RIVERDALE BOARD OF EDUCATION ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Riverdale, New Jersey

ANNUAL COMPREHENSIVE FINANCIAL REPORT

of the

Riverdale Board of Education

Riverdale, New Jersey

For The Fiscal Year Ended June 30, 2023

Prepared by

Business Office

RIVERDALE BOARD OF EDUCATION TABLE OF CONTENTS

			Page
		INTRODUCTORY SECTION	
Orga Rost	er of Trar nizationa er of Off sultants a	al Chart	i-v vi vii viii
		FINANCIAL SECTION	
Inde	oendent A	Auditor's Report	1-3
REQ	UIRED	SUPPLEMENTARY INFORMATION- PART I	
Mana	agement'	s Discussion and Analysis	4-14
Basic	e Financ	ial Statements	
A.	Distr	ict-wide Financial Statements	
	A-1 A-2	Statement of Net Position Statement of Activities	15 16
В.	Fund	Financial Statements	
	Gover B-1 B-2 B-3	Printer Printe	17 18
	Propr B-4 B-5 B-6	Statement of Net Position Statement of Revenues, Expenses, and Changes in Net Position Statement of Cash Flows	20 21 22
	Fiduc	ciary Funds – Not Applicable	
	Notes	s to the Financial Statements	23-60

RIVERDALE BOARD OF EDUCATION TABLE OF CONTENTS

			<u>Page</u>
RE	QUIRED	SUPPLEMENTARY INFORMATION – PART II	
C.	Budgetar	y Comparison Schedules	
	C-1 C-2	Budgetary Comparison Schedule – General Fund Budgetary Comparison Schedule – Special Revenue Fund	61-67 68
NO	TES TO T	THE REQUIRED SUPPLEMENTARY INFORMATION – PART II	
	C-3	Notes to the Required Supplementary Information	69
RE	QUIRED	SUPPLEMENTARY INFORMATION – PART III	
L.	Sched	ules Related to Accounting and Reporting for Pensions and OPEB (GASB 68 and 75)	
	L-1	Required Supplementary Information – Schedule of the District's Proportionate Share of the Net Pension Liability – Public Employees Retirement System	70
	L-2	Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	71
	L-3	Required Supplementary Information – Schedule of the District's Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	72
	L-4	Notes to Required Supplementary Information – Net Pension Liability	73
	M-1	Required Supplementary Information – Schedule of Changes in the District's Proportionate Share of Total OPEB Liability	74
	M-2	Notes to Required Supplementary Information – OPEB Liability	75
ОТ	HER SUP	PLEMENTARY INFORMATION	
D.	School Le	evel Schedules – Not Applicable	
E.	Special R	devenue Fund	
	E-1	Combining Schedule of Program Revenues and Expenditures Special Revenue Fund – Budgetary Basis	76-77
	E-2	Schedule of Preschool Education Aid Expenditures – Budgetary Basis – Not Applicable	78
F.	Capital P	rojects Fund	
	F-1	Summary Schedule of Project Expenditures	79
	F-2	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance	80
	F-2a	Schedule of Project Revenues, Expenditures, Project Balance and Project Status	81

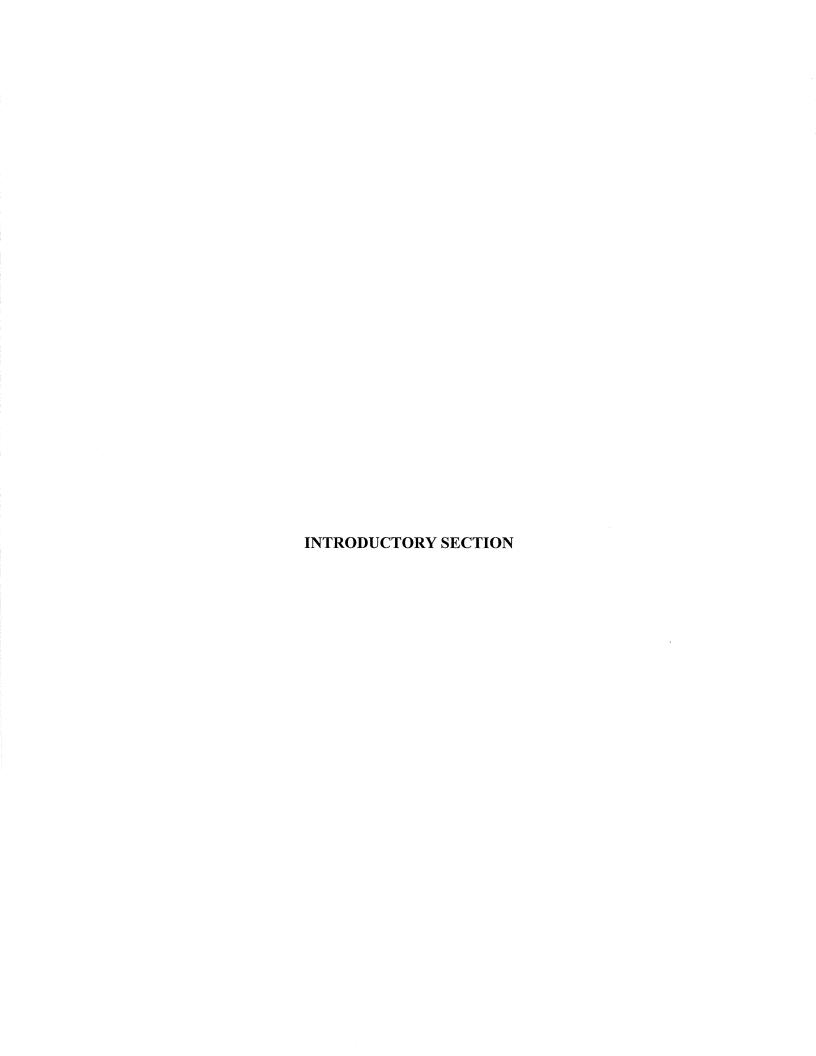
RIVERDALE BOARD OF EDUCATION TABLE OF CONTENTS

			<u>Page</u>
G.	Proprietai	ry Funds	
	Enterr	orise Fund	
	G-1	Combining Statement of Net Position – Not Applicable	82
	G-2	Combining Statement of Revenues, Expenses and Changes in	٠ ـ
		Net Position – Not Applicable	82
	G-3	Combining Statement of Cash Flows – Not Applicable	82
Н.	Fiduciary	Funds – Not Applicable	
I.	Long-Ter	m Debt	
	I-1	Schedule of Serial Bonds – Not Applicable	83
	I-2	Schedule of Capital Financing Agreements, Other Financing Agreements and Loans Payable	
		Not Applicable	84
	I-3	Debt Service Fund Budgetary Comparison Schedule – Not Applicable	85
	I-4	Schedule of Subscription-Based Information Technology Arrangements -	
		Not Applicable	85
J.		STATISTICAL SECTION (Unaudited)	
	J-1	Net Position by Component	86
	J-2	Changes in Net Position	87
	J-3	Fund Balances – Governmental Funds	88
	J-4	Changes in Fund Balances - Governmental Funds	89
	J-5	General Fund Other Local Revenues by Source	90
	J-6	Assessed Value and Actual Value of Taxable Property	91
	J-7	Property Tax Rates	92
	J-8	Principal Property Taxpayers	93
	J - 9	Property Tax Levies and Collections	94
	J-10	Ratios of Outstanding Debt by Type	95
	J-11	Ratios of Net General Bonded Debt Outstanding	96
	J-12	Computation of Direct and Overlapping Outstanding Bonded Debt	97
	J-13	Legal Debt Margin Information	98
	J-14	Demographic Statistics	99
	J-15	Principal Employers First Time Faviral and District Franciscos by Five time / Programs	100
	J-16	Full-Time Equivalent District Employees by Function/Program	101
	J-17 J-18	Operating Statistics	102
	J-18 J-19	School Building Information Schedule of Required Maintenance for School Facilities	103 104
	J-19 J-20	Schedule of Insurance	104
	3-20		103

RIVERDALE BOARD OF EDUCATION TABLE OF CONTENTS

K.

Page SINGLE AUDIT SECTION K-1 Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards – Independent Auditor's Report 106-107 K-2 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 108-110 K-3 Schedule of Expenditures of Federal Awards 111-112 K-4 Schedule of Expenditures of State Financial Assistance 113 K-5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance 114-115 K-6 Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor's Results 116-117 K-6 Summary Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings 118 K-6 Summary Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs 119-120 K-7 Summary Schedule of Prior Year Findings 121









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December 9, 2023

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

Dear Board Members:

The annual comprehensive financial report of the Riverdale School District (the "District") for the fiscal year ended June 30, 2023, 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 annual comprehensive financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditors' report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels PreK through 8. These services include general, as well as special education for students designated as needing the same, via their IEP. The District completed the 2022/2023 fiscal year with an enrollment of 289 students, which is 3 students higher than the previous year's enrollment.

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

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2022-2023	289	1.0%
2021-2022	286	-3.15%
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%

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.

- <u>2) ECONOMIC CONDITION AND OUTLOOK</u>: 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.
- <u>3) MAJOR INITIATIVES</u>: 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 289 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 2022/2023 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 to ensure all students are meeting or exceeding the NJ State Learning Standards. 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.

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 utilizes new equipment and software, including the interactive Smart Boards and FM systems. Riverdale also 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, HVAC upgrade for the elementary wing, 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 through the Referendum.

<u>4) INTERNAL ACCOUNTING CONTROLS</u>: 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, 2023.

- <u>6) ACCOUNTING SYSTEM AND REPORTS</u>: 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".
- <u>7) DEBT ADMINISTRATION</u>: On June 30 2018, the District had finalized payment of all outstanding obligation bonds. On March 14, 2023, the voters of the Borough of Riverdale authorized a bond issue in the amount of \$18,921,000 to construct two additions and renovations to the Riverdale Public School.
- 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.
- <u>9) RISK MANAGEMENT</u>: 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, & Bliss, 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.

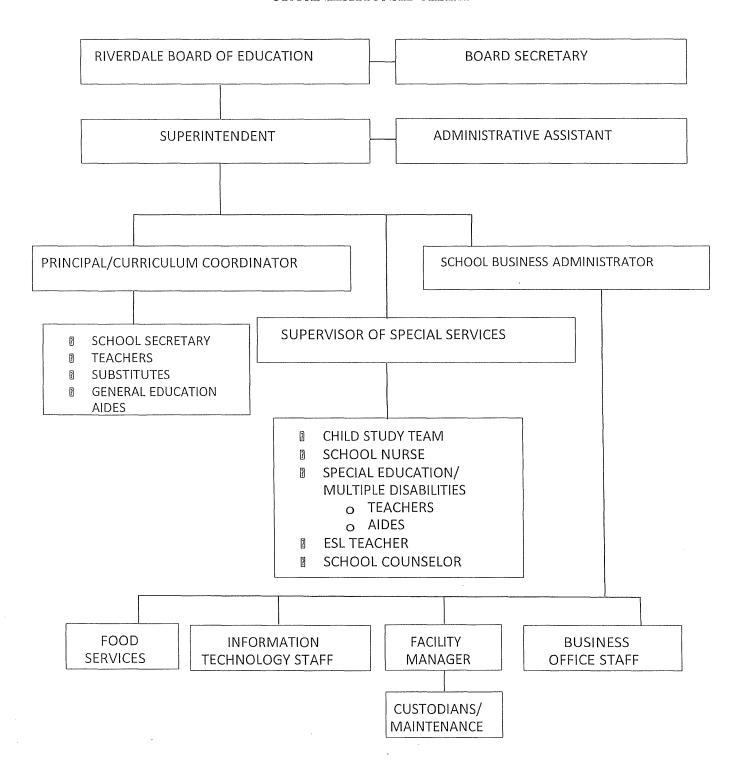
11) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Riverdale Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school District and thereby contributing their full support to the development and maintenance of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

Sandy Vicale

Business Administrator-Board Secretary

RIVERDALE BOARD OF EDUCATION ORGANIZATIONAL CHART



RIVERDALE SCHOOL DISTRICT RIVERDALE, NJ

ROSTER OF OFFICIALS

as of June 30, 2023

Board Members	Term Expires
Marybeth Thomas, President	2023
Katherine Miceli, Vice President	2025
Keith Hamilton	2024
Ann Marie Nadiroglu	2025
Russell Hatzel	2024
Alexis Stone	2024
Lisa Ferrara	2025

Other Officials:

Jayson Gutierrez, Superintendent Sandy Vicale, Business Administrator/Board Secretary Omar Garcia, Treasurer

RIVERDALE BOARD OF EDUCATION RIVERDALE, NEW JERSEY

CONSULTANTS AND ADVISORS

Audit Firm

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Attorney

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

Architect

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

Official Depository

Lakeland Bank 250 Oak Ridge Road Oak Ridge, NJ 07438



DIETER P. LERCH, CPA, RMA, PSA GARY J. VINCI, 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, RMA, PSA DEBRA GOLLE, CPA MARK SACO, CPA ROBERT LERCH, CPA, PSA CHRISTOPHER M. VINCI, CPA, PSA CHRISTINA CUIFFO, CPA, PSA JOHN CUIFFO, CPA, PSA

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

Opinions

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, 2023 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.

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, 2023, 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.

Basis for Opinions

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 <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Riverdale Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Riverdale Board of Education's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, <u>Government Auditing Standards</u> and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Riverdale Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Riverdale Board of Education's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and 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.

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, financial schedules and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with <u>Government Auditing Standards</u>, we have also issued our report dated December 12, 2023 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 <u>Government Auditing Standards</u> in considering the Riverdale Board of Education's internal control over financial reporting and compliance.

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

Dieter P. Lerch

Public School Accountant PSA Number CS00756

Fair Lawn, New Jersey December 12, 2023 MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

This section of Riverdale Board of Education's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023. The intent of this section is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement. Certain comparative information between the current year (2022-2023) and the prior year (2021-2022) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2022-2023 fiscal year include the following:

- 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 \$8,807,395 (net position).
- Overall District revenues were \$11,356,960. General revenues accounted for \$8,731,861 or 77% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2,625,099 or 23% of total revenues.
- The School District had \$10,167,601 in expenses for governmental activities; only \$2,444,240 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$8,731,839 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 \$5,096,695 an increase of \$523,036 when compared to the ending fund balance at June 30, 2022 of \$4,573,659.
- The General Fund unassigned fund balance at June 30, 2023 was \$139,059 a decrease of \$95,159 when compared with the ending fund balance of \$234,218 at June 30, 2022.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$331,624 which represents a decrease of \$103,211 when compared to the ending unassigned fund balance at June 30, 2022 of \$434,835.

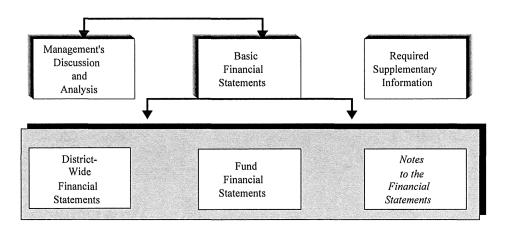
Management's Discussion and Analysis

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 District:

- The first two statements are district wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
 - The Governmental Funds statements tell how basic services were financed in the short term as well as what remains for future spending.
 - Proprietary Funds statements offer short-term and long-term financial information about the activities the district operated like businesses.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The table below shows how the various parts of this annual report are arranged and related to one another.



Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain are summarized below. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

	District-Wide	Fund Financial St	atements
	Statements	Governmental Funds	Proprietary Funds
Scope	Entire district	The activities of the district that are not proprietary or fiduciary, such as instruction, special education building maintenance, and community education	Activities the district operates similar to private businesses: Enterprise funds
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 Net Position Statement of Cash Flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows, liabilities, deferred inflows, 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 there after; no capital assets or long-term liabilities included	All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, and 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.

Management's Discussion and Analysis

District-Wide Financial Statements

The district-wide statements report information about the District 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 it has changed. Net position – the difference between the District's assets/deferred outflows and liabilities/deferred inflows – 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 school buildings 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 instruction and special education, transportation, administration, and plant operation and maintenance. State and Federal Aids finance most of these activities.
- Business Type Activities These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service Fund and Technology Initiative 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 bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

Management's Discussion and Analysis

Fund Financial Statements (Continued)

The District has two 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 explains 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. The District's Enterprise Fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found following the fund financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for the general and special revenue funds. A budgetary comparison statement has been provided for these funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

The District also presents required supplementary information regarding the accounting and reporting for pensions as required under GASB Statement No. 68 and post-retirement medical benefits as required under GASB Statement No. 75. The required supplementary information can be found following the notes to the financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons if required.

