

RIVERDALE BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Riverdale, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Riverdale Board of Education

Riverdale, New Jersey

For The Fiscal Year Ended June 30, 2013

Prepared by

Business Office

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INTRODUCTORY SECTION

RIVERDALE PUBLIC SCHOOL DISTRICT

52 Newark Pompton Turnpike • Riverdale, New Jersey 07457-1419

ROSAURA BAGOLIE, Ed. D
Principal
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Fax 973-839-1024

WILLIAM DEFABIIS, Ed. D.
Superintendent
973-839-1300 Ext. 102
Fax 973-839-8856

GARY J. GREMBOWIEC
Business Administrator/
Board Secretary
973-839-1300 Ext. 103

November 18, 2013

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

Dear Board Members:

The comprehensive annual financial report of the Riverdale School District (the "District") for the fiscal year ended June 30, 2013 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Riverdale School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditors' report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organizations", and the State Treasury Circular Letter 04-04 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 Pre K 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 2012/2013 fiscal year with an enrollment of 339 students, which is 2 students less 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

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2012-2013	333	2.7%
2011-2012	324	6.8%
2010-2011	318	1.9%
2009-2010	312	6.9%
2008-2009	292	4.3%
2007-2008	280	1.4%
2006-2007	276	4.5%
2005-2006	264	-5.4%
2004-2005	279	-1.06%
2003-2004	282	1.03%

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 due to expire at the end of the 2010/2011 school year. This agreement was renewed through June 2020. The tuition charge per pupil remains based on the most recent State Approved Tuition Rate (3 years prior). A number of high school students also attend Morris County Vocational, whose tuition is also paid by the district.

2) ECONOMIC CONDITION AND OUTLOOK: A Demographic Study authorized by the Board of Education was completed in September 1997, updated in July 2002, November 2007, February 2008, April 2009, and again in December 2009. The district stands to demonstrate a substantial gain in enrollment due to the construction of residential rental units in town. The district will monitor the impact of these units on enrollment in light of existing building capacity. After consultation with the school district's architect, the Board was satisfied that the school capacity remains adequate for the near future.

3) MAJOR INITIATIVES: The Riverdale School District's goals reflect our belief that the education of our students remains our top priority. As a Pre-K-8 school District of 333 students, we have been able to personalize instruction by maintaining two classes at each grade level, in an environment of high expectations for student achievement and excellence. Additionally the district introduced a research based language arts intervention program to assist Title I and ELL students. Technology acquisition has expanded, as the district purchased SMART Boards and FM Systems for classroom use.

During the 2012/2013 school year, teachers and administrators were committed to examining instructional methodologies in the following curricula areas: differentiated instruction, language arts literacy, mathematics, inclusion and special education. Through the continued efforts of the District, professional development activities were aligned to instructional improvement. The curriculum reflects a focus in integration of critical thinking skills, use of technological applications, organizational strategies and writing instruction throughout all disciplines. These efforts optimize the learning experiences for our students.

Curriculum review/revisions have been completed September 2013 and adopted for the majority of disciplines. Our ongoing efforts to establish clear expectations, while increasing accountability and providing opportunities to work with parents in monitoring each child's educational goals continues to be emphasized. Student activities embody the leadership theme and include: the Student Council, National Junior Honor Society, interscholastic athletics, drama productions, choral and band after school programs, visual arts presentations and a science fair. Each grade level attends a curriculum based field trip to provide enhanced learning opportunities.

3) MAJOR INITIATIVES (Continued)

Responding to the New Jersey State mandate for professional growth, teachers, parents and administrators have provided input to guide professional development opportunities for our staff. As a result, the district has provided staff with training in diverse areas. District staff has received training in Kindergarten programs, use of carts to infuse instruction, technology applications and everyday math implementation. We continue to focus efforts emphasizing a strong home school connection via technology applications. Professional development opportunities also included, but were not limited to, the following topics: authentic assessment tools and strategies, collaborative/team teaching, inclusion practices, literacy development and mathematical problem solving. In addition, all teachers and paraprofessionals meet the standards for the Highly Qualified Status. Readers'/Writers' workshop teachers implementing the Readers'/Writers' workshop model attend monthly articulation training sessions with teachers from Bloomingdale and Butler along with the district's staff consultant.

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

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

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

Within the past year, Riverdale completed renovations to the physical building such as: Window Replacements, Ceiling & Lighting Replacements, Nurse's Office Renovations, 2nd Floor Toilet Room Renovations, Exterior Door Replacement, Roof Replacement Nurse's Office area, Exterior Door Security System, hot water heaters (2) and lower grade wing Roof Replacement. Through designation of capital reserve funding, the district continues to assess and address ongoing facility needs. Additional projects are planned for the upcoming school year to promote accessibility to all students and improved academic environments.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2013.

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

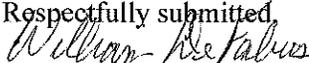
7) DEBT ADMINISTRATION: On December 10, 2002, the voters of the Borough of Riverdale authorized a bond issue in the amount of \$5,552,000 to construct an addition and renovation to the Riverdale School. In addition, the Borough of Riverdale has agreed to contribute \$1,000,000 to fund the cost thereof. To date the district has received \$900,000, the balance of \$100,000 being canceled.

