9	7.32%	96.60%
2013	333.3	7,463,164	22,392	10.50%	30.0	1:11	N/A	N/A	333.3	318.9	-2.40%	95.68%
2014	330.5	7,739,479	23,417	4.58%	31.2	1:11	N/A	N/A	330.5	317.7	-0.84%	96.12%
2015	332.4	8,193,709	24,650	5.26%	31.8	1:11	N/A	N/A	332.4	318.3	0.57%	95.76%
2016	342.0	8,508,793	24,880	0.93%	33.5	1:10	N/A	N/A	336.4	323.0	1.20%	96.02%
2017	338.0	8,685,737	25,697	3.29%	31.0	1:11	N/A	N/A	341.0	327.1	1.37%	95.92%
2018	333.0	8,853,713	26,588	3.46%	31.0	1:11	N/A	N/A	335.3	323.8	-1.67%	96.57%
2019	334.0	8,746,187	26,186	-1.51%	32.0	1:10	N/A	N/A	338.0	323.2	0.81%	95.62%
2020	295.0	8,797,442	29,822	13.88%	33.5	1:09	N/A	N/A	322.2	316.9	-4.67%	98.36%
2021	295.0	9,056,798	30,701	17.24%	33.5	1:09	N/A	N/A	293.9	280.6	-13.05%	95.47%

Sources: District records

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District Building										
<u>Elementary</u>										
Square Feet	73,120	73,120	73,120	73,120	73,120	73,120	73,120	73,120	73,120	73,120
Capacity (students)	520	520	520	520	520	520	520	520	520	520
Enrollment	295	295	334	333	338	342	332	330	333	342
Number of Schools at June 30										
Elementary =	1	1	1	1	1	1	1	1	1	1

Source: District Records

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

UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES

11-000-261-xxx

School Facilities	Project #	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Riverdale Public School	N/A	\$ <u>119,289</u>	\$ <u>159,041</u>	\$ <u>95,822</u>	\$ <u>129,177</u>	\$ <u>113,857</u>	\$ <u>93,162</u>	\$ <u>81,014</u>	\$ <u>95,976</u>	\$ <u>76,841</u>	\$ <u>100,272</u>

**RIVERDALE BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2021
(Unaudited)**

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

Source: Riverdale School District records.

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverdale Board of Education as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Riverdale Board of Education's basic financial statements and have issued our report thereon dated February 9, 2022.

Internal Control Over Financial Reporting

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

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

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

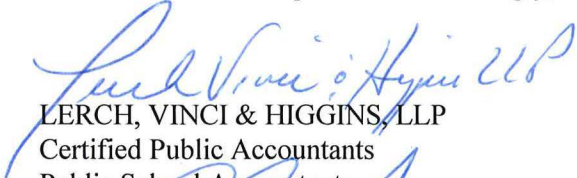
Compliance and Other Matters

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

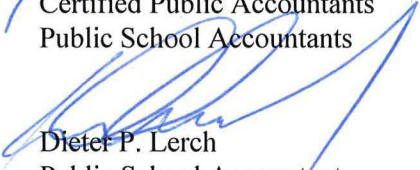
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Riverdale Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated February 9, 2022.

Purpose of this Report

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



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



Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
February 9, 2022



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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major State Program

We have audited the Riverdale Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Riverdale Board of Education's major state programs for the fiscal year ended June 30, 2021. The Riverdale Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major State Program

In our opinion, the Riverdale Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

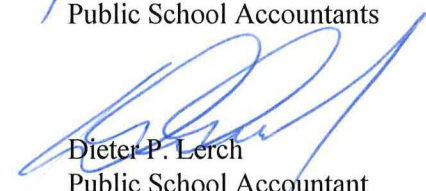
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverdale Board of Education, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated February 9, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
February 9, 2022