Management's Discussion and Analysis

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$8,807,395 and \$7,772,634 as of June 30, 2023 and 2022, respectively, as shown below.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net Position as of June 30, 2023 and 2022

		ımental vities		ss-Type vities	T	otal
	2023	2022	2023	2022	2023	2022
Assets						
Current and Other Assets	\$ 5,672,254	\$ 4,669,761	\$ 113,225	\$ 100,478	\$ 5,785,479	\$ 4,770,239
Capital Assets	4,444,711	4,102,005	36,735	15,519	4,481,446	4,117,524
Total Assets	10,116,965	8,771,766	149,960	115,997	10,266,925	8,887,763
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	67,800	75,053	-	_	67,800	75,053
Total Assets and Deferred Outflows	10,184,765	8,846,819	149,960	115,997	10,334,725	8,962,816
Liabilities						
Long-Term Liabilities	575,559	96,102	9,350	1,916	584,909	98,018
Other Liabilities	722,097	622,658		-	722,097	622,658
Total Liabilities	1,297,656	718,760	9,350	1,916	1,307,006	720,676
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	219,942	469,370			219,942	469,370
Deferred Commodities Revenue			382	136	382	136
Total Deferred Inflows	219,942	469,370	382	136	220,324	469,506
Total Liabilities and Deferred Inflows	1,517,598	1,188,130	9,732	2,052	1,527,330	1,190,182
Net Position						
Net Investment in Capital Assets	4,444,711	4,102,005	36,735	15,519	4,481,446	4,117,524
Restricted	3,237,890	2,275,477			3,237,890	2,275,477
Unrestricted	984,566	1,281,207	103,493	98,426	1,088,059	1,379,633
Total Net Position	\$ 8,667,167	\$ 7,658,689	\$ 140,228	\$ 113,945	\$ 8,807,395	\$ 7,772,634

Management's Discussion and Analysis

The changes in net position for fiscal years ended 2023 and 2022 are as follows:

		Govern				Busines	-	-		_		
		Activ	itie			Activ	ities	•		-	<u>tal</u>	
Revenues		<u>2023</u>		<u>2022</u>		<u>2023</u>		<u>2022</u>		<u>2023</u>		<u>2022</u>
Program Revenues Charges for Services	\$	71,501	\$	113,465	\$	88,664	\$	13,013	\$	160,165	\$	126,478
Operating Grants and Contributions	Ф	2,017,456	Ф	2,037,435	Ф	92,195	Ф	239,422	Ф	2,109,651	Ф	2,276,857
Capital Grants and Contributions		355,283		2,037,433		92,193		239,422		355,283		2,270,637
General Revenues		333,263		-						333,263		-
Property Taxes		8,717,867		8,559,765						8,717,867		8,559,765
Miscellaneous		13,972		12,906		22		16		13,994		12,922
Miscendicous		13,972		12,900						13,994		12,722
Total Revenues		11,176,079		10,723,571		180,881		252,451		11,356,960		10,976,022
Expenses												
Instruction												
Regular		4,608,458		4,775,503						4,608,458		4,775,503
Special Education		1,986,969		1,663,581						1,986,969		1,663,581
Other Instruction		213,120		363,714						213,120		363,714
School Sponsored Activities and Athletics		92,291		171,681						92,291		171,681
Support Services												
Student and Instruction Related Services		951,395		783,148						951,395		783,148
General Administration Services		387,824		379,765						387,824		379,765
School Administration Services		162,225		165,922						162,225		165,922
Central Services		234,514		262,692						234,514		262,692
Plant Operation and Maintenance		739,963		865,570						739,963		865,570
Pupil Transportation		790,842		582,051						790,842		582,051
Interest and Other Chgs on Long-Term Debt		-		379						-		379
Food Service						147,270		194,100		147,270		194,100
Technology Initiative		-	_		_	7,328		8,444		7,328		8,444
Total Expenses		10,167,601		10,014,006	_	154,598		202,544		10,322,199		10,216,550
Change in Net Position		1,008,478		709,565		26,283		49,907		1,034,761		759,472
Net Position, Beginning of Year		7,658,689		6,949,124		113,945		64,038		7,772,634		7,013,162
Net Position, End of Year	\$	8,667,167	<u>\$</u>	7,658,689	\$	140,228	\$	113,945	<u>\$</u>	8,807,395	<u>\$</u>	7,772,634

Management's Discussion and Analysis

Governmental Activities

The financial position of the District improved significantly. However, maintaining existing programs including special education programs/services and increases in District health benefits costs places a great demand on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health.

Total and Net Cost of Governmental Activities. The following schedule presents the District's total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2023 and 2022.

		Tota of Se		Net <u>of Se</u>	Cost	
		<u>2023</u>	<u>2022</u>	<u>2023</u>		<u>2022</u>
Instruction						
Regular	\$	4,608,458	\$ 4,775,503	\$ 3,872,215	\$	3,882,805
Special Education		1,986,969	1,663,581	1,120,223		921,913
Other Instruction		213,120	363,714	101,344		233,643
School Sponsored Activities and Athletics		92,291	171,681	56,652		42,233
Support Services						
Student and Instruction Related Services		951,395	783,148	798,745		750,976
General Administration		387,824	379,765	374,641		355,289
School Administration Services		162,225	165,922	132,463		132,902
Central Services		234,514	262,692	225,155		241,104
Plant Operation and Maintenance		739,963	865,570	351,456		828,122
Pupil Transportation		790,842	582,051	690,467		473,739
Interest and Other Charges on Long-Term Debt	***************************************	-	 379	 _		379
Total	\$	10,167,601	\$ 10,014,006	\$ 7,723,361	\$	7,863,105

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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 \$5,096,695, an increase of \$523,036 from last year's fund balance of \$4,573,659.

Revenues for the District's governmental funds were \$11,586,539; total expenditures were \$11,063,503.

General Fund - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students.

Revenues of the General Fund were \$10,857,766 for the fiscal year ended June 30, 2023. State sources amounted to \$2,090,506 and local sources amounts to \$8,767,260.

Expenditures of the General Fund were \$10,301,284. Instructional expenditures were \$7,018,976 for support services were \$3,067,730 and capital expenditures totaled \$214,578 for the fiscal year ended June 30, 2023.

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

Revenues of the Special Revenue Fund were \$728,740 for the fiscal year ended June 30, 2023. Federal sources amounts to \$694,957 and local sources amounts to \$33,783.

Expenditures of the Special Revenue Fund were \$727,219. Instructional expenditures were \$300,854 for support services were \$71,082 and capital expenditures totaled \$355,283 for the fiscal year ended June 30, 2023.

Capital Projects - The capital projects expenditures exceeded revenues and other financing uses by \$35,000 decreasing the fund balance from \$0 at June 30, 2022 to a deficit balance of \$35,000 at June 30, 2023. This deficit will be funded by the future sale of school bonds.

Proprietary Funds

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

Management's Discussion and Analysis

Enterprise Fund - The District uses Enterprise Funds to report activities related to the Food Services and Technology Initiative programs. The District's Enterprise Fund provides 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.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into the following categories

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2022 encumbrances.
- Appropriation of unassigned fund balance.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2023 and 2022 amounts to \$4,481,446 and \$4,117,524 (net of accumulated depreciation), respectively. The capital assets consist of land, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2022-2023 amounted to \$262,155 for governmental activities and \$7,050 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2023 and 2022.

		Goveri <u>Acti</u>				Busines <u>Acti</u>		• •	<u>To</u>	<u>otal</u>	
		2023	_	2022	_	2023	_	2022	 2023		2022
Land	\$	11,800	\$	11,800					\$ 11,800	\$	11,800
Construction in Progress		611,551		74,994					611,551		74,994
Buildings & Building Improvements		3,644,225		3,838,983					3,644,225		3,838,983
Machinery and Equipment		177,135		176,228	\$	36,735	\$	15,519	 213,870	_	191,747
Total	<u>\$</u>	4,444,711	\$	4,102,005	\$	36,735	\$	15,519	\$ 4,481,446	\$	4,117,524

Additional information on the District's capital assets are presented in the Notes to the Financial Statements.

Management's Discussion and Analysis

LONG TERM LIABILITIES

At June 30, 2023, the District's long-term liabilities consisted of compensated absences payable of \$89,516 and net pension liability of \$632,581 totaling \$722,097. This is in comparison to long-term liabilities at June 30, 2022 of \$622,658 or an increase of \$99,439.

Additional information on the District's long-term liabilities are presented in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2023-2024 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing labor and related employee benefit costs. Other budgetary increases are anticipated with special education, and utilizes the required investment to repair the District's aging facilities.

These expenditures are to be paid for by the mandated 2% CAP on the property tax levy with certain allowable adjustments to the tax levy. In the future, any such allowable adjustments may not be permitted.

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 information contact the Office of the Business Administrator, Riverdale Board of Education, 52 Newark Pompton Turnpike, Riverdale, NJ 07457.

BASIC FINANCIAL STATEMENTS

RIVERDALE BOARD OF EDUCATION STATEMENT OF NET POSITION AS OF JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 5,171,233	\$ 109,084	\$ 5,280,317
Receivables, net			
Receivables from Other Governments	501,021	2,971	503,992
Other	-	210	210
Inventory Capital Assets, net of depreciation	4,444,711	960 36,735	960 4,481,446
Capital Assets, her of depreciation	4,444,711	30,733	4,461,440
Total Assets	10,116,965	149,960	10,266,925
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows on Net Pension Liability	67,800		67,800
Total Deferred Outflows of Resources	67,800		67,800
Total Assets and Deferred Outflows of Resources	10,184,765	149,960	10,334,725
LIABILITIES			
Accounts Payable and Other Current Liabilities	551,539	7,033	558,572
Unearned Revenue	24,020	2,317	26,337
Noncurrent Liabilities			•
Due within one year			-
Due beyond one year	722,097		722,097
Total Liabilities	1,297,656	9,350	1,307,006
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows on Net Pension Liability	219,942		219,942
Deferred Commodities Revenue	_	382	382
Total Deferred Inflows of Resources	219,942	382	220,324
Total Liabilities and Deferred Inflows of Resources	1,517,598	9,732	1,527,330
NET POSITION			
Net Investment in Capital Assets	4,444,711	36,735	4,481,446
Restricted for:	1,111,711	30,733	1,101,110
Capital Projects	2,579,628		2,579,628
Other Purposes	658,262		658,262
Unrestricted	984,566	103,493	1,088,059
Total Net Position	\$ 8,667,167	\$ 140,228	\$ 8,807,395

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, 2023

		FOR THE FISCAL	FOR THE FISCAL LEAR EINDED JUNE 30, 2023 Program Revenues	E 50, 2025	Net C	Net (Expense) Revenue and Changes in Net Position	n n
		Charges for	Operating Grants and	Capital Grants and	Governmental	Business-Type	
Functions/Programs	Expenses	Services	Contributions	Contributions	Activities	Activities	Total
Governmental Activities							
Instruction							
Kegular	\$ 4,608,458	\$ 37,718	\$ 698,525		\$ (3,872,215)		\$ (3,872,215)
Special Education	1,986,969		866,746		(1,120,223)		(1,120,223)
Other Instruction	213,120		111,776		(101,344)		(101,344)
School Sponsored Activities and Athletics	92,291	33,783	1,856		(56,652)		(56,652)
Support Services							
Student and Instruction Related Services	951,395		152,650		(798,745)		(798,745)
General Administration Services	387.824		13,183		(374,641)		(374,641)
School Administration Services	162,225		29,762		(132,463)		(132,463)
Central Services	234,514		9 359		(225,155)		(225 155)
Plant Operations and Maintenance	739 963		33,004	\$ 355.783	(351,456)		(351,456)
Punil Transportation	790 842		100 375		(690,467)		(690,467)
Interact on Dabt	0,00		2,2,6		(121,522)		(101, 101)
meresi on Deor		•					
Total Governmental Activities	10,167,601	71,501	2,017,456	355,283	(7,723,361)	1	(7,723,361)
Business-Type Activities							
Food Service	147,270	76,878	92,195	•	1	\$ 21,803	21,803
rechnology initiative	1,328	11,780	1	•		4,458	4,438
Total Business-Type Activities	154,598	88,664	92,195		1	26,261	26,261
Total Primary Government	\$ 10,322,199	\$ 160,165	\$ 2,109,651	\$ 355,283	(7,723,361)	26,261	(7,697,100)
	;						
	General Revenues Property Taxes, Le	evied for General Pu	ITDOSes		8.717.867		8.717.867
	Miscellaneous Inc	Miscellaneous Income	, J		13,972	22	13,994
	Total Canaral Rayannas	senuen			8 731 830	22	8 731 861
	rotai Oeilerai Me	yenues			6,111,003	77	6,731,601
	Change in Net Position	t Position			1,008,478	26,283	1,034,761
	Net Position, Beginning of Year	ning of Year			7,658,689	113,945	7,772,634
	Net Position, End of Year	ıf Year			\$ 8,667,167	\$ 140,228	\$ 8,807,395

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

FUND FINANCIAL STATEMENTS

RIVERDALE BOARD OF EDUCATION GOVERNMENTAL FUNDS BALANCE SHEET AS OF JUNE 30, 2023

	General <u>Fund</u>		Special Revenue <u>Fund</u>	Capital Projects <u>Fund</u>	Total Governmental <u>Funds</u>	
ASSETS	Φ	777 200	A 15 100	A 250 452	•	6 171 222
Cash and Cash Equivalents Receivables	\$ 4,	775,380	\$ 17,400	\$ 378,453	\$	5,171,233
Intergovernmental		16,810	484,211			501,021
Interfunds Receivable		413,580		-		413,580
Total Assets	\$ 5,	205,770	\$ 501,611	\$ 378,453	\$	6,085,834
LIABILITIES AND FUND BALANCES						
Liabilities Accounts Payable	\$	38,073	\$ 57,684	\$ 35,000	e	130,757
Interfunds Payable	J.	30,073	413,547	33,000	φ	413,580
Intergovernmental Accounts Payable		21,956	,.			21,956
Deposits Payable				378,420		378,420
Payroll Deductions and Withholdings		20,406	40.000			20,406
Unearned Revenue		11,040	12,980			24,020
Total Liabilities		91,475	484,211	413,453	L	989,139
Fund Balances						
Restricted Fund Balance						
Excess Surplus		531,170				531,170
Excess Surplus - Designated for Subsequent Year's						-
Expenditures		616,425				616,425 1,204,628
Capital Reserve Capital Reserve - Designated for Subsequent Year's	1,	204,628				1,204,628
Expenditures	1.	410,000				1,410,000
Maintenance Reserve		208,761				208,761
Maintenance Reserve - Designated for Subsequent						
Year's Expenditures		210,000				210,000
Tuition Adjustments		100,000				100,000
Tuition Adjustments - Designated for Subsequent						100.000
Year's Expenditures		100,000				100,000
Unemployment Compensation Student Activities and Athletics		22,101	17,400			22,101 17,400
Capital Projects			17,100	(35,000)		(35,000)
Committed				(,,, ,		` ' '
Year End Encumbrances		228,854				228,854
Assigned						
Year End Encumbrances		158,462				158,462
Designated for Subsequent Year's Expenditures Unassigned Fund Balance		184,835 139,059				184,835 139,059
Onassigned rund balance		139,039				139,039
Total Fund Balances	5,	114,295	17,400	(35,000)		5,096,695
Total Liabilities and Fund Balances	\$ 5,	205,770	\$ 501,611	\$ 378,453		
	Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:					
	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$8,782,352, and the accumulated depreciation is \$4,337,641.					4,444,711
	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)					(152,142)
	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)					(722,097)
	Net position of g	overnmen	tal activities		\$	8,667,167
						, , , , , , , , , , , , , , , , , , ,

RIVERDALE BOARD OF EDUCATION GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEAR ENDED JUNE 30, 2023

DEVENING		General <u>Fund</u>	Special Revenue <u>Fund</u>		Capital Projects <u>Fund</u>	,	Total Governmental <u>Funds</u>
REVENUES							
Local Sources	\$	0 717 067				\$	0 717 067
Property Taxes Tuition	Ф	8,717,867 37,718				Ф	8,717,867 37,718
Interest		8,332		\$	33		8,365
Miscellaneous		3,343	\$ 33,783	<u> </u>			37,126
Total - Local Sources		8,767,260	33,783		33		8,801,076
State Sources		2,090,506					2,090,506
Federal Sources	***************************************	-	 694,957	_	-		694,957
Total Revenues		10,857,766	 728,740		33		11,586,539
EXPENDITURES							
Current							
Instruction							
Regular Instruction		4,789,320	107,663				4,896,983
Special Education Instruction		2,028,366	74,337				2,102,703
Other Instruction		139,482	86,766				226,248
School-Sponsored Activities and Athletics		61,808	32,088				93,896
Support Services		000 410	71.000				002 500
Student and Instruction Related Services		922,418	71,082				993,500
General Administrative Services		395,175					395,175
School Administrative Services		177,441					177,441
Central Services Administration Information Technology		198,258 38,139					198,258 38,139
Plant Operations and Maintenance		542,306					542,306
Pupil Transportation		793,993					793,993
Capital Outlay		214,578	 355,283		35,000		604,861
Total Expenditures		10,301,284	 727,219		35,000		11,063,503
Excess (Deficiency) of Revenues							
Over (Under) Expenditures		556,482	1,521		(34,967)		523,036
OTHER FINANCING SOURCES(USES)							
Transfers In		33					3,3
Transfers Out			 -		(33)		(33)
Total Other Financing Sources and Uses		33	 -		(33)		-
Net Change in Fund Balance		556,515	1,521		(35,000)		523,036
Fund Balance, Beginning of Year	************	4,557,780	 15,879		-		4,573,659
Fund Balance, End of Year	\$	5,114,295	\$ 17,400	\$	(35,000)	<u>\$</u>	5,096,695

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, 2023

\$ Total net change in fund balances - governmental funds (Exhibit B-2) 523,036 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 604,861 Depreciation Expense (262, 155)342,706 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 10,784 Decrease in Pension Expense 131,952 142,736 Change in net position of governmental activities (Exhibit A-2) 1,008,478

RIVERDALE BOARD OF EDUCATION PROPRIETARY FUNDS STATEMENT OF NET POSITION AS OF JUNE 30, 2023

	Busin	Business-Type Activities - Enterprise Fund						
	Foo <u>Servi</u>	d Te	on-Major echnology nitiative		<u>Totals</u>			
ASSETS								
Current Assets Cash and Cash Equivalents Intergovernmental Receivable	\$ 9	93,552 \$	15,532	\$	109,084			
State		123			123			
Federal		2,848			2,848			
Other Accounts Receivable		210			210			
Inventories		960	-		960			
Total Current Assets		97,693	15,532		113,225			
Capital Assets								
Equipment	7	79,900			79,900			
Less: Accumulated Depreciation	(4	13,165)	-		(43,165)			
Total Capital Assets	3	36,735	-		36,735			
Total Assets	13	34,428	15,532	***************************************	149,960			
LIABILITIES								
Current Liabilities	•							
Accounts Payable		7,033			7,033			
Unearned Revenue		2,317	-		2,317			
Total Current Liabilities	Name - and Additional Confession	9,350			9,350			
DEFERRED INFLOWS OF RESOURCES								
Deferred Commodities Revenue		382	-		382			
Total Liabilities and Deferred Inflows of Resources		9,732	-		9,732			
NET POSITION								
Invested in Capital Assets	3	36,735			36,735			
Unrestricted		37,961	15,532		103,493			
Total Net Position	<u>\$ 12</u>	24,696 \$	15,532	\$	140,228			