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

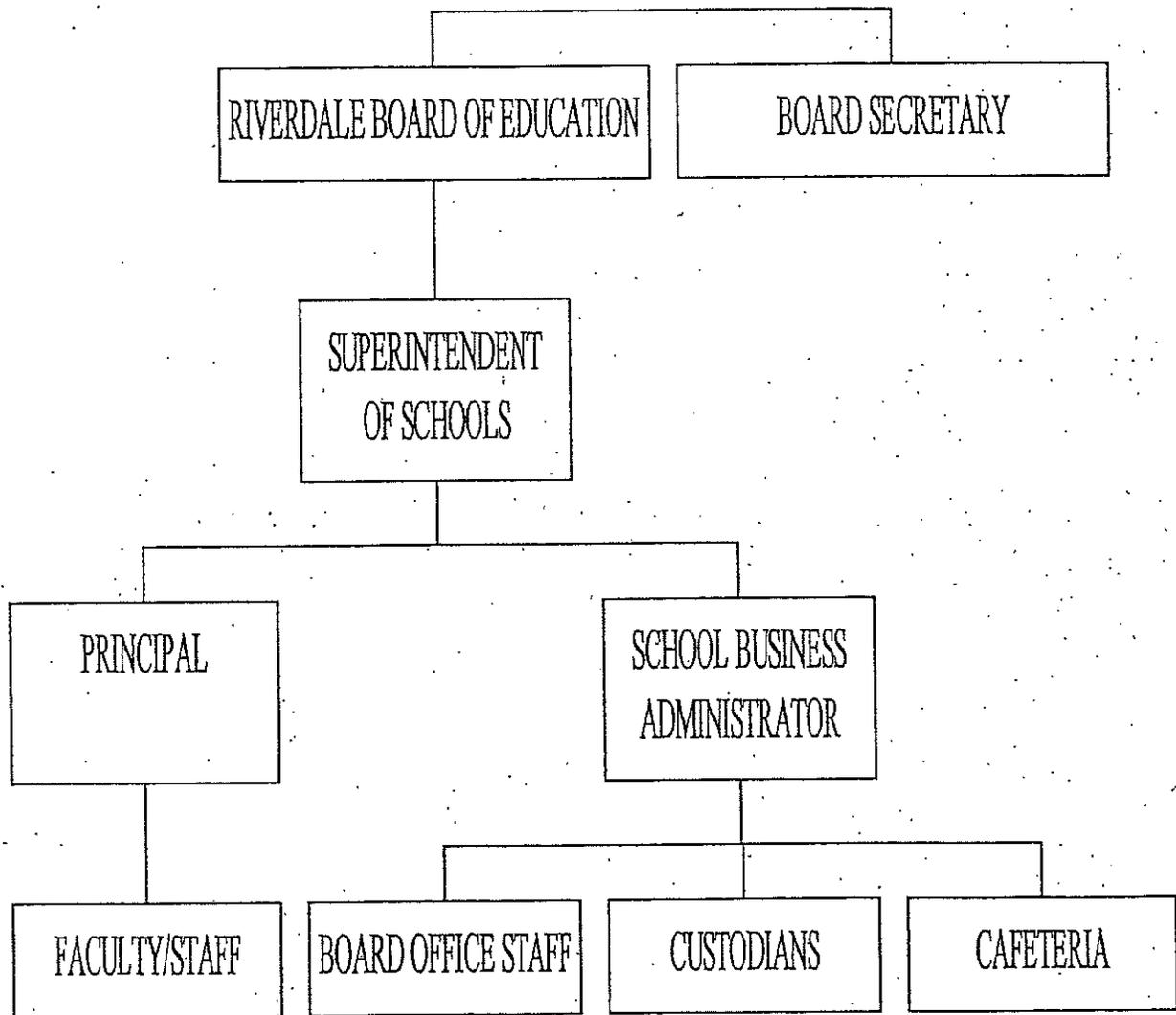
9) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

10) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board's audit committee selected the accounting firm of Lerch, Vinci, & Higgins, LLP, CPAs. In addition to meeting the requirements set forth in state statutes the audit also was designed to meet the requirements of the Single Audit Act as amended and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. 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,

Dr. William DeFabiis
Interim Superintendent

**RIVERDALE BOARD OF EDUCATION
Organizational Chart**



**RIVERDALE SCHOOL DISTRICT
RIVERDALE, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2013**

<u>Members of the School District</u>	<u>Term Expires</u>
Shawn Dougherty, President	2016
Charles Sheridan, Vice President	2014
Michael Kheyfets	2016
Stephen Polizzi	2014
Richard Osterhoudt	2015
Kelly Norris	2015
June Carelli	2015

Other Officials

Dr. Betty Ann Wyks, Superintendent

Gary J. Grembowiec, Board Secretary/School Business Administrator

Carol Talerico, Treasurer

Stephen R. Fogarty, Esq., Board Attorney

**RIVERDALE SCHOOL DISTRICT
RIVERDALE, NEW JERSEY**

Consultants and Advisors

Architect

Spiezle Group, Inc.
321 West State Street
Media, PA 19063

Audit Firm

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

Attorney

Stephen R. Fogarty, Esq.
21-00 Route 208 South
Fair Lawn, New Jersey 07410

Official Depository

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

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
EDWARD N. KERE, CPA
LORI T. MANUKIAN, CPA, PSA
MARK SACO, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverdale Board of Education as of and for the fiscal year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to previously 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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

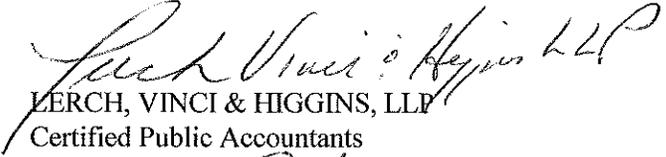
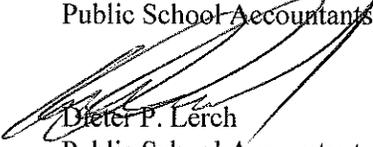
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Riverdale Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Riverdale Board of Education.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 18, 2013 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Riverdale Board of Education's internal control over financial reporting and compliance.