**RIVERDALE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2020		Carryover/ (Walkover) A/R	Carryover/ (Walkover) Def. Rev.	Cash Received	Budgetary Expenditures	A/R Rev. Adj.	Def Rev Adjustment	Balance, June 30, 2021		GAAP Receivable	
						Unearned Revenue	(Accounts Receivable)							Unearned Revenue	(Accounts Receivable)		
U.S. Department of Agriculture Passed-through State Department of Education																	
National School Lunch Program																	
Cash Assistance	10.555	201NJ304N1099	N/A	7/1/19-6/30/20	\$ 26,534	\$ (1,938)			\$ 1,938								
Cash Assistance	10.555	211NJ304N1099	N/A	7/1/20-6/30/21	19,772				16,689	\$ 19,772					\$ (3,083)	\$ (3,083)	
Non-Cash Assistance	10.555	201NJ304N1099	N/A	7/1/19-6/30/20	14,579	\$ 1,227				1,227							
Non-Cash Assistance	10.555	211NJ304N1099	N/A	7/1/20-6/30/21	11,069	-	-	-	-	11,069	8,642	-	-	2,427	-	-	
School Breakfast Program	10.553	211NJ304N1099	N/A	7/1/20-6/30/21	21,457	-	-	-	-	16,649	21,457	-	-	-	(4,808)	(4,808)	
Total U.S. Department of Agriculture/Child Nutrition Cluster						1,227	(1,938)	-	-	46,345	51,098	-	-	2,427	(7,891)	(7,891)	
U.S. Department of Education Passed-through State Department of Education																	
Special Revenue Fund																	
I.D.E.A. Part B, Basic	84.027A	H027A200100	IDEA364020	7/1/20-6/30/21	76,023					76,023	76,023			-	-	-	
I.D.E.A. Part B, Preschool	84.173	H173A200114	IDEA364020	7/1/20-6/30/21	3,226	-	-	-	-	3,226	3,226	-	-	-	-	-	
Total Special Education Cluster (IDEA)						-	-	-	-	79,249	79,249	-	-	-	-	-	
E.S.E.A. Title I-A																	
E.S.E.A. Title I-A	84.010	S010A200030	NCLB364020	7/1/20-6/30/21	42,800			(38,558)	38,558		29,389	4,000	(4,000)	47,969	(77,358)	(29,389)	
E.S.E.A. Title I-A	84.010	S010A190030	NCLB364019	7/1/19-6/30/20	33,019	38,558	(38,558)	38,558	(38,558)								
E.S.E.A. Title II-A	84.367A	S367A200029	NCLB364020	7/1/20-6/30/21	7,772			(2,021)	2,021					9,793	(9,793)	-	
E.S.E.A. Title II-A	84.367A	S367A190029	NCLB364019	7/1/19-6/30/20	9,985	1,321	(7,129)	2,021	(2,021)	5,108			700	-	-	-	
E.S.E.A. Title IV	84.424A	S424A200031	NCLB364020	7/1/20-6/30/21	10,000			(5,084)	5,084		6,355	(4,112)	4,112	12,841	(19,196)	(6,355)	
E.S.E.A. Title IV	84.424A	S424A190031	NCLB364019	7/1/19-6/30/20	10,000	2,030	(5,084)	5,084	(5,084)	-	-	-	3,054	-	-	-	
Total E.S.E.A						41,909	(50,771)	-	-	5,108	35,744	(112)	3,866	70,603	(106,347)	(35,744)	
<i>Elementary and Secondary School Emergency Relief (ESSER)</i>																	
<i>Coronavirus Aid, Relief, and Economic Security (CARES) Act</i>																	
CARES	84.425D	S425D200027		3/13/20-9/30/22	34,406	34,406	(34,406)	(34,406)	34,406	26,878	26,878	1,880	(1,880)	9,408	(9,408)	-	
<i>Elementary and Secondary School Emergency Relief (ESSER II)</i>																	
<i>Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act</i>																	
ESSER II	84.425D	S425D200027	36402109001	7/1/20-6/30/21	140,773									140,773	(140,773)	-	
Learning	84.425D	S425D200027	36402109001	7/1/20-6/30/21	25,000									25,000	(25,000)	-	
Mental Health	84.425D	S425D200027	36402109001	7/1/20-6/30/21	45,000									45,000	(45,000)	-	
<i>Coronavirus Relief Fund</i>																	
Coronavirus Relief Fund (CRF)	21.019			7/1/20-6/30/21	21,431	-	-	-	-	21,431	21,431	-	-	-	-	-	
Total - COVID Grants						34,406	(34,406)	(34,406)	34,406	48,309	48,309	1,880	(1,880)	220,181	(220,181)	-	
Total Special Revenue Fund						76,315	(85,177)	(34,406)	34,406	132,666	163,302	1,768	1,986	290,784	(326,528)	(35,744)	
Total Federal Financial Assistance						\$ 77,542	\$ (87,115)	\$ (34,406)	\$ 34,406	\$ 179,011	\$ 214,400	\$ 1,768	\$ 1,986	\$ 293,211	\$ (334,419)	\$ (43,635)	