RIVERDALE BOARD OF EDUCATION PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Fund					
			Non-Major Technology Initiative			Totals
OPERATING REVENUES						
Charges for Services						
Daily Sales - Reimbursable Programs	\$	55,857			\$	55,857
Daily Sales - Non-Reimbursable Programs		21,021				21,021
Program Fees	_		\$	11,786		11,786
Total Operating Revenues		76,878		11,786		88,664
OPERATING EXPENSES						
Salaries and Wages		66,411				66,411
Purchased Services		12,368		7,328		19,696
Supplies and Materials Repair and Maintenance		323 4,226				323 4,226
•						•
Cost of Sales - Reimburseable Programs		49,724				49,724
Cost of Sales - Non-Reimbursable Programs		7,168				7,168
Depreciation Expense		7,050				7,050
Total Operating Expenses		147,270		7,328		154,598
Operating Income (Loss)		(70,392)		4,458		(65,934)
NONOPERATING REVENUES						
Interest Earnings				22		22
State Sources						
State School Lunch Program Federal Sources		1,789				1,789
National Lunch/Breakfast Program		39,928				39,928
Supply Chain Assistance		27,587				27,587
Food Distribution Program		22,891				22,891
Total Nonoperating Revenues		92,195		22		92,217
Change in Net Position		21,803		4,480		26,283
Net Position, Beginning of Year		102,893	***************************************	11,052		113,945
Net Position, End of Year	\$	124,696	\$	15,532	\$	140,228

RIVERDALE BOARD OF EDUCATION PROPRIETARY FUNDS STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Fund						
	Food <u>Service</u>	Non-Major Technology <u>Initiative</u>	<u>Totals</u>				
Cash Flows from Operating Activities Cash Received from Customers and Other Operating Activities	Ф 22.122	Φ 11.706	Φ 00.063				
Cash Payments for Employees - Salaries and Benefits	\$ 77,177 (66,411)	\$ 11,786	\$ 88,963 (66,411)				
Cash Payments to Suppliers for Goods and Services	(44,007)	(7,328)	(51,335)				
Cush I ujinomo to Supphoto tot Social una Socialo	(11,007)	(7,320)	(51,555)				
Net Cash Provided (Used) by Operating Activities	(33,241)	4,458	(28,783)				
Cash Flows from Noncapital Financing Activities							
Cash Received from State and Federal Subsidy Reimbursements	82,698	_	82,698				
Net Cash Provided by Noncapital Financing Activities	82,698	-	82,698				
Cook Flows from Conital and Deleted Financing Activities							
Cash Flows from Capital and Related Financing Activities Purchases of capital assets	(28,266)		(28,266)				
Turchases of capital assets	(28,200)		(28,200)				
Net cash (used) by capital and related financing activities	(28,266)		(28,266)				
Cash Flows from Investing Activities							
Interest Earnings	-	22	22				
Net Cash Provided by Investing Activities		22	22				
The Cash Trovided by Investing Florivines							
Net Increase in Cash and Cash Equivalents	21,191	4,480	25,671				
Cash and Cash Equivalents, Beginning of Year	72,361	11,052	83,413				
Cash and Cash Equivalents, End of Year	\$ 93,552	\$ 15,532	\$ 109,084				
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities							
Operating Income (Loss)	\$ (70,392)	\$ 4,458	\$ (65,934)				
Adjustments to Reconcile Operating Income (Loss) to							
Net Cash Provided (Used) by Operating Activities	- 00						
Depreciation Expense	7,050		7,050				
Non-Cash Federal Assistance-Food Distribution Program	22,891		22,891				
Change in Assets, Liabilities and Deferred Inflows of Resources Increase/(Decrease) in Accounts Payable	7.022		7.022				
•	7,033		7,033				
(Increase)/Decrease in Inventory	(368) 401		(368)				
Increase/(Decrease) in Unearned Revenue			401				
(Increase)/Decrease in Accounts Receivable	(102)		(102)				
Increase/(Decrease) in Deferred Commodities Revenue	246		246				
Total Adjustments	37,151		37,151				
Net Cash Provided (Used) by Operating Activities	\$ (33,241)	\$ 4,458	\$ (28,783)				
Non-Cash Investing, Capital and Financing Activities							
Value Received - Food Distribution Program	\$ 23,136		\$ 23,136				
	,100						



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 of Schools is appointed by the Board and is responsible for the administrative control of the District. A School 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 of Schools 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 School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent of Schools 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 2023, the District adopted the following GASB statements:

• GASB Statement No. 96, Subscription — Based Information Technology Arrangements. 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 or 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

• GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

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

- GASB Statement No. 100, Accounting Changes and Error Corrections an amendment of GASB Statement No. 62, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, Compensated Absences, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

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 funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

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 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.

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 of pupil organizations.

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

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

The *food service fund* accounts for the activities of the school cafeteria, which provides 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 funds which are 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.

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.

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.

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.

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 (Continued)

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:

Assets	Years
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 periods 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 qualify 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 periods 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 are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. 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.

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 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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

<u>Excess Surplus</u> – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2023 audited excess surplus that is required to be appropriated in the 2024/2025 original budget certified for taxes.

<u>Excess Surplus – Designated for Subsequent Year's Expenditures</u> - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2022 audited excess surplus that was appropriated in the 2023/2024 original budget certified for taxes.

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

<u>Capital Reserve - Designated for Subsequent Year's Expenditures</u> – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2023/2024 District budget certified for taxes.

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 (Continued)

<u>Maintenance Reserve</u> – 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 3D).

<u>Maintenance Reserve - Designated for Subsequent Year's Expenditures</u> – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2023/2024 District budget certified for taxes

<u>Tuition Adjustments</u> – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2022/2023 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 2024/2025 original budget certified for taxes.

<u>Tuition Adjustment – Designated for Subsequent Year's Expenditures</u> – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2021/2022 contract year that is appropriated in the 2023/2024 original budget certified for taxes.

<u>Unemployment Compensation Reserve</u> – 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).

<u>Student Activities</u> – 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.

<u>Capital Projects</u> – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

<u>Committed Fund Balance</u> – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

<u>Year-End Encumbrances</u> – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustee's 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.

<u>Assigned Fund Balance</u> – 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.

<u>Year-End Encumbrances</u> – 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.

<u>Designated for Subsequent Year's Expenditures</u> – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2023/2024 District budget certified for taxes.

<u>Unassigned Fund Balance</u> – 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Board of Education 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 District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district 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.

Amounts in the assigned fund balance classification are intended to be used by the Board of Education 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

<u>Tuition Revenues</u> - 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.

<u>Tuition Expenditures</u> - Tuition charges for the fiscal years 2021-2022 and 2022-2023 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. Proprietary Funds, Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund and 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 position liability are amortized over future years and therefore are not reported in the funds". The details of this \$(152,142) difference are as follows:

Pension Liability	\$	67,800
Deferred Inflows on Net Pension Liability		(219,942)
Net Adjustment to reduce Fund Balance - Total Governmental Funds to Arrive at Net Position - Governmental Activities	<u>\$</u>	(152,142)

Another element of that reconciliation explains that "long-term liabilities, including and 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 \$(722,097) difference are as follows:

Net Pension Liabiltiy	\$ (632,581)
Compensated Absences	 (89,516)
Nit Adiaton (A) de marco Frank Balance Tratal Communicatal	
Net Adjustment to decrease Fund Balance - Total Governmental	
Funds to Arrive at Net Position - Governmental Activities	\$ (722,097)

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.

The District must prepare its budget in compliance with applicable laws limiting the amount by which the general fund property tax levy can increase in the annual school budget. The 2010 Tax Levy CAP Law is calculated using the formulas and provisions of NJSA 18A:7F-38. The law was originally adopted in 2007 and was most recently amended in 2018. The core of the tax-levy cap calculation is a 2% increase to the previous budget year's general fund tax levy with exceptions only for enrollment increases, increases for certain pension contributions in excess of 2%, certain healthcare increases, and amounts approved by a simple majority of voters at a special election. Additionally, school districts can bank the unused tax levy for use in any of the next three (3) succeeding budget years if they were not granted approval to exceed the tax levy cap by the voters. The restrictions are solely on the tax levy for the general fund.

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. <u>Budgetary Information</u> (Continued)

The annual budget is adopted in the spring of the preceding year for the general and special revenue funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval. 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 2022/2023. Also, during 2022/2023 the Board increased the original budget of the general fund by \$418,786 and the special revenue fund by \$355,784. The increases were funded by the additional appropriation of unassigned fund balance, grant awards, student activity revenues, the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional fund balance appropriations of unassigned fund balance of \$90,372 from the general fund.

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. Deficit Fund Equity

The District has an accumulated deficit in fund balance of \$35,000 in the Capital Projects Fund as of June 30, 2023. This deficit is the result of the Board incurring expenditures for the 2023 bond referendum, which was prior to the sale of school bonds. As the Board permanently finances these appropriations, the District will realize as revenues the proceeds of the financing. This deficit does not indicate that the District is facing financial difficulties and is permitted practice under accounting principles generally accepted in the United States of America.

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2023 is as follows:

Balance, July 1, 2022		\$ 1,712,746
Increased by Interest Earnings Deposits Approved by Board Resolution	\$ 1,882 900,000	
Total Increases		 901,882
Balance, June 30, 2023		\$ 2,614,628

The June 30, 2023 LRFP balance of the total costs of uncompleted capital projects is estimated by management to be \$11,571,405. \$1,410,000 of the capital reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 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.

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2023 is as follows:

Balance, July 1, 2022		\$	324,829
Increased by			
Interest Earnings	\$ 502		
Deposits Approved by Board Resolution	 93,430		
Total Increases		Annual of Participation	93,932
Balance, June 30, 2023		\$	418,761

The June 30, 2023 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. \$210,000 of the maintenance reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2023 is \$1,147,595. Of this amount, \$616,425 was designated and appropriated in the 2023/2024 original budget certified for taxes and the remaining amount of \$531,170 will be appropriated in the 2024/2025 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 deposits in excess of the FDIC and NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

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, 2023, the book value of the Board's deposits was \$5,280,317 and bank and brokerage firm balances of the Board's deposits amounted to \$5,469,046. The Board's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 5,452,366
Uninsured and Collateralized	 16,680
	\$ 5,469,046

<u>Custodial Credit Risk – Deposits</u> – 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, 2023 the Board's bank balance of \$16,680 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name

\$ 16,680

16,680

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.

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2023, the Board had no outstanding investments.

<u>Interest Rate Risk</u> – 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.

<u>Credit Risk</u> – 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.

<u>Concentration of Credit Risk</u> – 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, 2023 for the district's individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	General		Special Revenue	Food Service	Total
Receivables:				<u> </u>	
Intergovernmental- Federal		\$	484,211	\$ 2,848	\$ - 487,059
State	\$ 16,810			123	16,933
Other	 	-	-	 210	 210
Gross Receivables Less: Allowance for	16,810		484,211	3,181	504,202
Uncollectibles	 		<u>-</u>	 _	
Net Total Receivables	\$ 16,810	\$_	484,211	\$ 3,181	\$ 504,202

C. Unearned Revenue

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

General Fund	Ф	11.040
Prepaid Tuition/Fees	\$	11,040
Special Revenue Fund		
Unencumbered Grant Draw Downs		12,980
Total Unearned Revenue for Governmental Funds	\$	24,020

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Balance, July 1, 2022	Increases	Decreases	Balance, June 30, 2023	
Governmental Activities:	<u>541) 1, 2022</u>	<u> IIIox educes</u>	<u> Doorouses</u>	our octor	
Capital Assets, Not Being Depreciated:					
Land	\$ 11,800			\$ 11,800	
Construction in Progress	74,994	\$ 536,557	_	611,551	
Total Capital Assets, Not Being Depreciated	86,794	536,557	-	623,351	
Capital Assets, Being Depreciated:					
Buildings and Improvements	7,656,801	6,070		7,662,871	
Machinery and Equipment	607,256	62,234	\$ (173,360)	496,130	
Total Capital Assets Being Depreciated	8,264,057	68,304	(173,360)	8,159,001	
Less Accumulated Depreciation for:					
Buildings and Improvements	(3,817,818)	(200,828)		(4,018,646)	
Machinery and Equipment	(431,028)	(61,327)	173,360	(318,995)	
Total Accumulated Depreciation	(4,248,846)	(262,155)	173,360	(4,337,641)	
Total Capital Assets, Being Depreciated, Net	4,015,211	(193,851)		3,821,360	
Governmental Activities Capital Assets, Net	\$ 4,102,005	\$ 342,706	\$ -	\$ 4,444,711	
	Balance,			Balance,	
	July 1, 2022	Increases	Decreases	June 30, 2023	
Business-Type Activities: Capital Assets, Being Depreciated:					
Machinery and Equipment	\$ 51,634	\$ 28,266	\$ -	\$ 79,900	
Total Capital Assets Being Depreciated	51,634	28,266		79,900	
Less Accumulated Depreciation for:					
Machinery and Equipment	(36,115)	(7,050)	_	(43,165)	
Total Accumulated Depreciation	(36,115)	(7,050)	_	(43,165)	
		(.,,-30)	-		
Total Capital Assets, Being Depreciated, Net	15,519	21,216		36,735	
Business-Type Activities Capital Assets, Net	\$ 15,519	\$ 21,216	\$ -	\$ 36,735	

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental Activities:

Instruction	
Regular	\$ 30,916
Total Instruction	30,916
Support Services	
Student and Instruction Related Services	8,155
General Administrative Services	4,049
School Administrative Services	9,871
Plant Operations and Maintenance	209,164
Total Support Services	231,239
Total Governmental Funds	262,155
Total Depreciation Expense - Governmental Activities	\$ 262,155
Business-Type Activities:	
Food Service Fund	\$ 7,050
Total Depreciation Expense-Business-Type Activities	\$ 7,050

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2023:

<u>Project</u>	Remaining Commitment
Mechanical Upgrades Wireless Locking Systems	\$ 63,415 117,862
Total	\$ 181,277

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2023, is as follows:

Due To/From Other Funds

Receivable Fund	Payable Fund	 Amount
General Fund General Fund	Special Revenue Capital Projects	\$ 413,547
Total		\$ 413,580

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

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

Interfund Transfers

	Trans	sfer In:
	Gener	al Fund
Transfer Out: Capital Projects Fund	\$	33
Total Transfers	\$	33

The above transfers are the result of revenues earned in one fund to finance expenditures in another fund.

F. Long-Term Debt

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2023 was as follows:

3.0% of Equalized Valuation Basis (Municipal)	\$	29,549,400
Less: Net Debt Issued and Authorized But Not Issued		-
Remaining Borrowing Power	<u>\$</u>	29,549,400

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2023, was as follows:

								Due
		Balance,				Balance,		Within
	<u>J</u> :	ıly 1, 2022	Additions	Reductions	Ju	ne 30, 2023		One Year
Governmental Activities:								
Compensated Absences	\$	100,300		\$ 10,784	\$	89,516		
Net Pension Liability		522,358	\$ 110,223	 		632,581	-	-
Governmental Activity								
Long-Term Liabilities	\$	622,658	\$ 110,223	\$ 10,784	\$	722,097	\$	-

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

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 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 Annual Comprehensive Financial Report.

The District is a member of the Pooled Insurance Program of New Jersey (PIPNJ or Program). The Program is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

The relationship between the Board and the insurance program 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 program, to report claims on a timely basis, cooperate with the management of the program, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the program. Members have a contractual obligation to fund any deficit of the funds 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.

NOTE 5 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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, interest earnings, 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 for the current and previous two years:

						Ending Balance
\$ 7,403	\$	78	\$	5,802	\$	22,101
7,041		71		15,855		22,023
5,800				13,057		30,766
Con	7,041	<u>Contributions</u> <u>Ear.</u> \$ 7,403	Contributions Earnings \$ 7,403 \$ 78 7,041 71	Contributions Earnings Rei \$ 7,403 \$ 78 \$ 7,041 71	Contributions Earnings Reimbursed \$ 7,403 \$ 78 \$ 5,802 7,041 71 15,855	Contributions Earnings Reimbursed II \$ 7,403 \$ 78 \$ 5,802 \$ 7,041 71 15,855

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.

<u>Federal and State Awards</u> – 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, 2023, 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) Annual Comprehensive Financial Report (ACFR) 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.

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th 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) Annual Comprehensive Financial Report (ACFR) 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

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS 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 or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollments 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.

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the exdividend 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.

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2022 is \$15.2 billion and the plan fiduciary net position as a percentage of the total pension liability is 62.91%. The collective net pension liability of the State funded TPAF at June 30, 2022 is \$51.7 billion and the plan fiduciary net position as a percentage of total pension liability is 32.29%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the July 1, 2021 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 2023.

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, 2023 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 more 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 2023, 2022 and 2021 were equal to the required contributions.

During the fiscal years ended June 30, 2023, 2022 and 2021 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				On-behalf				
<u>June 30,</u>	Ī	<u>PERS</u> <u>TPAF</u>				<u>DCRP</u>		
2023	\$	52,859	\$	940,860	\$	3,623		
2022		51,639		874,617		5,517		
2021		52,511		624,735		5,492		

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2023, 2022 and 2021 the State contributed \$384, \$368 and \$420, 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 \$209,502 during the fiscal year ended June 30, 2023 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, 2021 through June 30, 2022. Employer allocation percentages have been rounded for presentation purposes.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2022 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2022.

At June 30, 2023, the District reported in the statement of net position (accrual basis) a liability of \$632,581 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. 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, 2022. At June 30, 2022, the District's proportionate share was 0.00419 percent, which was a decrease of 0.00022 percent from its proportionate share measured as of June 30, 2021 of 0.00441 percent.