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

Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
November 18, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

Riverdale Board of Education Riverdale, New Jersey

Management's Discussion and Analysis Year Ended June 30, 2013

This section of the Riverdale Board of Education's comprehensive annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2013. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34- Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2012-2013) and the prior year (2011-2012) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2012-2013 fiscal year are as follows:

- The assets of the Riverdale Board of Education exceeded its liabilities at the close of the fiscal year by \$6,498,805 (net position).
- The District's total net position increased \$535,576.
- Overall district revenues were \$8,008,815. General revenues accounted for \$6,904,170 or 86% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$1,104,645 or 14% of total revenues.
- The school district had \$7,395,241 in expenses for governmental activities; only \$1,021,217 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$6,904,152 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 \$1,553,515. Of this amount \$231,816 is available for spending at the District's discretion (unassigned fund balance – General Fund),

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2013**

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

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

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

	Statements	District-Wide Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance, administration and community education	Activities the district operates similar to private businesses: Food Service
Required financial Statements	Statements of net position Statement of activities	Balance Sheet Statement of revenues, expenditures and changes in fund balances	Statement of net position Statement of revenues, expenses, and changes in fund net position Statement of cash flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, 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.

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

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2013**

District-Wide Statements

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

The two district-wide statements report the District's net position and how they have changed. Net position – the difference between the District's assets and liabilities – 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 building and other facilities.

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

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

Fund Financial Statements

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

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

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

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2013**

The district has three kinds of funds:

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

FINANCIAL ANALYSIS OF THE RIVERDALE BOARD OF EDUCATION AS A WHOLE

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

Table A-1 provides a summary of the school district's net position for 2013 and 2012.

Net position. The district's combined net position were \$6,498,805 on June 30, 2013. (See Table A-1).

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

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2013**

	Net Position as of June 30, 2013 and 2012					
	Governmental Types		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets						
Current and other assets	\$ 1,581,697	\$ 1,435,175	\$ 27,635	\$ 21,129	\$ 1,609,332	\$ 1,456,304
Capital assets, net	<u>4,981,679</u>	<u>4,909,297</u>	<u>1,737</u>	<u>2,316</u>	<u>4,983,416</u>	<u>4,911,613</u>
Total Assets	<u>6,563,376</u>	<u>6,344,472</u>	<u>29,372</u>	<u>23,445</u>	<u>6,592,748</u>	<u>6,367,917</u>
Liabilities						
Non-Current liabilities	60,157	332,147			60,157	332,147
Other liabilities	<u>28,182</u>	<u>67,416</u>	<u>5,372</u>	<u>5,002</u>	<u>33,554</u>	<u>72,418</u>
Total Liabilities	<u>88,339</u>	<u>399,563</u>	<u>5,372</u>	<u>5,002</u>	<u>93,711</u>	<u>404,565</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>232</u>	<u>123</u>	<u>232</u>	<u>123</u>
Total Liabilities and Deferred Inflows of Resources	<u>88,339</u>	<u>399,563</u>	<u>5,604</u>	<u>5,125</u>	<u>93,943</u>	<u>404,688</u>
Net Position						
Net Investment in capital assets	4,937,669	4,593,297	1,737	2,316	4,939,406	4,595,613
Restricted	761,897	471,703			761,897	471,703
Unrestricted	<u>775,471</u>	<u>879,909</u>	<u>22,031</u>	<u>16,004</u>	<u>797,502</u>	<u>895,913</u>
Total Net Position	<u>\$ 6,475,037</u>	<u>\$ 5,944,909</u>	<u>\$ 23,768</u>	<u>\$ 18,320</u>	<u>\$ 6,498,805</u>	<u>\$ 5,963,229</u>

Table A-2 on the following page shows changes in net position for fiscal year 2013 and 2012.

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

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2013**

Table A-2
Changes in Net Assets
For the Fiscal Years Ended June 30, 2013 and 2012