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

**RIVERDALE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2020				Balance, June 30, 2021				MEMO	
				Accounts Receivable	Unearned Revenue	Due to Grantor	Cash Received	Budgetary Expenditures	Accounts Receivable Adjustment	Unearned Revenue	(Accounts Receivable)	Due to Grantor	GAAP Receivable
State Department of Education													
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	\$ 278,849				\$ 252,146	\$ 278,849			\$ (26,703)		\$ 278,849
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	\$ 260,790	\$ (24,918)			24,918						
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	11,114				10,050	11,114			(1,064)		11,114
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	11,114	(1,062)	-	\$ -	1,062	-	-	-	-	-	-
Total State Aid Public - Cluster				(25,980)	-	-	288,176	289,963	-	-	(27,767)	-	289,963
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	90,222				81,582	90,222			(8,640)		90,222
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	90,222	(8,621)			8,621						
Additional Nonpublic Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21											
Additional Nonpublic Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20											
Total Transportation Aid - Cluster				(8,621)	-	-	90,203	90,222	-	-	(8,640)	-	90,222
Extraordinary Aid	21-495-034-5120-044	7/1/20-6/30/21	100,427					100,427			(100,427)		100,427
On-Behalf TPAF Pension - Normal Cost	21-495-034-5094-002	7/1/20-6/30/21	613,071				613,071	613,071					613,071
On-Behalf TPAF Pension - NCGI Premium	21-495-034-5094-004	7/1/20-6/30/21	11,664				11,664	11,664					11,664
On Behalf TPAF Post Retirement Medical Benefits	21-495-034-5094-001	7/1/20-6/30/21	195,782				195,782	195,782					195,782
On Behalf TPAF Long Term Disability Insurance	21-495-034-5094-001	7/1/20-6/30/21	420				420	420					420
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	7/1/20-6/30/21	187,298	(8,308)	-	-	186,642	187,298	-	-	(8,964)	-	187,298
Total General Fund State Aid				(42,909)	-	-	1,385,958	1,488,847	-	-	(145,798)	-	1,488,847
Enterprise Funds													
National School Lunch Program (State Share)	21-100-010-3350-023	7/1/20-6/30/21	1,064				844	1,064			(220)		1,064
National School Lunch Program (State Share)	20-100-010-3350-023	7/1/19-6/30/20	857	(31)	-	-	31	-	\$ -	-	-	-	-
Total Enterprise Fund/Child Nutrition Cluster				(31)	-	-	875	1,064	-	-	(220)	-	1,064
Total State Financial Assistance Subject to Single Audit Determination				(42,940)	-	-	1,386,833	1,489,911	-	-	(146,018)	-	1,489,911
Less:													
State Financial Assistance Programs Not Subject to Major Program Determination													
On-Behalf TPAF Pension - Normal Cost	21-495-034-5094-002	7/1/20-6/30/21	613,071				(613,071)	(613,071)					(613,071)
On-Behalf TPAF Pension - NCGI Premium	21-495-034-5094-004	7/1/20-6/30/21	11,664				(11,664)	(11,664)					(11,664)
On Behalf TPAF Post Retirement Medical Benefits	21-495-034-5094-001	7/1/20-6/30/21	195,782				(195,782)	(195,782)					(195,782)
On Behalf TPAF Long Term Disability Insurance	21-495-034-5094-001	7/1/20-6/30/21	420				(420)	(420)					(420)
State Financial Assistance Amount Utilized for Calculation to Determine Single Audit and Major Programs.				\$ (42,940)	\$ -	\$ -	\$ 565,896	\$ 668,974	\$ -	\$ -	\$ (146,018)	\$ -	\$ 668,974

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$102,233 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 1,386,614	\$ 1,386,614
Special Revenue Fund	\$ 163,302		163,302
Food Service Fund	<u>51,098</u>	<u>1,064</u>	<u>52,162</u>
Total Financial Assistance	<u>\$ 214,400</u>	<u>\$ 1,387,678</u>	<u>\$ 1,602,078</u>

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$187,298 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2021. The amount reported as TPAF Pension System Contributions in the amount of \$624,735, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$195,782 and TPAF Long-Term Disability Insurance in the amount of \$420 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2021.

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

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

NOTE 7 DE MINIMIS INDIRECT COST RATE

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

**RIVERDALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Part 1 – Summary of Auditor’s Results

<u>Financial Statement Section</u>	<u>Description</u>
A) Type of auditors' report issued on financial statements	<u>Unmodified</u>
B) Internal control over financial reporting:	
(1) Material weakness(es) identified:	_____ Yes <u> X </u> No
(2) Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes <u> X </u> None reported
Noncompliance material to basic financial statements noted?	_____ Yes <u> X </u> No

Federal Awards

NOT APPLICABLE

State Awards

Internal control over major programs:	
(1) Material weakness(es) identified:	_____ Yes <u> X </u> No
(2) Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes <u> X </u> None reported
Type of auditors' report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08?	_____ Yes <u> X </u> No

Identification of major state programs:

GMIS Number	Name of State Program or Cluster
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid
_____	_____
_____	_____
_____	_____

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

Auditee qualified as low-risk auditee? X Yes _____ No

**RIVERDALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Part 2 – Schedule of Financial Statement Findings

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

There are none.

**RIVERDALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

CURRENT YEAR FEDERAL AWARDS

Not Applicable

**RIVERDALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

CURRENT YEAR STATE AWARDS

There were none.

**RIVERDALE BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

STATUS OF PRIOR YEAR FINDINGS

There were none.