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)

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$79,090 for PERS. The pension contribution made by the District during the current 2022/2023 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, 2023 with a measurement date of the prior fiscal year end of June 30, 2022. 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, 2023 for contributions made subsequent to the measurement date. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	O	eferred outflows <u>Resources</u>	Deferred Inflows of Resources		
Difference Between Expected and					
Actual Experience	\$	4,566	\$	4,026	
Changes of Assumptions		1,960		94,722	
Net Difference Between Projected and Actual					
Earnings on Pension Plan Investments		26,182			
Changes in Proportion and Differences Between					
District Contributions and Proportionate Share					
of Contributions		35,092		121,194	
Total	\$	67,800	\$	219,942	

At June 30, 2023, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year				
Ending				
<u>June 30,</u>		<u>Total</u>		
2023	\$	(71,727)		
2024		(60,526)		
2025		(39,616)		
2026		20,144		
2027		(417)		
Thereafter				
	Ф	(150,140)		
	\$	(152,142)		

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)

Actuarial Assumptions

The District's total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:

Price 2.75% Wage 3.25%

Salary Increases: 2.75-6.55%

Based on Years of Service

Investment Rate of Return 7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to 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, 2022) 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, 2022 are summarized in the following table:

		Long-Term		
	Target	Expected Real		
Asset Class	Allocation	Rate of Return		
Risk Mitigation Strategies	3.00%	4.91%		
Cash Equivalents	4.00%	1.75%		
U.S. Treasuries	4.00%	1.75%		
Investment Grade Credit	7.00%	3.38%		
US Equity	27.00%	8.12%		
Non-US Developed Markets Equity	13.50%	8.38%		
Emerging Markets Equity	5.50%	10.33%		
High Yield	4.00%	4.95%		
Real Assets	3.00%	7.60%		
Private Credit	8.00%	8.10%		
Real Estate	8.00%	11.19%		
Private Equity	13.00%	11.80%		

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

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining 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 percent, 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>\$</u>	812,681	<u>\$</u>	632,581	<u>\$</u>	479,308	

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2022. A sensitivity analysis specific to the District's net pension liability at June 30, 2022 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.

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, 2021 through June 30, 2022. 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, 2022, the State's pension contribution was more 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, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$290,904 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, 2023 the State's proportionate share of the net pension liability attributable to the District is \$10,809,152. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2022. At June 30, 2022, the State's share of the net pension liability attributable to the District was 0.02095 percent, which was a decrease of 0.00014 percent from its proportionate share measured as of June 30, 2021 of 0.02109 percent.

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, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:

Price 2.75% Wage 3.25%

Salary Increases: 2.75-5.65%

Based on Years of Service

Investment Rate of Return 7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to 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, 2022) 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, 2022 are summarized in the following table:

Asset Class	Target <u>Allocation</u>	Long-Term Expected Real <u>Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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)

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 7.00%, 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 (6.00% percent) or 1-percentage-point higher (8.00% percent) than the current rate:

	1%	Current		1%	
	Decrease (6.00%)		iscount Rate (7.00%)	Increase (8.00%)	
State's Proportionate Share of			<u> </u>	A	
the TPAF Net Pension Liability					
Attributable to the District	\$ 12,673,960	\$	10,809,152	\$ 9,238,285	

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, 2022. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2022 was not provided by the pension system.

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 a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. In addition, the plan is administered on a pay-asyou-go basis. Therefore, the plan has no assets accumulated in a qualified 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.

NOTE 5 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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, the Police and Firemen Retirement System (PFRS) or Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement. 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.

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, 2021:

Active Plan Members Inactive Plan Members or Beneficiaries Currently Receiving Benefits	213,148 151,669
mactive I fail Members of Deficilitiaties Currently Receiving Deficilits	131,009
Total	<u>364,817</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 plan. 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.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2022 is \$50.6 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2022 were determined based on actuarial valuations as of June 30, 2021 which were rolled forward to June 30, 2022.

NOTE 5 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2021 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 \$1.33 billion to the OPEB plan in fiscal year 2022.

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. 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, 2023, 2022 and 2021 were \$247,161, \$204,346 and \$195,782, 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, 2021 through June 30, 2022. 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, 2023, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$486,657. 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, 2023 the State's proportionate share of the OPEB liability attributable to the District is \$8,744,796. 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, 2022 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2022. At June 30, 2022, the state's share of the OPEB liability attributable to the District was 0.01727 percent, which was an increase of 0.00319 percent from its proportionate share measured as of June 30, 2021 of 0.01408 percent.

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, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>	TPAF		
Salary Increases	2.75% to 6.55%	2.75% to 4.25%		
	Based on Years	Based on Years		
	of Service	of Service		

Preretirement mortality rates were based on the Pub-2010 Health "Teachers" (TPAF) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disables retirees. Future disabled retirees was based on the Pub-2010 "General" (PERS) and "Teachers" (TPAF) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2018 to June 30, 2021.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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, 2023 (measurement date June 30, 2022) is as follows:

	Total OPEB Liability (State Share 100%)				
Balance, June 30, 2021 Measurement Date	\$	9,549,450			
Changes Recognized for the Fiscal Year:					
Service Cost		557,921			
Interest on the Total OPEB Liability		231,747			
Differences Between Expected and Actual Experience		973,736			
Changes of Assumptions		(2,345,870)			
Gross Benefit Payments		(229,552)			
Contributions from the Member		7,364			
Net Changes	\$	(804,654)			
Balance, June 30, 2022 Measurement Date	\$	8,744,796			

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% in 2021 to 3.54% in 2022.

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, 2022.

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.54%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54% percent) or 1-percentage-point higher (4.54% percent) than the current rate:

		1%	Current		1%
	Decrease			scount Rate	Increase
		<u>(2.54%)</u>		<u>(3.54%)</u>	<u>(4.54%)</u>
State's Proportionate Share of					
the OPEB Liability					
Attributable to the District	\$	10,278,588	\$	8,744,796	\$ 7,515,539

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 (Continued)

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		
State's Proportionate Share of the OPEB Liability	Decrease		<u> Kates</u>		increase	
Attributable to the District	\$ 7,228,108	\$	8,744,796	\$	10,737,057	

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022 were not provided by the pension system.

E. Subsequent Events

Serial Bonds

On July 18, 2023 the District issued \$18,921,000 in School District Bonds. These Bonds were issued in order to permanently finance expenditures related to the 2023 referendum for various capital improvement projects. The District awarded the said sale of bonds to Roosevelt & Cross, Inc. at an interest rate of 3.5% to 4.0%. These Bonds dated July 18, 2023 will mature over 25 years with the first maturity due July 15, 2025.

F. Tax Abatements

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

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

NOTE 6 RECENT HEALTHCARE DEVELOPMENTS

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United Stated declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to mitigate the spread of the disease and provide relief to State and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

To date, the overall finances and operations of the Board have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, the degree of any future impact to the Board's operations and finances is difficult to predict due to the dynamic nature of the COVID-19 pandemic and any additional actions that may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, 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 Board.

The Board has been awarded a total of \$751,466 in federal aid to address the effects of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

RIVERDALE BOARD OF EDUCATION GENERAL FUND BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 8,717,867	-	\$ 8,717,867	\$ 8,717,867	
Tuition from Individuals	15,000	-	15,000	37,718	\$ 22,718
Interest		-		5,870	5,870
Interest Earned on Maintenance Reserve	200		200	502	302
Interest Earned on Capital Reserve	200		200	1,882	1,682
Interest Earned on Unemployment (Non-Budget)	-	-	-	78	78
Unrestricted Miscellaneous Revenue	7,500		7,500	3,343	(4,157)
Total Local Sources	8,740,767		8,740,767	8,767,260	26,493
State Sources					
Special Education Aid	423,968	-	423,968	423,968	-
Transportation Aid	90,222	-	90,222	90,222	-
Security Aid	20,869	-	20,869	20,869	-
Extraordinary Aid	65,600	-	65,600	140,672	75,072
Non Public Transportation	_	-	-	6,552	6,552
Lead Testing		-		2,264	2,264
On-behalf TPAF Pension Benefit Contribution		-			
(Non-Budget)		-		927,985	927,985
On-behalf TPAF Pension NCGI Premium		-			
(Non-Budget)		-		12,875	12,875
On-behalf TPAF Post Retirement Medical Contribution		-			•
(Non-Budget)		-		247,161	247,161
On-behalf TPAF Long-Term Disability Insurance		-			
(Non-Budget)		-		384	384
TPAF Social Security Contribution		-			
(Non-Budget)				209,502	209,502
Total State Sources	600,659		600,659	2,082,454	1,481,795
Total Revenues	9,341,426		9,341,426	10,849,714	1,508,288
EXPENDITURES CURRENT EXPENDITURES					
Instruction					
Regular Programs					
Salaries of Teachers	07.250	e 2.262	00.712	00.202	220
Preschool	97,350		99,712	99,382	330
Kindergarten	147,976	720	148,696	147,049	1,647
Grades 1-5 Grades 6-8	903,828	(46,911)	856,917	812,014	44,903
Grades 6-8	640,677	54,911	695,588	626,644	68,944
Regular Program - Home Instruction					
Salaries of Teachers	2,350	(2,350)	-		-
Purchased Professional-Educational Services	2,500	(2,500)	-		-
Regular Program - Undistributed Instruction					
Other Salaries for Instruction	83,778	(30,000)	53,778	52,590	1,188
Other Purchased Services	45,025	(22,101)	22,924	21,748	1,176
General Supplies	118,870	76,127	194,997	135,521	59,476
Textbooks	55,886	(39,237)	16,649	16,649	-
Other Objects	600	30,987	31,587	31,288	299
Total Regular Programs	2,098,840	22,008	2,120,848	1,942,885	177,963

RIVERDALE BOARD OF EDUCATION GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	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	\$ 136,989	\$ (60,401)	\$ 76,588	\$ 70,114	\$ 6,474	
Other Salaries for Instruction	78,253	(61,599)	16,654	4,874	11,780	
General Supplies	279	1,361	1,640	1,624	16	
Total Learning and/or Language Disabilities	215,521	(120,639)	94,882	76,612	18,270	
Multiple Disabilities						
Salaries of Teachers	92,595	71,630	164,225	164,225	-	
Other Salaries for Instruction	33,345	-	33,345	25,795	7,550	
Purchased Professional-Educational Services	26,178	(20,000)	6,178		6,178	
General Supplies	635	-	635	415	220	
Other Objects	250	(250)				
Total Multiple Disabilities	153,003	51,380	204,383	190,435	13,948	
Resource Room/Resource Center						
Salaries of Teachers	319,111	66,861	385,972	385,133	839	
Other Salaries for Instruction	8,151	3,371	11,522	11,206	316	
General Supplies	2,015	(1,469)	546	546	-	
Textbooks	50		50	-	50	
Total Resource Room/Resource Center	329,327	68,763	398,090	396,885	1,205	
Total Special Education - Instruction	697,851	(496)	697,355	663,932	33,423	
Basic Skills/Remedial Instruction						
Salaries of Teachers	264,108	(16,575)	247,533	71,713	175,820	
General Supplies	1,300	(917)	383	311	72	
Total Basic Skills/Remedial Instruction	265,408	(17,492)	247,916	72,024	175,892	
School Sponsored Cocurricular Activities						
Salaries	35,578	-	35,578	17,109	18,469	
Supplies and Materials	14,000	(28)	13,972	-	13,972	
Other Objects	550		550	-	550	
Total School Sponsored Cocurricular Activities	50,128	(28)	50,100	17,109	32,991	
School Sponsored Athletics						
Salaries	20,678	-	20,678	11,799	8,879	
Supplies and Materials	2,250	17,181	19,431	18,951	480	
Other Objects	3,905		3,905	3,395	510	
Total School Sponsored Athletics	26,833	17,181	44,014	34,145	9,869	

RIVERDALE BOARD OF EDUCATION GENERAL FUND BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Other Instructional Programs					
Salaries	\$ 12,955	Φ 246	\$ 12,955	,	Φ 215
Supplies and Materials Other Objects	425 610	\$ 346 (319)	771 	456 50	\$ 315 241
Total Other Instructional Programs	13,990	27	14,017	13,461	556
Total Instruction	3,153,050	21,200	3,174,250	2,743,556	430,694
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Regular	1,500,000	-	1,500,000	1,400,000	100,000
Tuition to County Voc. School Dist-Regular Tuition to Private Schools - Disabled - W/I State	202,020 989,432	-	202,020 989,432	155,656 882,706	46,364 106,726
Total Undistributed Expenditures -					
Instruction	2,691,452		2,691,452	2,438,362	253,090
Attendance and Social Work Services					
Salaries	31,634		31,634	30,915	719
Total Attendance and Social Work Services	31,634	-	31,634	30,915	719
Health Services					
Salaries	62,525	20,629	83,154	79,554	3,600
Purchased Professional and Technical Services Purchased Professional - Educational Services	14,470	(3,970) 3,341	10,500 3,341	10,146 2,800	354 541
Supplies and Materials Other Objects	2,340 380	1,909	4,249 380	2,160 241	2,089 139
Total Health Services	79,715	21,909	101,624	94,901	6,723
Speech, OT, PT & Related Services					
Salaries	52,860	529	53,389	52,860	529
Purchased Professional - Educational Services	167,979	(21,241)	146,738	53,540	93,198
Supplies and Materials	3,510	(500)	3,010	557	2,453
Other Objects		500	500	140	360
Total Speech, OT, PT & Related Services	224,349	(20,712)	203,637	107,097	96,540
Other Support Serv. Students - Extra. Svcs.					
Salaries	33,605	312	33,917	23,765	10,152
Purchased Professional-Educational Services	82,926	(7,464)	75,462	40,075	35,387
Total Other Support Serv. Students - Extra. Svcs.	116,531	(7,152)	109,379	63,840	45,539
Guidance					
Salaries of Other Professional Staff	68,305	(32,234)	36,071	34,613	1,458
Salaries of Secretarial and Clerical Assistants	11,095	1	11,096	11,096	•
Other Purchased Professional & Technical Services Supplies and Materials	7,638 1,505	619 (1)	8,257 1,504	8,257 750	754
Total Guidance	88,543	(31,615)	56,928	54,716	2,212

		Original Budget	A	Adjustments	 Final Budget	**********	Actual	v	ariance Final Budget To Actual
EXPENDITURES									
CURRENT EXPENDITURES (Continued)									
Undistributed Expenditures(Continued)									
Child Study Teams									
Salaries of Other Professional Staff	\$	80,940	\$	32,234	\$ 113,174	\$	87,672	\$	25,502
Salaries of Secretarial and Clerical Assistants		23,674		(10,618)	13,056		12,054		1,002
Other Purchased Professional and Tech. Services		25,300		(8,880)	16,420		8,076		8,344
Other Purchased Services Supplies and Materials		700		4.000	700 5,548		4 770		700
Other Objects		1,315 1,170		4,233	1,170		4,778 845		770 325
•				16.060	 				
Total Child Study Teams		133,099		16,969	 150,068		113,425		36,643
Improvement of Inst. Serv.									
Salaries of Supervisors of Instruction		47,672		1,157	48,829		48,829		-
Other Purchased Professional and Technical Services		6,144		1,226	 7,370		7,370		
Total Improvement of Inst. Serv.		53,816		2,383	 56,199		56,199		-
Educational Media Services/School Library									
Salaries		65,280		5,195	70,475		70,475		-
Salaries of Technology Coordinators		51,450		-	51,450		51,450		-
Purchased Professional and Technical Services		25,275		(10,999)	14,276		12,444		1,832
Other Purchased Services		-		1,143	1,143		1,143		-
Supplies and Materials		8,295		(6,484)	 1,811		1,338		473
Total Educational Media Serv./School Library		150,300		(11,145)	 139,155		136,850		2,305
Instructional Staff Training Services									
Other Salaries		12,500		-	12,500		8,895		3,605
Purchased Professional/Educational Services		13,500		(2,060)	11,440		500		10,940
Other Purchased Services		6,990		(323)	 6,667		1,724		4,943
Total Instructional Staff Training Services		32,990		(2,383)	 30,607		11,119		19,488
Support Services General Administration									
Salaries		205,411		-	205,411		205,369		42
Legal Services		23,000		16,022	39,022		38,854		168
Audit Fees		24,480		24,620	49,100		23,400		25,700
Architectural/Engineering Services Other Purchased Professional Services		2 900		- 361	1 161		1 161		-
Communications/Telephone		3,800 20,265		(10,179)	4,161 10,086		4,161 9,521		- 565
BOE Other Purchased Services		4,000		2,348	6,348		5,564		784
Miscellaneous Purchased Services		7,845		292	8,137		7,490		647
General Supplies		2,700		(760)	1,940		1,408		532
Miscellaneous Expenditures		1,000		(281)	719		-		719
BOE Membership Dues and Fees		4,000		578	 4,578		4,038		540
Total Support Services General Administration		296,501		33,001	 329,502		299,805		29,697
Support Services School Administration									
Salaries of Principal/Asst. Principals		81,171		-	81,171		81,171		-
Salaries of Secretarial and Clerical Assistants		22,656		-	22,656		22,655		1
Supplies and Materials Other Objects		5,370 2,255		9,359 2,100	 14,729 4,355		4,224		14,729 131
Total Support Services School Administration		111,452		11,459	122,911		108,050		14,861
Total Support Sol (1866) Solloot Hammistration	***************************************	111,102		11,155	 122,711		100,030		14,00