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues						
Program Revenues						
Charges for Services	\$ 86,068	\$ 25,200	\$ 52,121	\$ 62,505	\$ 138,189	\$ 87,705
Operating/Capital Grants and Contributions	935,149	755,121	31,307	29,464	966,456	784,585
General Revenues						
Property Taxes	6,888,062	6,816,628			6,888,062	6,816,628
State and Federal Aid		11,802			-	11,802
Miscellaneous	16,090	12,317	18	-	16,108	12,317
<u>Total Revenues</u>	<u>7,925,369</u>	<u>7,621,068</u>	<u>83,446</u>	<u>91,969</u>	<u>8,008,815</u>	<u>7,713,037</u>
Expenses						
Instruction						
Regular	3,520,307	3,285,868			3,520,307	3,285,868
Special Education	1,324,401	1,324,189			1,324,401	1,324,189
Other Instruction	95,630	64,166			95,630	64,166
School Sponsored Activities and Athletics	53,725	44,620			53,725	44,620
Support Services						
Student and Instruction Related Serv.	742,748	725,022			742,748	725,022
General Administrative Services	401,219	377,719			401,219	377,719
School Administrative Services	160,922	158,062			160,922	158,062
Plant Operations and Maintenance	586,531	594,606			586,531	594,606
Pupil Transportation	321,239	345,811			321,239	345,811
Central Services	180,530	173,254			180,530	173,254
Food Services			77,998	85,691	77,998	85,691
Interest on Long-Term Debt	7,989	14,363	-	-	7,989	14,363
<u>Total Expenses</u>	<u>7,395,241</u>	<u>7,107,680</u>	<u>77,998</u>	<u>85,691</u>	<u>7,473,239</u>	<u>7,193,371</u>
Change in Net Assets	530,128	513,388	5,448	6,278	535,576	519,666
Net Assets, Beginning of Year	5,944,909	5,431,521	18,320	12,042	5,963,229	5,443,563
Net Assets, End of Year	<u>\$ 6,475,037</u>	<u>\$ 5,944,909</u>	<u>\$ 23,768</u>	<u>\$ 18,320</u>	<u>\$ 6,498,805</u>	<u>\$ 5,963,229</u>

Riverdale Board of Education Riverdale, New Jersey

Management's Discussion and Analysis (continued) Year Ended June 30, 2013

Governmental Activities. The District's total revenues were \$7,925,369. The local share of the revenues, that included property taxes, investment earnings, and miscellaneous revenue, amounted to \$6,904,152 or 87% of total revenues. Funding from state and federal sources and charges for services amounted to \$1,021,217 or 13%. (See Figure A-2)

The District's expenses are predominantly related to instruction and support services. Instruction totaled \$4,994,063 (68%) and student support services totaled \$2,393,189 (32%) of total expenditures. (See Figure A-3)

Figure A-2 Revenues by Sources – Governmental Activities
For Fiscal Year 2013

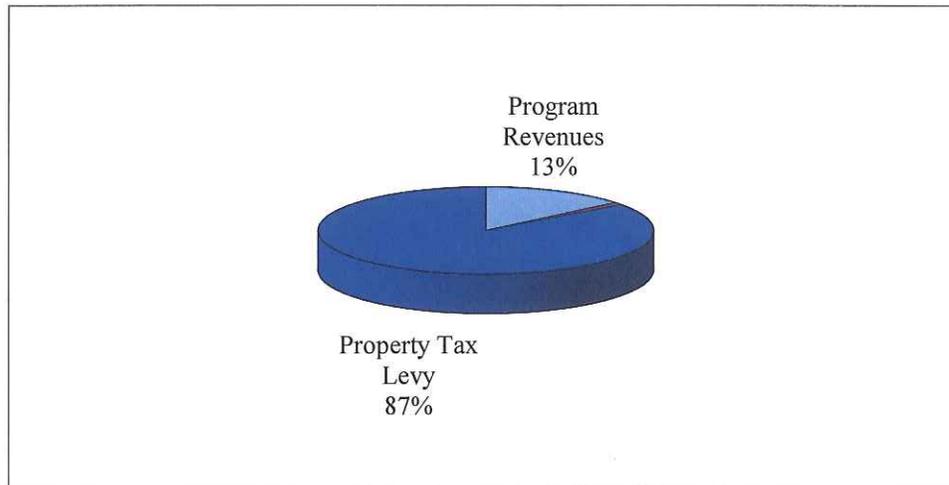
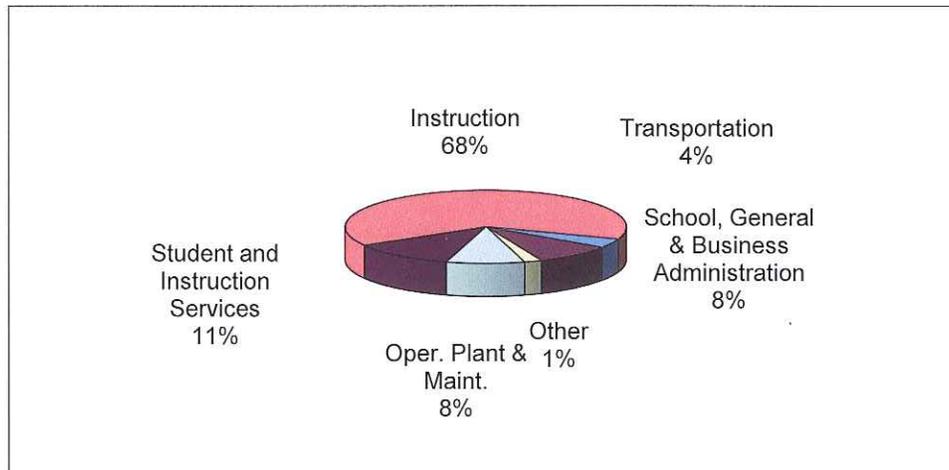


Figure A-3 Expenses by Function – Governmental Activities
For Fiscal Year 2013



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

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2013**

**Table A-3
Cost and Net Cost of Services for Governmental Activities
For the Fiscal Years Ended June 30, 2013 and 2012**

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Governmental Activities				
Instruction				
Regular	\$ 3,520,307	\$ 3,285,868	\$ 3,106,765	\$ 2,999,236
Special Education	1,324,401	1,324,189	857,833	931,884
Other Instruction	95,630	64,166	74,863	44,690
School Sponsored Activities and Athletics	53,725	44,620	53,725	44,620
Support Services				
Student and Instruction Related Svcs.	742,748	725,022	675,390	667,410
General Administrative Services	401,219	377,719	401,219	377,719
School Administrative Services	160,922	158,062	136,289	138,299
Plant Operations and Maintenance	586,531	594,606	579,391	594,606
Pupil Transportation	321,239	345,811	300,030	341,983
Central Services	180,530	173,254	180,530	173,254
Interest on Long-Term Debt	7,989	14,363	7,989	13,658
	<u>7,989</u>	<u>14,363</u>	<u>7,989</u>	<u>13,658</u>
Total Governmental Activities	<u>\$ 7,395,241</u>	<u>\$ 7,107,680</u>	<u>\$ 6,374,024</u>	<u>\$ 6,327,359</u>

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2013 was \$77,998. These costs were funded by operating grants and charges for services (Detailed on Table A-2).

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

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2013**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$1,553,615. At June 30, 2012, the fund balance was \$1,370,168.

Revenues for the District's governmental funds were \$7,925,369, while total expenditures were \$7,788,802. Included in the expenditures is \$325,638 of Debt Service Fund expenditures.

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

The following schedule presents a summary of General Fund revenues at June 30, 2013 and 2012.

	Year Ended <u>6/30/2013</u>	Year Ended <u>6/30/2012</u>	Amount of Increase <u>(Decrease)</u>	Percent Increase <u>(Decrease)</u>
Local Sources:				
Property Taxes	\$ 6,562,424	\$ 6,492,687	\$ 69,737	1.1%
Miscellaneous	102,158	37,517	64,641	172.3%
Intergovernmental				
State Sources	821,653	643,792	177,861	27.6%
Federal Sources	<u>-</u>	<u>13,188</u>	<u>(13,188)</u>	
 Total Revenues	 <u>\$ 7,486,235</u>	 <u>\$ 7,187,184</u>	 <u>\$ 299,051</u>	 4.2%

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

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2013**

General Fund (Continued)

The following schedule presents a summary of General Fund expenditures at June 30, 2013 and 2012.

	<u>Year Ended</u> <u>6/30/2013</u>	<u>Year Ended</u> <u>6/30/2012</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Increase</u> <u>(Decrease)</u>
Instruction	\$ 4,894,524	\$ 4,634,180	\$ 260,344	6%
Support Services	2,176,682	2,176,253	429	0%
Debt Service	3,530	-	3,530	100%
Capital Outlay	<u>274,932</u>	<u>27,231</u>	<u>247,701</u>	910%
 Total Expenditures	 <u>\$ 7,349,668</u>	 <u>\$ 6,837,664</u>	 <u>\$ 512,004</u>	 7%

Total General Fund expenditures increased by \$512,004 or 7% from the previous year.

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 \$113,496 for the year ended June 30, 2013. Federal sources accounted for \$113,496 or 100% of Special Revenue Fund's revenue for the year.

Total Special Revenue Fund revenues increased \$3,553 or 3% from the previous year.

Expenditures of the Special Revenue Fund were \$113,496. Instructional expenditures were \$82,715 or 73%.

Proprietary Funds

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

Enterprise Fund - The District uses an Enterprise Fund to report activities related to the Food Services 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.

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

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2013**

GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

- Implementing budgets for specially funded projects, which include both federal and state grants, reinstating prior year purchase orders being carried over, and appropriating surplus for significant unbudgeted costs.
- Increases in appropriations for the funding of capital projects approved in the Long-Range Facilities Plan.

Capital Assets. At the end of the fiscal year 2013, the school district had invested in land, buildings, furniture, machinery and equipment as stated in Table A-4 as follows:

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

	Governmental Activities		Business-Type Activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	\$ 11,800	\$ 11,800			\$ 11,800	\$ 11,800
Construction in Progress	-	27,231			-	27,231
Buildings and Building Improvements	7,000,905	6,774,642			7,000,905	6,774,642
Machinery and Equipment	<u>360,940</u>	<u>285,040</u>	<u>\$ 16,145</u>	<u>\$ 16,145</u>	<u>377,085</u>	<u>301,185</u>
Total	7,373,645	7,098,713	16,145	16,145	7,389,790	7,114,858
Less: Accumulated Depreciation	<u>(2,391,966)</u>	<u>(2,189,416)</u>	<u>(14,408)</u>	<u>(13,829)</u>	<u>(2,406,374)</u>	<u>(2,203,245)</u>
Total	<u>\$ 4,981,679</u>	<u>\$ 4,909,297</u>	<u>\$ 1,737</u>	<u>\$ 2,316</u>	<u>\$ 4,983,416</u>	<u>\$ 4,911,613</u>

Additional information about the District's capital assets can be found in Note 3 of this report.

Debt Administration. As of June 30, 2013 the school district had long-term debt and outstanding long-term liabilities in the amount of \$60,157.