FOR	FOR THE FISCAL TEAR ENDED JUNE 30, 2023				
	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued) Central Services					
Salaries	\$ 121,536		•	•	\$ 5,913
Purchased Professional Services	13,968	(147)	13,821	13,610	211
Miscellaneous Purchased Services	1,800	592	2,392	1,992	400
Supplies and Materials Miscellaneous Expenditures	2,000 1,955	387 760	2,387 2,715	2,322 2,315	65 400
Total Central Services	141,259	10,762	152,021	145,032	6,989
Admin. Info. Technology					
Salaries		-	-	-	-
Purchased Technical Services	38,925	(22,314)	16,611	14,725	1,886
Miscellaneous Purchased Services	-	21,221	21,221	16,528	4,693
Supplies and Materials	2,250	4,746	6,996	6,886	110
Other Objects		<u> </u>		-	
Total Admin. Info. Technology	41,175	3,653	44,828	38,139	6,689
Required Maintenance for School Facilities					
Salaries	62,047	-	62,047	61,847	200
Cleaning, Repair and Maintenance Services	25,000	23,625	48,625	39,891	8,734
General Supplies	15,200	(6,691)	8,509	5,475	3,034
Total Required Maintenance for School Fac.	102,247	16,934	119,181	107,213	11,968
Custodial Services					
Salaries	219,106	(6,406)	212,700	145,789	66,911
Salaries of Non-Instructional Aides	72,751	(41,500)	31,251	-	31,251
Purchased, Professional and Technical Services	1,938	-	1,938	1,800	138
Cleaning, Repair and Maintenance Service	20,000	(6,799)	13,201	9,376	3,825
Insurance	71,268	7,922	79,190	79,190	-
Miscellaneous Purchased Services	2,175	25	2,200	1,543	657
General Supplies	29,580	(1,723)	27,857	21,012	6,845
Energy (Natural)	38,057	1,656	39,713	38,095	1,618
Energy (Electricity)	68,442	-	68,442	52,188	16,254
Other Objects	1,000	(277)	723	204	519
Interest - Energy Savings Impr Prog Bonds Principal - Energy Impr Prog Bonds	-	<u>-</u>	-	<u>-</u>	-
Total Custodial Services	524,317	(47,102)	477,215	349,197	128,018
	321,317	(17,102)			120,010
Care and Upkeep of Grounds General Supplies	*	2,297	2,297	2,201	96
Total Care and Upkeep of Grounds		2,297	2,297	2,201	96
Security General Supplies	<u>-</u>	4,602	4,602	3,272	1,330
Total Security	-	4,602	4,602	3,272	1,330
Student Transportation Services					
Salaries for Pupil Transportation					
(Between Home and School) - Regular	56,802	9,868	66,670	56,765	9,905
Contracted ServAid in Lieu of Payments-Non Public	67,410	, <u> </u>	67,410	55,987	11,423
Contracted Serv (Bet. Home and Sch)-Vendors	210,000	(210,000)			-
Contracted Serv (Other than Bet Home & Sch) - Vendors	12,800	(1,060)		11,180	560
Contracted Serv. (Reg. Students)-ESCs & CTSAs	85,868	347,060	432,928	427,165	5,763
Contracted Serv. (Spl.Ed.Students)-ESCs & CTSAs	177,928	61,333	239,261	218,199	21,062
General Supplies	3,000	(21)		913	2,066
Other Objects	2,000	1,060	3,060	3,060	
Total Student Transportation Services	615,808	208,240	824,048	773,269	50,779

	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	\$ 110,000		\$ 110,000	\$ 74,744	\$ 35,256
Other Retirement Contributions - PERS	60,000		60,000	52,859	7,141
Other Retirement Contributions - Regular	13,340		13,340	3,623	9,717
Unemployment Compensation	6,000		6,000		6,000
Unemployment Compensation (Non-Budget)				-	-
Workmen's Compensation	31,719		31,719	27,482	4,237
Health Benefits	952,431		952,431	797,595	154,836
Tuition Reimbursement	27,500	\$ (14,066)	13,434	-	13,434
Other Employee Benefits	16,400	3,528	19,928	19,928	-
Unused Sickpay - Retired Staff		7,500	7,500	7,500	
Total Unallocated Benefits - Employee Benefits	1,217,390	(3,038)	1,214,352	983,731	230,621
On-behalf TPAF Pension Benefit Contribution					
(Non-Budget)				927,985	(927,985
On-behalf TPAF Pension NCGI Premium					
(Non-Budget)				12,875	(12,875
On-behalf TPAF Post Retirement Medical Contribution					
(Non-Budget)				247,161	(247,161
On-behalf TPAF Long-Term Disability Insurance					
(Non-Budget)				384	(384
On-behalf TPAF Social Security Contributions (Non-Budget)	-	_	_	209,502	(209,502
TALO DI ISTRADO SA OL DILA D				1 207 007	(1,207,007
Total On-Behalf TPAF Benefits (Non-Budgeted)	-	_	_	1,397,907	(1,397,907
Interest on Maintenance Reserve	200		200		200
Total Undistributed Expenditures	6,652,778	209,062	6,861,840	7,315,240	(453,400
Total Expenditures - Current Expenditures	9,805,828	230,262	10,036,090	10,058,796	(22,706
CAPITAL OUTLAY					
Equipment					
Instruction - Grades 1-5	36,061	2,460	38,521	4,859	33,662
Instruction - Grades 6-8	29,637	2,460	32,097	6,209	25,888
Undistributed Expenditures-Administrative Information					
Technology	46,973	377	47,350	47,350	-
Undistributed Expenditures - Req Maint for School Facilities	11,000	(377)	10,623	3,816	6,807
Undistributed Expenditures - Security		117,862	117,862		117,862
Undistributed Expenditures - School Buses	100 (71	100 700			-
Total Equipment	123,671	122,782	246,453	62,234	184,219
Facilities and Acquisition and Construction Services					
Architect and Engineering Services	83,052	29,847	112,899	94,190	18,709
Construction Services Assessment for Debt Service on SDA Funding	531,675 16,125	31,395	563,070 16,125	67,172 16,125	495,898
Total Facilities Acquis. and Const. Services	630,852	61,242	692,094	177,487	514,607

		Original Budget	Ad	justments	Final Budget	Actual	riance Final Budget To Actual
EXPENDITURES							
CAPITAL OUTLAY (CONTINUED) Interest to Capital Reserve	\$	200		-	\$ 200	 -	\$ 200
Total Capital Outlay		754,723	\$	184,024	 938,747	\$ 239,721	 699,026
CHARTER SCHOOLS Transfer of Funds to Charter Schools				4,500	 4,500	 2,767	 1,733
Total Transfer of Funds to Charter Schools		-		4,500	 4,500	 2,767	 1,733
Total Expenditures		10,560,551		418,786	10,979,337	 10,301,284	 678,053
Excess (Deficiency) of Revenues Over/(Under) Expenditures		(1,219,125)		(418,786)	(1,637,911)	548,430	2,186,341
Other Financing Sources (Uses) Transfer from Capital Projects					 	33	33
Total Other Financing (Uses)		-		-	 	 33	 33
Net Change in Fund Balance		(1,219,125)		(418,786)	 (1,637,911)	 548,463	 2,186,374
Fund Balance, Beginning of Year		4,758,397		-	 4,758,397	 4,758,397	-
Fund Balance, End of Year	\$	3,539,272	\$	(418,786)	\$ 3,120,486	\$ 5,306,860	\$ 2,186,374
Restricted Fund Balance: Excess Surplus Excess Surplus - Designated for Subsequent Year's Expenditure Capital Reserve Capital Reserve - Designated for Subsequent Year's Expenditur Maintenance Reserve Maintenance Reserve - Designated for Subsequent Year's Expenditur Unition Reserve Tuition Reserve - Designated for Subsequent Year's Expenditur Unemployment Compensation Committed Fund Balance: Year-End Encumbrances Assigned Fund Balance: Year-End Encumbrances Designated for Subsequent Year's Expenditures Unassigned Fund Balance:	es nditures	S				\$ 531,170 616,425 1,204,628 1,410,000 208,761 210,000 100,000 22,101 228,854 158,462 184,835 331,624	
Reconciliation to Governmental Funds Statements (GAAP): Less: State Aid Payments Not Recognized on GAAP Basis Delayed State Aid Payments					\$ (192,565)	(192,565)	
Fund Balance Per Governmental Funds (GAAP)						\$ 5,114,295	

RIVERDALE BOARD OF EDUCATION SPECIAL REVENUE FUND BUDGETARY COMPARISON SCHEDULE FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	<u>Adjustments</u>	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Intergovernmental					
Federal	\$ 115,166	\$ 333,522	\$ 448,688	\$ 330,107	\$ (118,581)
Local	10,000		32,262	33,783	1,521
Total Revenues	125,166	355,784	480,950	363,890	(117,060)
EXPENDITURES					
Instruction					
Salaries	30,577	131,061	161,638	95,210	66,428
Purchased Professional/Educational Services	_	11,000	11,000	2,700	8,300
Tuition	59,949	14,388	74,337	74,337	· •
General Supplies	8,500	23,065	31,565	15,549	16,016
Other Objects		6,301	6,301	3,678	2,623
School Sponsored Co-curricular Activities/Athletics	10,000		32,088	32,088	-
Total Instruction	109,026	207,903	316,929	223,562	93,367
Support Services					
Salaries	_	55,000	55,000	48,788	6,212
Personnel Services - Employee Benefits	8,500	59,792	68,292	67,725	567
Purchased Professional/Educational Services	1,727	6,523	8,250	1,400	6,850
Other Purchased Services	-	6,237	6,237	3,837	2,400
Travel/Conference	5,913	11,087	17,000	8,214	8,786
General Supplies		6,572	6,572	6,373	199
Other Objects		2,670	2,670	2,470	200
Total Support Services	16,140	147,881	164,021	138,807	25,214
Total Expenditures	125,166	355,784	480,950	362,369	118,581
Excess (Deficiency) of Revenues Over/(Under) Expenditures				1,521	1,521
Fund Balances, Beginning of Year			-	15,879	-
Fund Balances, End of Year	<u>\$</u>	\$ -	<u>\$</u>	\$ 17,400	\$ -

				•
NOTES TO	THE REQUIRED	SUPPLEMENTA	RY INFORMATIO	ON - PART II
11012510				

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, 2023

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

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

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

			General <u>Fund</u>		R	pecial evenue <u>Fund</u>
Sources/inflows of resources Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule Difference - Budget to GAAP:	(C-1)	\$	10,849,714	(C-2)	\$	363,890
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (prior year)			200,617			
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (current year)			(192,565)			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.						
Encumbrances, June 30, 2022 Encumbrances, June 30, 2023						364,850
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2)	<u>\$</u>	10,857,766	(B-2)	\$	728,740
Uses/outflows of resources Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1)	\$	10,301,284	(C-2)	\$	362,369
Differences - Budget to GAAP Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.						
Encumbrances, June 30, 2022 Encumbrances, June 30, 2023						364,850
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2)	<u>\$</u>	10,301,284	(B-2)	\$	727,219

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 Ten Fiscal Years *

4 1	0.00496 %	947,534	310,024	306%	48.72%
2014	0	\$	31		4
2015	0.00526 %	\$ 984,142	311,078	316%	52.08%
2016	0.00485 %	\$ 1,088,127	317,879	342%	47.93%
2017	0.00556 %	\$ 1,647,171	276,965	%565	40.14%
2018	0.00456 %	\$ 1,060,527	300,757	353%	48.10%
<u>2019</u>	0.00450 %	\$ 886,058	340,186	260%	23.60%
<u>2020</u>	0.00517 %	931,058	330,602	282%	56.27%
	%	€9			
2021	0.00480	782,776	303,065	258%	58.32%
	%	69			
2022	0.00441	522,358	305,980	171%	70.33%
	%	€9			
2023	0.00419 %	632,581	350,648	180%	62.91%
		69			
	District's Proportion of the Net Position Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability

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

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

PUBLIC EMPLOYEES RETIREMENT SYSTEM Last Ten Fiscal Years

	2023		2022		2021		2020	21	2019	77	2018	2017	71	2016		2015	101	2014	41
Contractually Required Contribution	\$ 52,	52,859 \$	51,639	69	52,511	69	50,262	69	44,762	69	42,205	8	49,408	\$ 41,674	74 \$	\$ 43	43,333	\$	41,595
Contributions in Relation to the Contractually Required Contributions	52,859	658	51,639		52,511		50,262		44,762		42,205	4	49,408	41,67	47	43,33	,333	4	41,595
Contribution Deficiency (Excess)		,	ı		,						1			•					
District's Covered Payroll	419,593	593	350,648		305,980		303,065	**1	330,602	κņ	340,186	30	300,757	276,965	55	317	317,879	31	311,078
Contributions as a Percentage of Covered Payroll	12.0	12.60%	14.73%		17.16%		16.58%		13.54%		12.41%	-	16.43%	15.05%	%5	13	13.63%	1	13.37%

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 Ten Fiscal Years *

2014	0.02240 % 0.02240	0\$ 0\$,862 11,605,771	,862 \$ 11,605,771	,722 2,087,474	%0 %0	33.64% 33.76%
2016 2015	0.02240 % 0.0	\$0	14,296,105	\$ 14,296,105 \$ 11,971,862	1,933,044 1,946,722	%0	28.71% 33
2017	0.02240 %	\$0	15,095,090	\$ 15,095,090 \$ 14,	1,917,997	%0	22.33%
2018	0.02240 %	80	13,864,693	\$ 13,864,693	2,162,491	% 0	25.41%
2019	0.02240 %	\$0	12,068,545	\$ 12,068,545	2,309,943	%0	26.49%
2020	0.02146 %	\$0	13,168,415	13,168,415	2,231,537	%0	26.95%
2021	0.02146 %	\$0	14,255,527	14,255,527	2,270,209	%0	24.60%
2022	0.02109 %	0\$	10,139,211	10,139,211 \$	2,559,121	% 0	35.52%
2023	0.02095 %	80	10,809,152	\$ 10,809,152 \$	2,679,255	%0	32.29%
	District's Proportion of the Net Position Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	Total \$	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Assel) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability

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

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, 2023

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 Six Fiscal Years*

	2023	2022	l	2021	1	2020	1	2019	20	2018
Total OPEB Liability										
Service Cost	\$ 557,921	\$ 651	651,805	\$ 369,594	594	\$ 321,905	\$ 50	361,346	8	438,703
Interest on Total OPEB Liability	231,747	247	247,723	246,227	227	284,325	25	305,403	ō	261,220
Change in Benefit Terms		01)	(10,164)							
Differences Between Expected and Actual Experience	973,736	(2,004,709)	(602,	1,674,366	366	(874,177)	(77	(801,186)		
Changes of Assumptions	(2,345,870)	5	9,421	1,980,858	858	100,735	35	(817,590)	(1,0	(1,091,346)
Gross Benefit Payments	(229,552)	(195	(195,136)	(188,788)	(88)	(207,395)	95)	(1190,511)	9	(246,312)
Contribution from the Member	7,364		6,333	5,722	722	6,148	8	6,584		9,070
Net Change in Total OPEB Liability	(804,654)	(1,294,727)	(727,	4,087,979	616	(368,459)	(69	(1,135,954)	9)	(628,665)
Total OPEB Liability - Beginning	9,549,450	10,844,177	,177	6,756,198	861	7,124,657	57	8,260,611	8,8	8,889,276
Total OPEB Liability - Ending	\$ 8,744,796	\$ 9,549,450	,450	\$ 10,844,177	177	\$ 6,756,198	%I	7,124,657	\$ 8,2	8,260,611
Districts Proportionate Share of OPEB Liability	· &9	æ		€9	ī	· &	69	1	69	ı
State's Proportionate Share of OPEB Liability	8,744,796	9,549,450	,450	10,844,177	177	6,756,198	8 8	7,124,657	8,2	8,260,611
Total OPEB Liability - Ending	\$ 8,744,796	\$ 9,549,450	,450	\$ 10,844,177	177	\$ 6,756,198	86 88	7,124,657	\$ 8,260,61	50,611
Districts Covered Payroll	\$ 3,029,903	\$ 2,865,101	101	\$ 2,573,274	274	\$ 2,562,139	8 36	2,650,129	\$ 2,463,248	53,248
District's Proportionate Share of the										
Total OPEB Liability as a Percentage of its										
Covered Payroll	%0		%0		%0		%0	%0		%0

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

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.

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

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, 2023

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, 2023

	ПД	IDEA Part B Basic	Dan Pres	IDEA Part B Preschool	NCLB Title I	NO	NCLB Title II-A	NCLB Title III	NCLB Title IV	CARES	Total Page 2	Total 2023
REVENUES Intergovernmental Federal	€	70,875	S	3,462	\$ 77,199	• •	7,574	\$ 2,939	↔	\$ 9,408	\$ 147,087	\$ 330,107
Total Revenues		70,875		3,462	77,199		7,574	2,939	11,563	9,408	180,870	363,890
EXPENDITURES Instruction Salaries for Instruction Purchased Professional/Educational Services Tuition		70,875		3,462	48,660	0					46,550 2,700	95,210 2,700 74,337
General Supplies Other Objects Co-curricular Student Activities/Athletics		. •			•			2,939	4,048	•	8,562	15,549 3,678 32,088
Total Instruction		70,875		3,462	48,660	0		2,939	7,726	1	89,900	223,562
Support Services Salaries Personnel Services - Employee Benefits Purchased Professional/Educational Services					28,539	\$	1,433			9,408	48,788 28,345 1,400	48,788 67,725 1,400
Other Purchased Services Travel/Conference General Supplies Other Objects		r					6,141		3,837	•	8,214 232 2,470	3,837 8,214 6,373 2,470
Total Support Services		1		ı	28,539	6	7,574	•	3,837	9,408	89,449	138,807
Capital Outlay- Instructional Equipment		1		t	1				1		1	
Total Expenditures		70,875		3,462	77,199	61	7,574	2,939	11,563	9,408	179,349	362,369
Net Change in Fund Balance		Ė		•	3			8			1,521	1,521
Fund Balance, July 1		ı						1	•	•	15,879	15,879
Fund Balance, June 30	89	1	\$	1	٠	8	1	-	١ 😪	٠	\$ 17,400	\$ 17,400

EXHIBIT E-1 Page 2

RIVERDALE BOARD OF EDUCATION SPECIAL REVENUE FUND

COMBINING St	COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023	OF PROGRAM REVENUES AND EXPENDITUR FOR THE FISCAL YEAR ENDED JUNE 30, 2023	TENUES AND EAR ENDED	EXPENDITU JUNE 30, 20	JRES - BUDGI 23	ETARY BASIS		
	CRRSA		AI	ARP		,		
REVENUES	Mental <u>Health</u>	Accel. Learning	Summer Learning	Comp.	Mental <u>Health</u>	Student Athletics/ Activities	Local	Total <u>Page 2</u>
Intergovernmental Federal Local	\$ 36,535	\$ 21,725	\$ 40,000	\$ 6,597	\$ 42,230	\$ 33,609	\$ 174	\$ 147,087 33,783
Total Revenues	36,535	21,725	40,000	6,597	42,230	33,609	174	180,870
EXPENDITURES Instruction Salaries for Instruction Purchased Professional/Educational Services		2,700	40,000	6,550				46,550 2,700
i uiton General Supplies Other Objects		8,341		47			174	8,562
Co-curricular Student Activities/Athletics	1	1	1	•	1	32,088	E .	32,088
Total Instruction	ı	11,041	40,000	6,597		32,088	174	89,900
Support Services Salaries Personnel Services - Employee Benefits Purchased Professional/Educational Services	22,000 12,903 1,400				26,788 15,442			48,788 28,345 1,400
Other Purchased Services Travel/Conference General Supplies Other Objects	232	8,214	1 1	1 1	1 1	1 1	•	8,214 232 2,470
Total Support Services	36,535	10,684	1	\$	42,230	1	18	89,449
Capital Outlay- Instructional Equipment	•	1			1	•	1	•
. Total Expenditures	36,535	21,725	40,000	6,597	42,230	32,088	174	179,349
Net Change in Fund Balance	•	1		3	ı	1,521	2	1,521
Fund Balance, July 1	1	1	a -	T		15,879	1	15,879
Fund Balance, June 30	·	· •	· S	٠	-	\$ 17,400		\$ 17,400