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

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2013**

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

	<u>2013</u>	<u>2012</u>
Serial Bonds Payable		\$ 316,000
Capital Lease Payable	\$ 44,010	
Compensated Absences Payable	<u>16,147</u>	<u>16,147</u>
Total	<u>\$ 60,157</u>	<u>\$ 332,147</u>

Additional information about the District's long-term debt can be found in Note 3 of this report.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

RIVERDALE BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2013

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,511,499	\$ 13,324	\$ 1,524,823
Receivables, net			
Receivables from Other Governments	81,563	2,372	83,935
Other	26		26
Internal Balances	(11,391)	11,391	
Inventory		548	548
Capital Assets, not being depreciated	11,800		11,800
Capital Assets, net of depreciation	<u>4,969,879</u>	<u>1,737</u>	<u>4,971,616</u>
Total Assets	<u>6,563,376</u>	<u>29,372</u>	<u>6,592,748</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	10,502	5,372	15,874
Unearned Revenue	17,680	-	17,680
Noncurrent Liabilities			
Due within one year	8,590		8,590
Due beyond one year	<u>51,567</u>	<u>-</u>	<u>51,567</u>
Total Liabilities	<u>88,339</u>	<u>5,372</u>	<u>93,711</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue	<u>-</u>	<u>232</u>	<u>232</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>232</u>	<u>232</u>
Total Liabilities and Deferred Inflows of Resources	<u>88,339</u>	<u>5,604</u>	<u>93,943</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	4,937,669	1,737	4,939,406
Restricted for:			
Capital Projects	411,896		411,896
Other Purposes	350,001		350,001
Unrestricted	<u>775,471</u>	<u>22,031</u>	<u>797,502</u>
Total Net Position	<u>\$ 6,475,037</u>	<u>\$ 23,768</u>	<u>\$ 6,498,805</u>

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

RIVERDALE BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 3,520,307	\$ 86,068	\$ 327,474		\$ (3,106,765)		\$ (3,106,765)
Special Education	1,324,401		466,568		(857,833)		(857,833)
Other Instruction	95,630		20,767		(74,863)		(74,863)
School Sponsored Activities and Athletics	53,725				(53,725)		(53,725)
Support Services							
Student and Instruction Related Services	742,748		67,358		(675,390)		(675,390)
General Administration Services	401,219				(401,219)		(401,219)
School Administration Services	160,922		24,633		(136,289)		(136,289)
Central Services	180,530				(180,530)		(180,530)
Plant Operations and Maintenance	586,531		7,140		(579,391)		(579,391)
Pupil Transportation	321,239		21,209		(300,030)		(300,030)
Interest on Debt	7,989				(7,989)		(7,989)
Total Governmental Activities	7,395,241	86,068	935,149	-	(6,374,024)	-	(6,374,024)
Business-Type Activities							
Food Service	77,998	52,121	31,307			\$ 5,430	5,430
Total Business-Type Activities	77,998	52,121	31,307	-	-	5,430	5,430
Total Primary Government	\$ 7,473,239	\$ 138,189	\$ 966,456	\$ -	(6,374,024)	5,430	(6,368,594)
General Revenues							
Property Taxes, Levied for General Purposes					6,562,424		6,562,424
Property Taxes, Levied for Debt Service					325,638		325,638
Miscellaneous Income					16,090	18	16,108
Total General Revenues					6,904,152	18	6,904,170
Change in Net Position					530,128	5,448	535,576
Net Position, Beginning of Year					5,944,909	18,320	5,963,229
Net Position, End of Year					\$ 6,475,037	\$ 23,768	\$ 6,498,805

FUND FINANCIAL STATEMENTS

**RIVERDALE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2013**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 1,511,498			\$ 1	\$ 1,511,499
Receivables					
Intergovernmental	13,142	\$ 40,541	\$ 27,880		81,563
Interfunds Receivable	39,221	-	-	-	39,221
	<u>1,563,861</u>	<u>40,541</u>	<u>27,880</u>	<u>1</u>	<u>1,632,283</u>
Total Assets					
LIABILITIES AND FUND BALANCES					
Liabilities					
Interfunds Payable	\$ 21,893	\$ 35,559	\$ 3,636		\$ 61,088
Unearned Revenue	3,000	4,982	9,698	-	17,680
	<u>24,893</u>	<u>40,541</u>	<u>13,334</u>	<u>-</u>	<u>78,768</u>
Total Liabilities					
Fund Balances					
Restricted Fund Balance					
Excess Surplus - Designated for					
Subsequent Year's Budget	242,682				242,682
Excess Surplus	252,163				252,163
Capital Reserve	397,350				397,350
Maintenance Reserve	350,000				350,000
Capital Projects Fund			14,546		14,546
Debt Service Fund				\$ 1	1
Assigned					
Year End Encumbrances	64,957				64,957
Unassigned Fund Balance	231,816	-	-	-	231,816
	<u>1,538,968</u>	<u>-</u>	<u>14,546</u>	<u>1</u>	<u>1,553,515</u>
Total Fund Balances					
Total Liabilities and Fund Balances	<u>\$ 1,563,861</u>	<u>\$ 40,541</u>	<u>\$ 27,880</u>	<u>\$ 1</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$7,373,645, and the accumulated depreciation is \$2,391,966.

4,981,679

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

Capital Leases Payable	\$ (44,010)
Compensated Absences	<u>(16,147)</u>

(60,157)

Net position of governmental activities

\$ 6,475,037

RIVERDALE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 6,562,424			\$ 325,638	\$ 6,888,062
Tuition	86,068				86,068
Interest	2,017				2,017
Miscellaneous	14,073	-	-	-	14,073
Total - Local Sources	6,664,582	-	-	325,638	6,990,220
State Sources	821,653				821,653
Federal Sources	-	\$ 113,496	-	-	113,496
Total Revenues	7,486,235	113,496	-	325,638	7,925,369
EXPENDITURES					
Current					
Instruction					
Regular Instruction	3,503,483				3,503,483
Special Education Instruction	1,247,888	76,513			1,324,401
Other Instruction	89,428	6,202			95,630
School-Sponsored Activities and Athletics	53,725				53,725
Support Services					
Student and Instruction Related Services	711,203	30,781			741,984
General Administrative Services	401,219				401,219
School Administrative Services	160,922				160,922
Central Services	180,530				180,530
Plant Operations and Maintenance	401,569				401,569
Pupil Transportation	321,239				321,239
Debt Service					
Principal	2,770			316,000	318,770
Interest and Other Charges	760			9,638	10,398
Capital Outlay	274,932	-	-	-	274,932
Total Expenditures	7,349,668	113,496	-	325,638	7,788,802
Excess (Deficiency) of Revenues Over/(Under) Expenditures	136,567	-	-	-	136,567
OTHER FINANCING SOURCES (USES)					
Capital Lease Proceeds	46,780	-	-	-	46,780
Total Other Financing Sources and Uses	46,780	-	-	-	46,780
Net Change in Fund Balances	183,347	-	-	-	183,347
Fund Balance, Beginning of Year	1,355,621	-	\$ 14,546	1	1,370,168
Fund Balance, End of Year	\$ 1,538,968	\$ -	\$ 14,546	\$ 1	\$ 1,553,515

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

**RIVERDALE BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 183,347

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	\$	274,932
Depreciation Expense		<u>(202,550)</u>

72,382

The issuance of long term debt provides current financial resources to governmental funds, however these transactions have no effect in the statement activities

Capital Lease Proceeds	(46,780)
------------------------	----------

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

Bond Principal	316,000
Capital Leases	2,770

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Decrease in accrued interest	<u>2,409</u>
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Change in net position of governmental activities (Exhibit A-2)	<u>\$ 530,128</u>
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**RIVERDALE BOARD OF EDUCATION
 PROPRIETARY FUND
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2013**

	Enterprise Fund Totals
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 13,324
Intergovernmental Receivable	
State	152
Federal	2,220
Due from General Fund	11,391
Inventories	548
Total Current Assets	27,635
Capital Assets	
Equipment	16,145
Less: Accumulated Depreciation	(14,408)
Total Capital Assets	1,737
Total Assets	29,372
LIABILITIES	
Current Liabilities	
Accounts Payable	5,372
Total Current Liabilities	5,372
LIABILITIES	
Deferred Commodities Revenue	232
Total Liabilities and Deferred Inflow of Resources	5,604
NET POSITION	
Invested in Capital Assets	1,737
Unrestricted	22,031
Total Net Position	\$ 23,768

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

**RIVERDALE BOARD OF EDUCATION
 PROPRIETARY FUND
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Enterprise Fund Totals
OPERATING REVENUES	
Charges for Services	
Daily Sales	\$ 52,121
	<hr/>
Total Operating Revenues	52,121
	<hr/>
OPERATING EXPENSES	
Salaries and Wages	29,132
Insurance	1,728
Purchased Services	9,403
Supplies and Materials	1,327
Cost of Sales	30,444
Depreciation Expense	579
Miscellaneous	5,385
	<hr/>
Total Operating Expenses	77,998
	<hr/>
Operating (Loss)	(25,877)
	<hr/>
NONOPERATING REVENUES	
Interest Earnings	18
State Sources	
State School Lunch Program	1,058
Federal Sources	
National Lunch Program	30,249
	<hr/>
Total Nonoperating Revenues	31,325
	<hr/>
Net Income	5,448
	<hr/>
Net Position, Beginning of Year	18,320
	<hr/>
Net Position, End of Year	\$ 23,768
	<hr/> <hr/>

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

**RIVERDALE BOARD OF EDUCATION
 PROPRIETARY FUND
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Enterprise Fund Totals</u>
Cash Flows from Operating Activities	
Cash Received from Customers and Other Operating Activities	\$ 52,121
Cash Payments for Employees - Salaries and Benefits	(29,132)
Cash Payments to Suppliers for Goods and Services	<u>(42,913)</u>
Net Cash Used by Operating Activities	<u>(19,924)</u>
Cash Flows from Noncapital Financing Activities	
Cash Received from Other Funds	7,438
Cash Received from State and Federal Subsidy Reimbursements	<u>14,372</u>
Net Cash Provided by Noncapital Financing Activities	<u>21,810</u>
Cash Flows from Investing Activities	
Interest Earnings	<u>18</u>
Net Cash Provided by Investing Activities	<u>18</u>
Net Increase in Cash and Cash Equivalents	1,904
Cash and Cash Equivalents, Beginning of Year	<u>11,420</u>
Cash and Cash Equivalents, End of Year	<u>\$ 13,324</u>
Reconciliation of Operating (Loss) to Net Cash Used by Operating Activities	
Operating (Loss)	<u>\$ (25,877)</u>
Adjustments to Reconcile Operating (Loss) to Net Cash Used by Operating Activities	
Depreciation Expense	579
Non-Cash Federal Assistance-Food Distribution Program	4,884
Change in Assets and Liabilities	
(Increase)/Decrease in Inventory	11
Increase/(Decrease) in Accounts Payable	370
Increase/(Decrease) in Deferred Commodities Revenue (Unearned Revenue)	<u>109</u>
Total Adjustments	<u>5,953</u>
Net Cash Used by Operating Activities	<u>\$ (19,924)</u>
Non-Cash Investing, Capital and Financing Activities	
Value Received - Food Distribution Program	\$ 4,993