RIVERDALE BOARD OF EDUCATION SPECIAL REVENUE FUND SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES BUDGETARY BASIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOT APPLICABLE

CAPITAL PROJECTS FUND

RIVERDALE BOARD OF EDUCATION CAPITAL PROJECTS FUND SUMMARY SCHEDULE OF PROJECT EXPENDITURES FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Amount <u>Authorized</u>	Expenditur Prior Years	es to Date Current Year	Balance June 30, 2023
2023 School Bond Referendum - Various School Improvements, Upgrades, and Renovations	\$ 18,921,796 \$ 18,921,796	<u> </u>	\$ 35,000 \$ 35,000	\$ 18,886,796 \$ 18,886,796
	Reconciliation to C			\$ 18,886,796
		rizations Not Issued e 30, 2023 - GAAP Ba	sis	18,921,796 \$ (35,000)
	Recapitulation of	Fund Balance		
	Restricted for Capit Year-End Encumb Available for Cap	orances		\$ 122,502 (157,502)
	Fund Balance, GA	AP Basis		\$ (35,000)

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, 2023

Revenues and Other Financing Sources

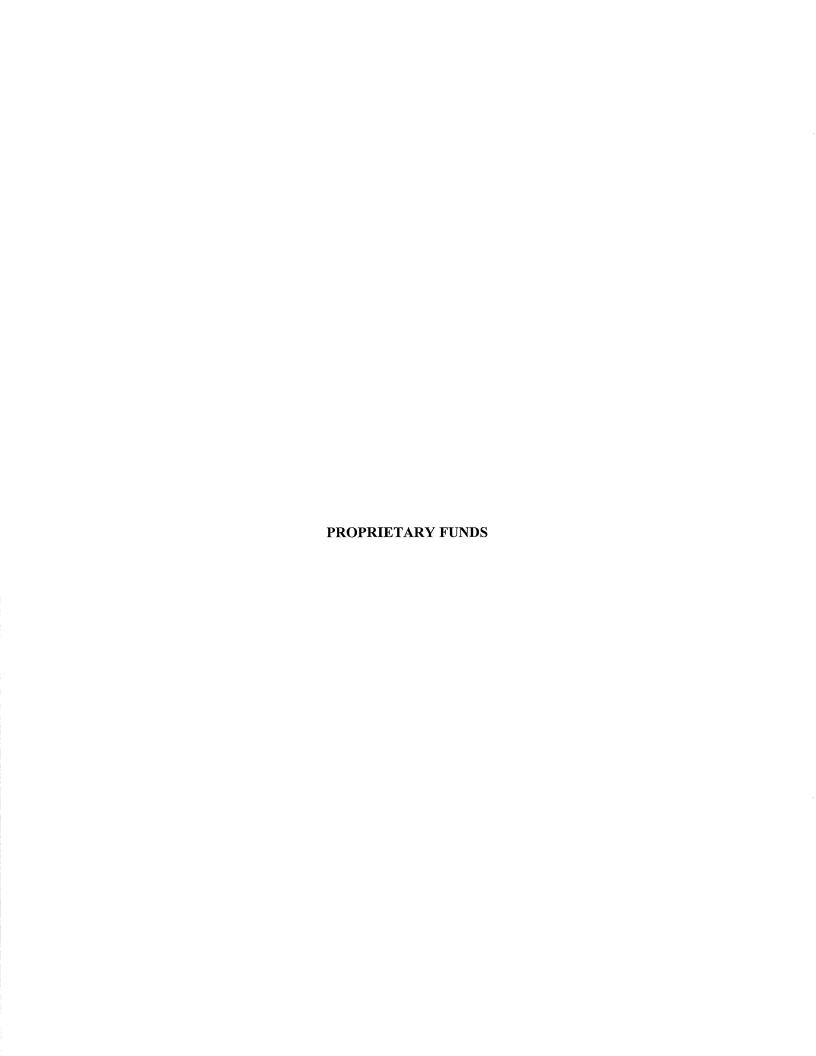
Revenues		
Interest on Investments	\$	33
Total Revenues and Other Financing Sources	\$	33
Expenditures and Other Financing Uses		
Expenditures:		
Construction Services		35,000
Other Financing Uses:		
Transfers to General Fund		33
Total Expenditures and Other Financing Uses		35,033
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses		(35,000)
Fund Balance, July 1, 2022	***	-
Fund Balance, June 30, 2023	<u>\$</u>	(35,000)
Reconciliation to Governmental Funds Statements (GAAP Basis): Fund Balance (Budgetary Basis)	\$	(35,000)
1 and Datanov (Dadgottiny Dasis)	Ψ	(33,000)
Fund Balance Per Governmental Funds (GAAP Basis)	\$	(35,000)

RIVERDALE BOARD OF EDUCATION

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS 2023 SCHOOL BOND REFERENDUM - VARIOUS SCHOOL IMPROVEMENTS, UPGRADES, AND RENOVATIONS FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2023

	Prior Periods	Current Year	<u>Totals</u>	Revised Authorized <u>Cost</u>
Revenues and Other Financing Sources Other Financing Sources				
Serial Bond Proceeds				\$ 18,921,796
Total Revenues and Other Financing Sources				18,921,796
Expenditures and Other Financing Uses				
Architect and Engineering Services			-	1,844,369
Legal and Professional Services			-	47,152
Other Professional and Technical Services			-	151,000
Construction Services		\$ 35,000	\$ 35,000	16,879,275
Total Expenditures and Other Financing Uses	-	35,000	35,000	18,921,796
Excess of Revenues Over Expenditures	\$ -	\$ (35,000)	\$ (35,000)	<u>-</u>
Additional Project Information:				
Bond Authorization Date	7/15/2023			
Bonds Authorized	\$ 18,921,000			
Bonds Issued	\$ 18,921,000			
Original Authorized Cost	\$ 18,921,796			
Additional Authorized Cost/(Cancelled) Revised Authorized Cost	\$ - \$ 18,921,796			
Percentage Increase Over Original Authorized Cost Percentage Completion Original Target Completion Date	0.00% 0.18% September 30, 2027			
Revised Target Completion Date	September 30, 2027			



RIVERDALE BOARD OF EDUCATION ENTERPRISE FUND COMBINING STATEMENT OF NET POSITION AS OF JUNE 30, 2023

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, 2023

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

COMBINING STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

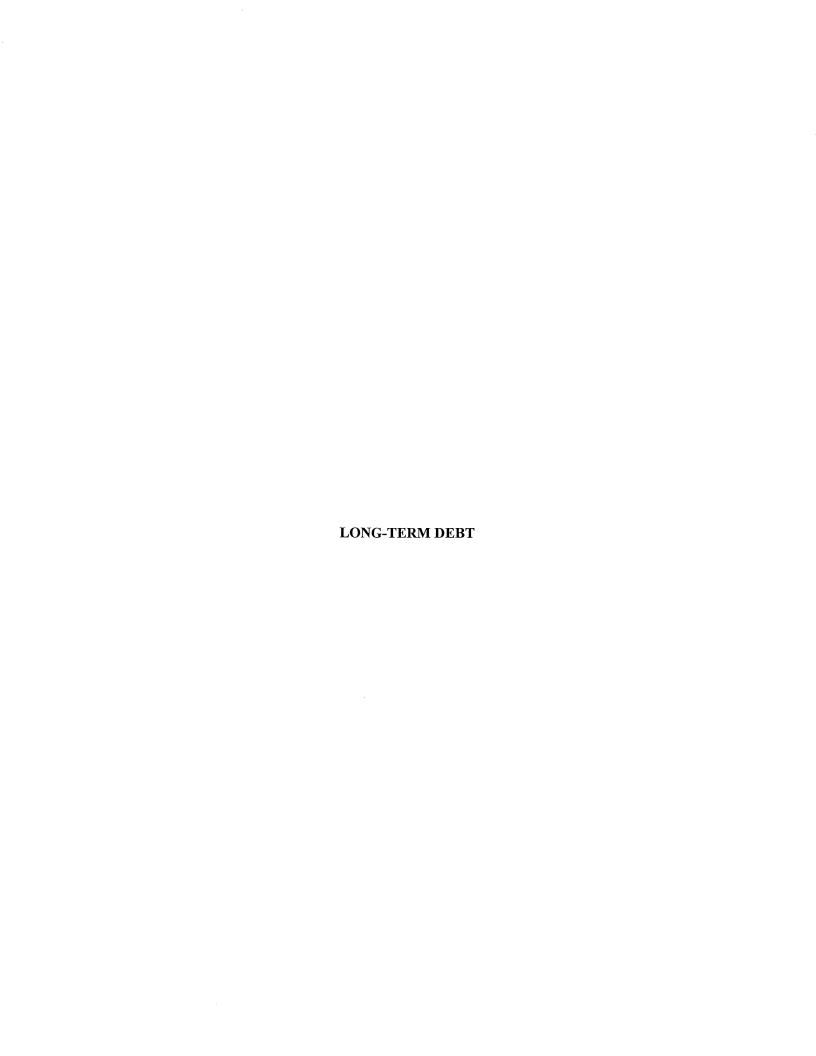


EXHIBIT I-1

RIVERDALE BOARD OF EDUCATION LONG-TERM DEBT SCHEDULE OF SERIAL BONDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

RIVERDALE BOARD OF EDUCATION LONG-TERM DEBT SCHEDULE OF CAPITAL FINANCING AGREEMENTS, OTHER FINANCING AGREEMENTS AND LOANS PAYABLE FOR THE FISCAL YEAR ENDED JUNE 30, 2023

EXHIBIT I-3

RIVERDALE BOARD OF EDUCATION LONG TERM DEBT DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOT APPLICABLE

EXHIBIT I-4

LONG TERM DEBT SCHEDULE OF SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS

STATISTICAL SECTION

This part of the Riverdale Board of Education's annual comprehensive 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 annual comprehensive financial reports for the relevant year.

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

•								Fisc	Fiscal Year Ended June 30,	d June	30,						
	2014		2015	2	2016	2017	17		2018		2019		2020	2021	2022		2023
	(Restated)											(F	Restated)				
Governmental activities																	
Invested in capital assets, net of related debt	\$ 4,800,412	69	,612,005	& 4,	,423,483	\$ 4,2	1,264,764	69	4,107,541	S	4,003,970	S	4,254,317	\$ 4,311,658	\$ 4,102,005	69	1,444,711
Restricted	962,090		962,172		875,956	1,1	115,415		1,196,492		1,528,761		1,829,495	1,822,343	2,275,477		3,237,890
Unrestricted	(190,381)		(230,720))	(418,641)	(5	(544,985)		(355,176)		(46,563)		91,415	815,123	1,281,207		984,566
Total governmental activities net position	\$ 5,572,121	\$	\$ 5,343,457	\$ 4,	4,880,798	\$ 4,8	4,835,194	€9	4,948,857	69	5,486,168	s	6,175,226	\$ 6,949,124	\$ 7,658,689	64	8,667,167
Business-type activities																	
Invested in capital assets, net of related debt	\$ 9,370	69	7,879	s	9,119	69	12,773	€9	26,671	S	23,177	S	19,683	\$ 19,366	\$ 15,519	€9	36,735
Restricted																	
Unrestricted	12,642		20,198		21,188		30,752		26,963		41,279		41,157	44,672	98,426		103,493
Total business-type activities net position	\$ 22,012	€9	28,077	s	30,307	S	43,525	€9	53,634	69	64,456	8	60,840	\$ 64,038	\$ 113,945	s	140,228
District-wide																	
Invested in capital assets, net of related debt	\$ 4,809,782	S	,619,884	& 4	,432,602	\$ 4,2	,277,537	⇔	4,134,212	S	4,027,147	S	4,274,000	\$ 4,331,024	\$ 4,117,524	69	1,481,446
Restricted	962,090		962,172		875,956	1,1	115,415		1,196,492		1,528,761		1,829,495	1,822,343	2,275,477		3,237,890
Unrestricted	(177,739)		(210,522)	Ĭ	(397,453)	(5	(514,233)		(328,213)		(5,284)		132,572	859,795	1,379,633		1,088,059
Total district net position	\$ 5,594,133	\$	\$ 5,371,534	\$	1,911,105	\$ 4,8	4,878,719	۶,	5,002,491	S	5,550,624	€9	6,236,066	\$ 7,013,162	\$ 7,772,634	s	8,807,395

*2020 has been restated for the implementation of GASB 84

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

2023	\$ 4,608,438 1,986,969 213,120 92,291	951,395 162,225 387,824 234,514 739,863 790,842	147,270 7,328 154,598 10,322,199	\$ 71,501 2,017,456 355,283 2,444,240	\$ 76,878 11,786 92,195 180,859 \$ 2,625,099	\$ (7,723,361) 26,261 \$ (7,697,100)	\$ 8,717,867 - 13,972 8,731,839	22 22 : 8,731,861	1,008,478 26,283 1,034,761
2022	\$ 4,775,503 1,663,581 363,714 171,681	783,148 165,922 379,765 262,692 865,570 582,091 379	194,100 8,444 202,544 \$ 10,216,550	\$ 113,465 \$ 2,037,435 \$ 2,150,900	\$ 3,086 9,927 239,422 25,2435 8 2,003,335 8	\$ (7,863,106) \$ 49,891 \$ (7,813,215) \$	\$ 8,559,765 \$ 12,906	16 16 8 8,572,687 \$	\$ 709,565 \$ 49,907 \$ 759,472 \$
2021	\$ 5,020,922 1,546,878 339,346 58,174	1,030,573 185,543 356,549 270,659 685,842 489,725 1,125 9,985,336	60,510 4,505 65,015 \$ 10,050,351	\$ 24,794 2,273,123	\$ 5,435 10,604 52,162 68,201 \$ 2,366,118	\$ (7,687,419) 3,186 \$ (7,684,233)	\$ 8,391,926 69,391	12 12 12 12 12 12 12 12 12 12 12 12 12 1	\$ 773,898 3,198 \$ 777,096
2020	\$ 4,669,037 1,517,097 225,973 60,025	907,595 219,987 404,440 285,157 731,334 472,470 2,014 9,495,119	92,770 975 93,745 \$ 9,588,864	\$ 22,575 1,811,383 53,094 1,887,052	\$ 45,229 3,029 41,867 90,125 \$ 1,977,177	\$ (7,608,067) (3,620) \$ (7,611,687)	\$ 8,227,378 9,175 8,236,553	4 4 \$ 8,236,557	\$ 628,486 (3,616) \$ 624,870
nded June 30, 2019	\$ 4,521,420 1,658,179 234,222 75,986	925,990 185,298 409,472 268,329 704,819 43,676 3,338	108,482 1,515 109,997 \$ 9,532,726	\$ 27,000 1,852,760 1,879,760	\$ 73,900 2,675 44,103 120,678 \$ 2,000,438	\$ (7,542,969) 10,681 \$ (7,532,288)	\$ 8,075,240 857 4,183	141 141 \$ 8.080,421	\$ 537,311 10,822 \$ 548,133
Fiscal Year Ended June 30, 2018	\$ 4,509,295 2,268,424 240,515 73,906	883,134 196,383 418,131 261,622 7731,890 541,819 3,441 10,128,560	104,886 992 105,878 \$ 10,234,438	\$ 45,000 2,265,596 2,310,596	\$ 74,572 1,212 40,158 115,942 \$ 2,426,538	\$ (7,817,964) 10,064 \$ (7,807,900)	\$ 7,916,902 9,106 5,619 7,931,627	45 45 \$ 7,931,672	\$ 113,663 10,109 \$ 123,772
2017	\$ 4,334,901 2,286,141 140,511 64,221	939,725 193,438 461,031 222,078 756,127 51,828 3,225 9,933,546	94,851 94,851 94,851 \$ 10,028,397	\$ 58,848 2,009,248 2,068,096	\$ 70,268 37,752 108,020 \$ 2,176,116	\$ (7,865,450) 13,169 \$ (7,852,281)	\$ 7,761,669 8,671 49,506	49 49 \$ 7,819,895	\$ (45,604) 13.218 \$ (32,386)
2016	\$ 4,269,838 2,094,539 118,468 58,279	933,331 170,633 392,220 214,617 678,014 530,445 1,101 9,461,485	93,542 93,542 \$ 9,555,027	\$ 37,480 1,654,938 1,692,418	\$ 58,686 37,048 95,734 \$ 1,788,152	\$ (7,769,067) 2,192 \$ (7,766,875)	\$ 7,280,360 4,430 21,618	38 38 \$ 7,306,446	\$ (462,659) 2,230 \$ (460,429)
2015	\$ 4,288,907 1,747,281 133,987 55,775	841,953 197,204 346,971 181,511 626,950 525,741 1,561 8,947,841	77,995 - 77,995 \$ 9,025,836	\$ 99,986 1,445,832 1,545,818	\$ 53,568 30,463 84,031 \$ 1,629,849	\$ (7,402,023) 6,036 \$ (7,395,987)	\$ 7,144,612 4,016 24,731 7,173,359	29 29 \$ 7,173,388	\$ (228,664) 6,065 \$ (222,599)
2014	\$ 3,553,560 1,619,403 107,595 54,988	820,422 188,892 34,101 193,217 640,255 432,640,255 1,599	86,928 - 86,928 86,928 \$ 8,033,928	\$ 51,493 909,178 960,671	\$ 54,260 30,885 85,145 \$ 1,045,816	\$ (6,986,329) (1,783) \$ (6,988,112)	\$ 7,004,522 - 26,425 7,030,947	27 27 \$ 7,030,974	\$ 44,618 (1,756) \$ 42,862
	Expenses Governmental activities Governmental activities Instruction Regular Special actuation Other instruction Other instruction School Sponsored Activities and Attletics	Support Services: Student & instruction related services School Administrative services General administration Central Services Plant operations and maintenance Pupil transportation Interest on long-elem debt Total governmental activities expenses	Business-type activities: Food Service Technology Initiative Total business-type activities expense Total district expenses	Program Revenues Governmental activities: Ghages for Services Operating grants and contributions Capital grants and contributions Total governmental activities program revenues	Business-type activities: Charges for services Food service Technology Initiative Operating grants and contributions Total business type activities program revenues Total district program revenues	Net (Expense)/Revenue Governmental activities Business-type activities Total district-wide net expense	General Revenues and Other Changes in Net Position Governmental activities: Property taxes levied for general purposes, not Unrestricted state & federal aid Investment earnings Miscellancous income Cancellation of Accounts Receivable Total governmental activities	Business-type activities: Miscellaneous Income Total business-type activities Total district-wide	Change in Net Position Governmental activities Business-type activities Total district

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

						Fiscal Year Ended June 30	ed June 30,				
	2014	2015		2016	2017	2018	2019	2020	2021	2022	2023
General Fund											
Restricted	\$ 1,445,070	\$ 1,448,63	30 \$	1,294,524	\$ 1,491,892	\$ 1,788,344	\$ 2,320,427	\$ 2,472,931	\$ 3,329,765	\$ 3,995,148	\$ 4,403,085
Committed				16,305	15,290					179,104	228,854
Assigned	44,739	25,887	13	5,751	80,935	57,216	164,252	396,255	236,039	149,310	343,297
Unassigned	231,035	, ,	82	148,355	148,532	149,920	143,431	215,399	223,894	234,218	139,059
Total general fund	\$ 1,720,844	\$ 1,704,765	\$5.	1,464,935	\$ 1,736,649	\$ 1,995,480	\$ 2,628,110	\$ 3,084,585	\$ 3,789,698	\$ 4,557,780	\$ 5,114,295
All Other Governmental Funds											
Reserved/Restricted	\$ 14,546	\$ 14,546	\$ 91	14,546					\$ 17,894	\$ 15,879	\$ (17,600)
Unreserved	•		1		•	•	1	•	*	1	
Total all other governmental funds	\$ 14,546	\$ 14,546	91	14,546		· 69			\$ 17,894	\$ 15,879	\$ (17,600)

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

					Fiscal Yea	Fiscal Year Ended June 30,				
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues	7 7 004 522	\$ 7 144 617	098 086 2 3	0991922	7 916 902	075 240	8757778	\$ 301 076	596 055 8 3	79 717 8 \$
Tarrey	,				,	oʻ	2,		, o	÷
Triffical	5,082	3,0,00	27,490	50,403	4,100	4,163	1/2,0	0,879	647'/ 010 CO	Ì
monut.	074,10	096,66	00+,10	00,000	000,04	000,12	010,77	12,000	07,710	
Miscellaneous	22,743	20,855	22,211	52,600	6,137	1,805	5,379	76,306	36,152	
State sources	786,964	814,670	835,559	989,812	1,103,307	1,240,293	1,309,730	1,386,614	1,839,450	2,090,506
Federal sources	122,214	113,265	100,694	118,724	91,729	145,703	127,327	163,302	327,975	694,957
Total revenue	7,991,618	8,197,264	8,279,553	8,985,056	9,167,181	9,494,224	9,697,660	10,036,027	10,853,561	11,586,539
Expenditures										
Instruction										
Regular Instruction	3,536,948	3,893,919	3,766,221	3,747,118	3,887,200	4,222,775	4,370,293	4,606,739	4,913,779	4,896,983
Special education instruction	1,619,403	1,671,679	1,971,182	2,090,704	2,058,108	1,573,130	1,446,178	1,421,292	1,715,710	2,102,703
Other instruction	107,595	118,205	96,625	113,113	191,928	206,137	209,870	296,258	382,895	226,248
School sponsored activities and athletics	54,988	55,775	58,279	64,221	68,947	74,574	59,319	56,683	172,183	
Support Services:										
Student & inst. related services	819,658	804,908	878,262	859,323	778,896	880,933	869,284	941,435	801,095	
General administration	354,101	338,919	370,315	394,872	406,631	416,166	383,462	351,703	381,010	395,175
School administrative services	168,892	170,260	141,232	157,995	160,490	170,230	172,557	173,926	172,234	177,441
Central services	193,217	181,511	214,617	222,078	241,715	261,983	281,204	227,625	197,316	
Plant operations and maintenance	452,109	429,792	481,615	504,485	520,820	505,523	533,365	464,053	551,035	542,306
Pupil transportation	432,568	525,741	530,445	531,828	538,978	434,736	471,910	486,777	582,896	
Administration Technology								30,307	68,158	
Capital outlay	59,675	9,045	38,592	170,087	19,645	80,415	416,282	289,334	130,702	604,861
Debt service:										
Principal	8,590	9,028	9,489	31,041	31,551	31,654	25,447	26,336	18,102	•
Interest and other charges	1,999	1,561	1,101	3,525	3,441	3,338	2,014	1,125	379	•
Total expenditures	7,809,743	8,213,343	8,557,975	8,890,390	8,908,350	8,861,594	9,241,185	9,373,593	10,087,494	11,063,503
Excess (Deficiency) of revenues										
over (under) expenditures	181,875	(16,079)	(278,422)	94,666	258,831	632,630	456,475	662,434	766,067	523,036
Other Financing sources (uses)										;
Transfers in	- ;			14,546					•	33
Transfers out	(I)			(14,546)					1	(33)
Capital Lease Floreeus	•		•	102,302					•	
Cancellation of Accounts Receivable Total other financing sources (uses)	1			162.502						-
Net change in fund balances	\$ 181,875	\$ (16,079)	\$ (278,422)	\$ 257,168	\$ 258,831	\$ 632,630	\$ 456,475	\$ 662,434	\$ 766,067	\$ 523,036
Debt service as a percentage of noncapital expenditures	0.14%	0.13%	0.12%	0.40%	0.39%	0.40%	0.31%	0.30%	0.19%	%00'0

^{*} 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)

Fiscal Year					
Ended June 30	7	Cuition	Other_	Interest	<u>Total</u>
2023	\$	37,718	\$ 3,343	\$ 8,332	\$ 49,393
2022		82,970	3,810	7,249	94,029
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

^{*} Source: School District's Financial Statements

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

Total Direct School Tax	Rate "	0.881	0.904	0.969	1.006	0.935	0.941	0.962	0.929	0.933	0.911
Estimated Actual (County Equalized)	Value	868,202,233	856,801,548	836,741,274	876,544,767	943,477,908	934,293,752	940,169,968	942,558,776	990,603,639	1,051,284,078
Net Valuation	Taxable	799,674,100	795,591,500	771,931,100	777,254,900	852,917,500	871,789,500	870,014,800	892,663,732	924,197,374	974,013,725
	Public Utilities	7,245,200	7,245,200	7,245,200	7,245,200	7,255,500	7,255,500	7,255,500	5,313,532	5,127,574	5,411,425
Total Assessed	Value	792,428,900	788,346,300	764,685,900	770,009,700	845,662,000	864,534,000	862,759,300	887,350,200	919,069,800	968,602,300
	Apartment	40,794,000	40,794,000	40,794,000	40,792,600	46,132,400	47,180,800	47,237,200	48,199,800	55,949,300	51,918,500
	Industrial	42,536,200	41,226,600	41,226,600	41,234,100	45,123,700	45,954,500	46,009,800	47,999,400	50,490,800	55,228,500
	Commercial	208,547,800	205,831,900	192,456,200	190,231,300	210,538,000	214,503,600	213,142,800	215,169,400	212,131,200	222,125,200
	Ofarm	2,600	2,600	2,600	2,600	4,300	4,300	4,300	4,300	4,700	4,700
	Farm Reg.	465,400	465,400	465,400	465,400	502,200	516,200	525,100	535,200	1,567,700	1,632,400
	Residential	481,745,500	481,688,400	471,545,300	478,727,300	523,199,500	536,368,900	535,770,700	556,176,800	579,767,700	618,605,900
	Vacant Land	18,334,400	18,334,400	18,192,800	18,553,400	20,161,900	20,005,700	20,069,400	19,265,300	19,158,400	19,087,100
Fiscal Year Ended	June 30,	2014	2015	2016	2017	* 2018	2019	2020	2021	2022	2023

Source: County Abstract of Ratables

a Tax rates are per \$100

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

EXHIBIT J-7

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

Calendar		Local School		
Year	<u>Total</u>	<u>District</u>	<u>Municipality</u>	County
2023	\$1.825	\$0.911	\$0.645	\$0.269
2022	1.870	0.933	0.661	0.276
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

Source: Tax Collector

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

2014

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

	202	3
	 Taxable	% of Total
	Assessed	District Net
Taxpayer	 Value	Assessed Value
Newark Metro Multifamily Xchange L	\$ 50,000,000	5.16%
Riverdale Crossing, LLC	46,939,800	4.85%
Cresskill Hills, LLC	18,538,600	1.91%
Target Corp Prop Tax Dept T-2247	17,206,200	1.78%
HD Development of Maryland, INC	14,500,000	1.50%
Riverdale Square, LLC	10,994,500	1.14%
Riverdale Quarry, LLC	9,792,100	1.01%
Filtra CORP	9,763,300	1.01%
Cho & Nam Associates, LLC	8,376,600	0.86%
Extra Space Storage	8,055,800	0.83%
	\$ 194,166,900	20.05%

	Taxable	% of Total
	Assessed	District Net
Taxpayer	Value	Assessed Value
Riverdale Crossing	\$ 48,155,500	6.02%
Riverdale Road Development, LLC	39,500,500	4.94%
Riverdale Quarry, LLC	19,364,600	2.42%
Target Corp.	18,942,800	2.37%
Cresskill Hills	17,780,900	2.22%
Home Depot	14,670,200	1.83%
Riverdale Square	9,375,000	1.17%
Verizon	7,245,200	0.91%
Filtra Corp	7,086,000	0.89%
Cho & Nam Associates LLC	6,308,000	0.79%
	\$188,428,700	23.56%

Source: Municipal Tax Assessor

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

Fiscal			Col	lected within the I	Fiscal Year of the	
Year				Levy	7	Collections in
Ended	Tax	es Levied for			Percentage	Subsequent
June 30,	the	Fiscal Year		Amount	of Levy	Years
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%	-
2022		8,559,765		8,559,765	100.00%	-
2023		8,717,867		8,717,867	100.00%	-

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

	Per Capita	∞	9	4	32	24	17	11	4	1	ı
	<u>Population</u>	4,254	4,244	4,227	4,212	4,180	4,132	4,113	4,103	4,105	4,105 *
	Total District	35,420	26,392	16,903	133,090	101,539	69,885	44,438	18,102	1	ı
Business-Type Activities	Capital Leases	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
SS	Financing Agreements	35,420	26,392	16,903	133,090	101,539	69,885	44,438	18,102	ı	ı
Governmental Activities	Certificates of Participation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	General Obligation Bonds										
	Fiscal Year Ended June 30,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023

Source: District records * Estimate

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

General Bonded Debt Outstanding

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2014	_		_	0.00%	_
2015	-		-	0.00%	_
2016	-		_	0.00%	-
2017	-		-	0.00%	_
2018	-		-	0.00%	-
2019	-		-	0.00%	_
2020	-		-	0.00%	_
2021	-		_	0.00%	-
2022	-		-	0.00%	-
2023	-		_	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, 2022 (Unaudited)

	<u>C</u>	Gross Debt	Deductions	Net Debt
Municipal Debt Borough of Riverdale (1)	\$	12,037,982	\$ 5,676,854	\$ 6,361,128
Total Direct Debt	\$	12,037,982	\$ 5,676,854	6,361,128
Net Overlapping Debt of School District: County of Morris - Borough's Share				 3,857,352
Total Direct and Overlapping Debt				\$ 10,218,480

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

⁽¹⁾ Borough of Riverdale 2022 Annual Debt Statement

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

Legal Debt Margin Calculation for Fiscal Year 2022

	\$ 1,041,202,900 980,822,593	932,914,468	\$ 2,954,939,961	\$ 984,979,987	29,549,400	29,549,400
ion basis	⇔		8	S		8
Equalized valuation basis	2022 2021	2020				
				Average Equalized Valuation of Taxable Property	Debt Limit 3% of Average Equalization Value	I otal Net Debt Applicable to Limit Legal Debt Margin

						Fiscal Year June 30,	ar June	30,				
	2014	2015	2016		2017	2018		2019	2020	2021	2022	2023
Debt limit	\$ 25,624,673	673 \$ 25,700,172	\$ 25,571,637	€9	25,588,387	25,588,387 \$ 26,384,581	€>	27,063,978	\$ 27,435,876	27,063,978 \$ 27,435,876 \$ 27,475,484	\$ 28,103,715 \$ 29,549,400	\$ 29,549,400
Total net debt applicable to limit		-		-	1	•		,	•	•	1	1
Legal debt margin	\$ 25,624,	\$ 25,624,673 \$ 25,700,172	\$ 25,571,637	"	\$ 25,588,387	\$ 26,384,581	S	\$ 27,063,978	\$ 27,435,876	\$ 27,475,484	\$ 28,103,715 \$ 29,549,400	\$ 29,549,400
Total net debt applicable to the limit as a percentage of debt limi	·=	%00.0 %00.0	%00.0	%(0.00%	%00.0		0.00%	0.00%	0.00%	%00.0	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)

Year Ended December 31,	Unemployment <u>Rate</u>	Per Capita <u>Income</u>	<u>Population</u>
2023	2.8%	N/A	4,105 *
2022	4.7%	N/A	4,105
2021	7.6%	107,767	4,103
2020	2.4%	102,227	4,113
2019	2.4%	99,140	4,132
2018	3.2%	97,244	4,180
2017	3.5%	93,544	4,212
2016	3.7%	91,252	4,227
2015	4.7%	88,298	4,244
2014	5.2%	84,287	4,254

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)

		2023		2014
		Percentage of Total Municipal		Percentage of Total Municipal
Employer	Employees	Employment	Employees	Employment

INFORMATION NOT AVAILABLE

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

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction Regular Special education	22.8	24.8 12.4	26.7	24.0	23.8	23.4	23.4	24.5	23.7	24.00
Support Services: Student & instruction related services General administration School administrative services	6.1 2.0 1.5	6.4 2.0 1.0	14.8 2.0 1.0	14.2 2.0 1.0	13.9 2.0 1.0	13.7 2.0 1.0	14.8 2.0 1.0	10.5	10.5 1.4 1.5	10.1 1.5
Other administrative services Central services Administrative Information Technology	1.3	1.7	3.3	3.3	3.3	3.3	3.3	1.3	1.3	1.3
Pupil transportation	4.9	2.0	4.5	4.5	4.0	4.0	4.0	4.0	4.0	4.1
Total =	55.7	50.8	59.1	58.8	56.5	55.3	56.4	52.5	50.9	49.5

Source: District Personnel Records

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

Pupil/Teacher Ratio

% Change in Average Daily Student Attendance Enrollment Percentage			1.20%							
Average Daily Attendance (ADA)	317.7	318.3	323.0	327.1	323.8	323.2	316.9	280.6	270.5	
Average Daily Enrollment (ADE)	330.5	332.4	336,4	341.0	335.3	338.0	322.2	293.9	285.1	
Senior High School	N/A									
Middle School	N/A									
Elementary	1:11	1:11	1:10	1:11	1:11	1:10	1:09	1:09	1:09	:
Teaching Staff	31.2	31.8	33.5	31.0	31.0	32.0	33.5	33.5	33.5	
Percentage Change	10.50%	5.26%	0.93%	3.29%	3.46%	-1.51%	13.88%	2.95%	8.27%	
Cost Per Pupil	23,417	24,650	24,880	25,697	26,588	26,186	29,822	30,701	33,238	
Operating Expenditures ^b	7,739,479	8,193,709	8,508,793	8,685,737	8,853,713	8,746,187	8,797,442	9,056,798	9,938,311	0.7 0.7
Enrollment a	330.5	332.4	342.0	338.0	333.0	334.0	295.0	295.0	299.0	
Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	0000

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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District Building Elementary										
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	299	299	295	295	334	333	338	342	332	330
Number of Schools at June 30										
Elementary =	1	1	1	=		_	1			П

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

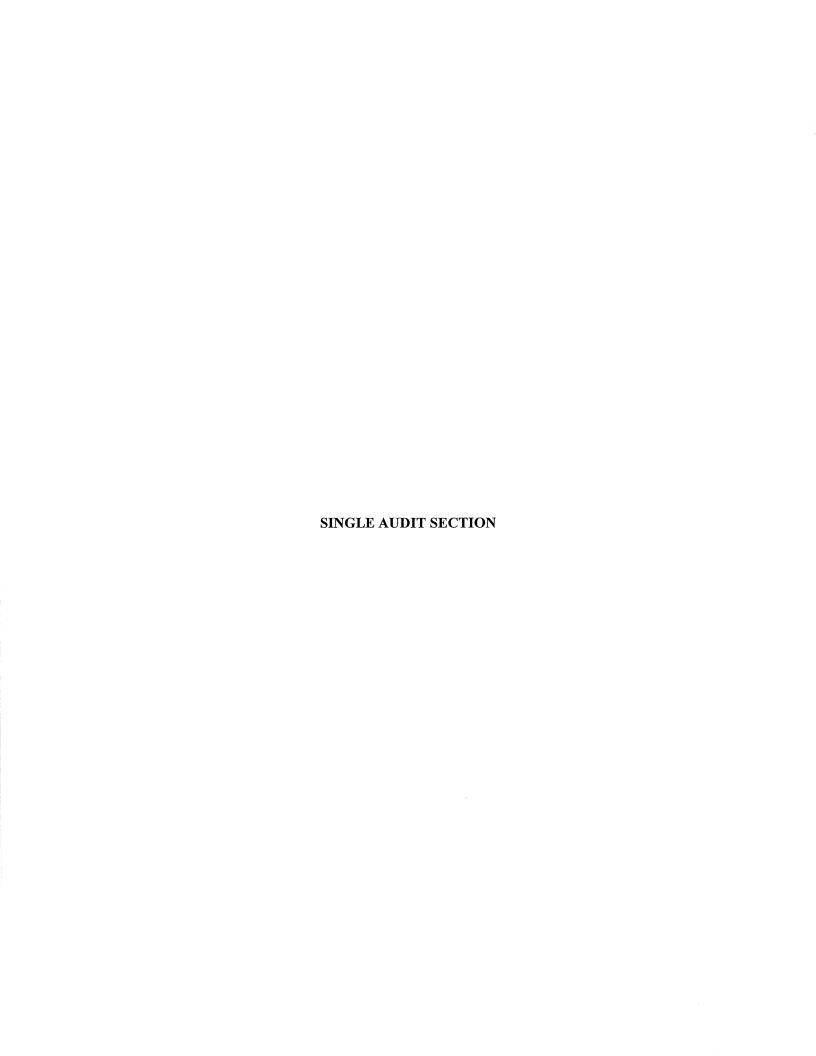
11-000-261-xxx

2014	92,976
2015	81,014
2016	93,162 \$
2017	113,857 \$
2018	129,177 \$
2019	95,822 \$
2020	159,041 \$
2021	119,289 \$
2022	138,152 \$
2023	107,213 \$
Project#	N/A \$
School Facilities	Riverdale Public School

RIVERDALE BOARD OF EDUCATION SCHEDULE OF INSURANCE JUNE 30, 2023 (Unaudited)

		Coverage	Ī	<u>Deductible</u>
School Package Policy - General Security Blanket Building & Contents per Stateme		\$ 28,272,654	\$	5,000
Flood/Earthquake	Per Occurrence	5,000,000		50,000
Crime Coverage		500,000		
Comprehensive/Commercial General Liabi General Aggregate Limit	lity:	1,000,000		
Comprehensive Auto Liability		1,000,000		1,000
Excess Liability Coverage		9,000,000		
Workers Compensation Coverage	Per Occurrence	1,000,000		
Cyber Coverage - First Party Liability Coverage Response Crisis Management Cyber Extortion Business Interruption Digital Asset Restoration	erage	1,000,000 1,000,000 1,000,000 1,000,000 1,000,000		
Public Official Bonds - Selective Surety Company Treasurer of School Monies Business Administrator/Board Secretary	<i>'</i>	200,000 200,000		

Source: Riverdale School District records.



CERTIFIED PUBLIC ACCOUNTANTS REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA GARY J. VINCI, 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, RMA, PSA DEBRA GOLLE, CPA MARK SACO, CPA ROBERT LERCH, CPA, PSA CHRISTOPHER M. VINCI, CPA, PSA CHRISTINA CUIFFO, CPA, PSA JOHN CUIFFO, CPA, PSA

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 <u>Government Auditing Standards</u> 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, 2023 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 December 12, 2023.

Report on 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 <u>deficiency in internal control</u> 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 <u>material weakness</u> 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 <u>significant deficiency</u> 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.

Report on 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 <u>Government Auditing Standards</u> and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

However, we noted a certain matter that is not required to be reported under <u>Government Auditing Standards</u> 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 December 12, 2023.

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 <u>Government Auditing Standards</u> in considering the Riverdale Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

LERCH, VINCI & BLISS, LLP Certified Public Accountants

Public School Accountants

Dieter P. Lerch

Public School Accountant PSA Number CS00756

Fair Lawn, New Jersey December 12, 2023

CERTIFIED PUBLIC ACCOUNTANTS REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA GARY J. VINCI, 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, RMA, PSA DEBRA GOLLE, CPA MARK SACO, CPA ROBERT LERCH, CPA, PSA CHRISTOPHER M. VINCI, CPA, PSA CHRISTINA CUIFFO, CPA, PSA IOHN CUIFFO, CPA, PSA

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

Opinion on Each Major State Program

We have audited the Riverdale Board of Education's compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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.

In our opinion, the Riverdale Board of Education complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major State Program

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 <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States and audit requirements of New Jersey OMB Circular 15-08, <u>Single Audit Policy for Recipients of Federal Grants</u>, <u>State Grants and State Aid</u>. Our responsibilities under those standards and New Jersey OMB Circular are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Riverdale Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Riverdale Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulation, rules, and provisions of contracts or grant agreements applicable to the Riverdale Board of Education's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Riverdale Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Riverdale Board of Education's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, <u>Government Auditing Standards</u>, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB Circular 15-08, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Riverdale Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Riverdale Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Riverdale Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, 2023, 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 December 12, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 is presented for purposes of additional analysis and 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 is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Dieter P. Lerch

Public School Accountant PSA Number CS00756

Fair Lawn, New Jersey December 12, 2023

RIVERDALE BOARD OF EDUCATION SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 36, 2023

				Ē	OR THE FISA	FOR THE FISCAL YEAR ENDED JUNE 30, 2023	NDED JUNE	30, 2023							-	
Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN <u>Number</u>	Grant <u>Period</u>	Award Amount	Balance, July 1, 2022 Unearned (Account Revenue Receivabl	~ a	Carryover/ (Walkover) (Carryover/ (Walkover) <u>Def. Rev.</u>	Cash Received E	Budgetary Expenditures R	A/R Rev. Adj. 🛽	Def Rev Adjustment	Cancelled PY Enc.	Balance, June 30, 2023 Unearned (Accounts Revenue Receivable	(Accounts Receivable)	GAAP <u>Receivable</u>
U.S. Department of Agriculture Passed-through State Department of Education																
National School Lunch Program Cash Assistance Cash Assistance Non-Cash Assistance	10.555 10.555 10.555	221NJ304N1099 231NJ304N1099 221NJ304N1099	7/1/21-6/30/22 \$ 7/1/22-6/30/23 7/1/21-6/30/22	138,323 38,968 20,722	\$ 136	\$ (10,927)		⇔	10,927	\$ 38,968 136				1	\$ (2,738)	\$ (2,738)
Non-Cash Assistance School Breakfast Program School Breakfast Program COVID Supply Chain Award	10.555 10.553 10.553 10.555	231NJ304N1099 221NJ304N1099 231NJ304N1099 231NJ304N1099	7/1/22-6/30/23 7/1/21-6/30/22 7/1/22-6/30/23 7/1/21-9/30/23	23,137 69,314 960 27,587	•	(5,187)		•	23,137 5,187 850 27,587	22,755 960 27,587				382	(110)	(110)
Total U.S. Department of Agriculture/Child Nutrition Cluster	ın Cluster				136	(16,114)		-	103,918	90,406				382	(2,848)	(2,848)
U.S. Department of Education Passed-through State Department of Education Special Revenue Fund L.D.E.A. Part B, Basic L.D.E.A. Part B, Preschool L.D.E.A. Part B, Preschool	84.027A 84.173A 84.173X	H027A220100 H173A220114 H173X210114	711/22-9/30/23 711/22-9/30/23 711/21-9/30/22	70,875 3,462 1,171		- (171,1)		,	70,875 3,462 1,171	70,875	,					
Total Special Education Cluster (IDEA)						(1,171)		-	75,508	74,337						,
E.S.E.A. Trite IA E.S.E.A. Trite IA E.S.E.A. Trite IIA E.S.E.A. Trite IIA	84.010 84.010 84.367A 84.367A	S010A220030 S010A210030 S367A220029 S367A210029	7/1/22-9/30/23 7/1/21-9/30/22 7/1/22-9/30/23 7/1/21-9/30/23	47,515 44,974 7,569 8,818	29,685	\$ (29,252) (572)	\$ (29,252) \$ 29,252 (572) 572	(29,252) (29,252) 622 (622)	6,091	76,766 \$ 433 7,574	(433) \$	433		434 - 617	(77,200)	(76,766)
E.S.E.A. Title III E.S.E.A. Title IV E.S.E.A. Title IV	84.424 84.424	S424A220031 S424A210031	7/1/22-9/30/23 7/1/21-9/30/23 7/1/21-9/30/22	2,939 10,000 10,000	5,537	(6,538)	(5,537)	5,537	2,000	2,939	•	'		3,974	(13,537)	(9,563)
Total E.S.E.A				•	35,844	(36,362)			9,092	99,275	(433)	433		5,025	(92,726)	(90,701)

RIVERDALE BOARD OF EDUCATION SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	GAAP Receivable		(36,535)	(253,102)	(15,046)	(40,000)	(6,597) (42,230)	(393,510)	1	(484,211)	\$ (487,059)
_			(870)	(316,377)	(43,321)	(40,000)	(33,878)	(517,672)	1	(613,398)	\$ (616,246) \$
	Balance, June 30, 2023 Unearned (Accounts Revenue Receivable		\$ 870 \$	63,275	28,275	1 6	27,281	124,162		129,187	\$ 129,569
	Cancelled PY Enc.		3	\$ 63,275			,	63,275		\$ 63,275	\$ 63,275
	Def Rev Adjustment			07			,	1		\$ 433	\$ 433
	A/R Rev. Adj. 1							,		\$ (433) \$	\$ (433)
	Budgetary Expenditures	\$ 9,408	36,535		21,725	40,000	6,597 42,230	156,495		330,107	\$ 420,513
	Cash Received E		\$ 102,181		6,679	,	6,122	121,756	69,526	275,882	\$ 379,800
30, 2023	Carryover/ (Walkover) <u>Def. Rev.</u>		v				,				
NDED JUNE	Carryover/ (Walkover) <u>A/R</u>						ı	•			
CAL YEAR E	y 1, 2022 (Accounts Receivable)		\$ (102,181) (870) (45,000)	(316,377)	(50,000)	(40,000)	(40,000) (45,000)	(639,428)	(69,526)	(746,487)	\$ (762,601)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023	Balance, July 1, 2022 Unearned (Account Revenue Receivable	\$ 9,408	- 870 38,226		50,000	40,000	33,878 45,000	217,382		253,226	\$ 253,362
FC	Award	34,406	140,773 25,000 45,000	316,377	50,000	40,000	40,000		69,526	·	
	Grant <u>Period</u>	3/13/20-9/30/22 \$	3/13/20-9/30/23 3/13/20-9/30/23 3/13/20-9/30/23	3/13/20-9/30/24	3/13/20-9/30/24	3/13/20-9/30/24	3/13/20-9/30/24 3/13/20-9/30/24		7/1/21-6/30/22		
	FAIN <u>Number</u>	S425D200027	SRRSA) Act S425D200027 S425D200027 S425D200027	S425U210027	S425U210027	S425U210027	S425U210027 S425U210027		N/A		
	Federal AL <u>Number</u>	ency Relief (ESSER) Security (CARES) Act 84.425D	ency Relief (ESSER II) emental Appropriations (0 84.425D 84.425D 84.425D	ency Relief (ESSER III) 84.425U	84.425U	84.425U	84.425U 84.425U		32.009		
	Federal/Grantor/Pass-Through Grantor/ <u>Program Title</u>	Elementary and Secondary School Emergency Relief (ESSER) Coronavirus Aid, Relief, and Economic Security (CARES) Act CARES	Elementary and Secondary School Emergency Relief (ESSER II) Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act ESSER II Learning Acceleration Mental Health 84.425D S425D2000	Elementary and Secondary School Emergency Relief (ESSER III) American Rescue Plan (ARP) ARP - ESSER III 84.425U	ARP - Accelerated Learning	ARP - Summer Learning	ARP - Comprehensive Beyond ARP - Mental Health	Total ESSER Grant Cluster	Emergency Connectivity Fund (ECF)	Total Special Revenue Fund	Total Federal Financial Assistance

This schedule was 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 39, 2023

				Balance	Balance, July 1, 2022					Balan	Balance, June 30, 2023		- W	МЕМО
	Grant or State	tes	Aurard	Accounts	Гпезте	1 4	Cach	Rudgetan	Accounts Receivable	Ineamed	(Accounts	G a	GAAP	Cumulative
State Grantor/Program Title	Project Number	Period	Amount	Receivable	Revenue	Grantor	Received	Expenditures	Adjustment	Revenue	Receivable)	Grantor	Receivable	Expenditures
State Department of Education														
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23				S		\$ 423,968			\$ (41,119)			\$ 423,968
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22		\$ (34,865)			34,865							
Security Aid Security Aid	23-495-034-5120-084 22-495-034-5120-084	7/1/22-6/30/23 7/1/21-6/30/22	20,869	(1,073)	•	,	18,845	20,869	t	•	(2,024)	•	1	20,869
Total State Aid Public - Cluster				(35,938)			437,632	444,837			(43,143)		ı	444,837
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	90,222				81,472	90,222			(8,750)			90,222
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	90,222	(8,707)			8,707							
Additional Nonpublic Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	6,552	(000))			001	6,552			(6,552)		\$ (6,552)	6,552
Additional Nonpublic Transportation Ald	77-433-034-3170-014	11/11-0/30/22	0,380	(0,500)			0,380		•	•	10000			
Total Transportation Aid - Cluster				(15,087)			96,559	96,774	1		(15,302)		(6,552)	96,774
Extraordinary Aid	23-495-034-5120-044	7/1/22-6/30/23	140,672					140,672		•	(140,672)			140,672
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	155,972	(155,972)			155,972				1			•
Lead Testing	N/A	7/1/22-6/30/23	2,264				2,264	2,264			1			2,264
On-Behalf TPAF Pension - Normal Cost	23-495-034-5094-002	7/1/22-6/30/23	927,985				927,985	927,985						927,985
On-Behalf TPAF Pension - NCGI Premium	23-495-034-5094-004	7/1/22-6/30/23	12,875				12,875	12,875			•			12,875
On Behalf TPAF Post Retirement Medical Benefits	23-495-034-5094-001	7/1/22-6/30/23	247,161				247,161	247,161			•			247,161
On Behalf TPAF Long Term Disability Insurance	23-495-034-5094-001	7/1/22-6/30/23	384				384	384			•			384
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	209,502	(001.01)			199,244	209,502		•	(10,258)		(10,258)	209,502
Kelmoursed 1 FAF Social Security Contributions	600-4606-460-664-77	77/06/2017/1	173,749	(10,130)			10,150							
Total General Fund State Aid			·	(217,187)			2,090,266	2,082,454		,	(209,375)		(16,810)	2,082,454
Special Revenue Funds SDA Emergency Needs		7/1/21-6/30/22	7,445	,	\$ 7,445	,		•	1	\$ 7,445	t	1	,	ı
•														
Total Special Revenue Fund State Aid			'		7,445				1	7,445	1	1		
Enterprise Funds National School Lunch Program (State Share) National School Lunch Program (State Share)	23-100-010-3350-023	7/1/22-6/30/23	1,789	(251)	ı	Ī	1,666	1,789	•		(123)	•	(123)	1,789
Total Enterprise Fund/Child Nutrition Cluster			'	(251)	1	•	1,917	1,789	,		(123)	,	(123)	1,789
Total State Financial Assistance Subject to Single Audit Determination	nination		•	(217,438)	7,445		2,092,183	2,084,243	•	7,445	(209,498)		(16,933)	2,084,243
Less: State Financial Assistance Programs Not Subject to Major Program Determination On-Behalf TPAF Pension - Normal Cost On-Behalf TPAF Pension - NCGI Premium On Behalf TPAF Post Retirement Medical Benefits On Behalf TPAF Pong Term Disability Insurance	23-495-034-5094-002 23-495-034-5094-004 23-495-034-5094-001 23-495-034-5094-001	711/22-6/30/23 711/22-6/30/23 711/22-6/30/23 711/22-6/30/23		,			(927,985) (12,875) (247,161) (384)	(927,985) (12,875) (247,161) (384)	•	,	•	1	1	(927,985) (12,875) (247,161) (384)
State Financial Assistance Amount Utilized for Calculation to Determine Single Audit and Major Programs.			•"	\$ (217,438) \$	7,445	N	903,778	\$ 895,838		\$ 7,445	\$ (209,498)	,	\$ (16,933)	\$ 895,838

RIVERDALE BOARD OF EDUCATION NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 REPORTING ENTITY

The Riverdale Board of Education (the "Board" or the "District") received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board's Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the "Schedules") present the activity of all federal and state programs of the Board. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 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 the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board's financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board's summary of significant accounting policies are described in Note 1 to the Board's financial statements.

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$8,052 for the general fund and an increase of \$364,850 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>		<u>Total</u>
General Fund		\$ 2,090,506	\$	2,090,506
Special Revenue Fund	\$ 694,957			694,957
Food Service Fund	90,406	1,789	-	92,195
Total Awards and Financial Assistance	\$ 785,363	\$ 2,092,295	\$	2,877,658

RIVERDALE BOARD OF EDUCATION NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 5 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 6 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 \$209,502 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2023. The amount reported as TPAF Pension System Contributions in the amount of \$940,860, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$247,161 and TPAF Long-Term Disability Insurance in the amount of \$384 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2023.

NOTE 7 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 8 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.

Part 1 – Summary of Auditor's Results

Fin	ancial Statement Section	Desc	<u>eription</u>
A)	Type of auditors' report issued on financial statements	Unmodified	
B)	Internal control over financial reporting:		
	(1) Material weakness(es) identified:	Yes	XNo
	(2) Significant deficiencies identified that are not considered to be material weaknesses?	Yes	X None reported
	Noncompliance material to basic financial statements noted?	Yes	XNo
Fee	leral Awards Section		

Not Applicable

Part 1 – Summary of Auditor's Results

State Awards Section

Internal control over major programs: (1) Material weakness(es) identified:	YesXNo
(2) Significant deficiencies identified that are not considered to be material weaknesses?	YesX_None reported
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08?	YesXNo
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_YesNo

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.

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 state programs, as required by New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

Not Applicable.

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 state programs, as required by New Jersey OMB's Circular 15-08.

CURRENT YEAR STATE AWARDS

There are none.

RIVERDALE BOARD OF EDUCATION SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

STATUS OF PRIOR YEAR FINDINGS

There were none.