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

**RIVERDALE BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2013**

	Unemployment Compensation <u>Trust Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 9,360	\$ 14,545
Due from Other Funds	<u>10,502</u>	<u>535</u>
Total Assets	<u>19,862</u>	<u>\$ 15,080</u>
LIABILITIES		
Due to Student Groups		\$ 10,077
Due to Other Funds	\$ 535	26
Payroll Deductions Payable		1,873
Accounts Payable	<u>-</u>	<u>3,104</u>
Total Liabilities	<u>535</u>	<u>\$ 15,080</u>
NET POSITION		
Held in Trust for Unemployment Claims and Other Purposes (Deficit)	<u>\$ 19,327</u>	

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

**RIVERDALE BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Unemployment Compensation <u>Trust Fund</u>
ADDITIONS	
Contributions	
Employees	\$ 7,388
District	<u>18,000</u>
Total Contributions	25,388
Investment Earnings	
Interest	<u>12</u>
Total Additions	<u>25,400</u>
DEDUCTIONS	
Unemployment Claims and Contributions	<u>12,645</u>
Total Deductions	<u>12,645</u>
Change in Net Position	12,755
Net Position, Beginning of Year	<u>6,572</u>
Net Position, End of Year	<u>\$ 19,327</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Riverdale Board of Education (the "Board" or the "District") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of seven elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. 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 also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

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, 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 2013, the District adopted the following GASB statements:

- GASB 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.
- GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.
- GASB 65, *Items Previously Reported as Assets and Liabilities*, although not required to be implemented until next year, the District elected to apply the statement to the current year financial statements. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB 66, *Technical Corrections – 2012, an Amendment of GASB Statements 10 and 62*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
- GASB 67, *Financial Reporting for Pension Plans, an Amendment of GASB 25*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.
- GASB 68, *Accounting and Financial Reporting for Pensions*, will be effective beginning with the year ending June 30, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.

C. Basis of Presentation - Financial Statements

The basic 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.

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.

RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements (Continued)

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

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

Fund Financial Statements

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

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases 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 *debt service fund* accounts for the accumulation of resources for and the payment of principal and interest on long-term general obligation debt of governmental funds.

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

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (continued)

Additionally, the government reports the following fund type:

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

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".

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

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

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the district-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Board has elected not to follow private-sector guidance issued subsequent to December 1, 1989.

When both restricted and unrestricted resources are available for use, it is the government'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 at year-end is reported as deferred revenue.

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 estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

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

RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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:

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

5. *Deferred Outflows/Inflows of Resources*

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, one item, *deferred commodities revenue*, is 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 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.

7. *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.

RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. *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.

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

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2012 audited excess surplus that was appropriated in the 2013/2014 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2013 audited excess surplus that is required to be appropriated in the 2014/2015 original budget certified for taxes.

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

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

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

Debt Service – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

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

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

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

9. Reclassifications

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

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

3. Tuition Revenues and Expenditures

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

Tuition Expenditures - Tuition charges for the fiscal years 2011-2012 and 2012-2013 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

4. *Proprietary Funds, Operating and Non-Operating 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 are charges to customers for sales and services. Operating expenses for the enterprise fund 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 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service 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. The annual budget is voted upon at the annual school election on the third Tuesday in April.

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 2012/2013. During 2012/2013 the Board increased the original budget by \$294,676. The increase was funded by additional surplus appropriated, grant awards and the reappropriation of prior year general fund encumbrances. During the fiscal year authorized and approved additional fund balance appropriation of \$110,000 and \$113,960 from the general fund were made on July 11, 2012 and January 16, 2013 from the capital reserve, maintenance reserve and unassigned fund balance, respectively.

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.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2013 is as follows:

Balance, July 1, 2012		\$ 252,156
Increases		
Interest	\$ 194	
Deposits Approved by Board Resolution	<u>200,000</u>	
		<u>200,194</u>
		452,350
Withdrawals		
Approved by Board Resolution		<u>55,000</u>
Balance, June 30, 2013		<u>\$ 397,350</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Transfers to Capital Outlay

During the 2012/2013 school year, the district transferred \$55,000 to the non-equipment capital outlay accounts. The transfer was made from the capital reserve account to supplement a capital project eligible for state support and included in the long range facilities plan.

D. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved 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 reserve 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, 2013 is \$494,845. Of this amount, \$242,682 was designated and appropriated in the 2013/2014 original budget certified for taxes and the remaining amount of \$252,163 will be appropriated in the 2014/2015 original budget certified for taxes.

NOTE 3 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), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

Bank balances for interest bearing accounts are insured up to \$250,000 in the aggregate by the FDIC for each bank. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, temporary unlimited deposit insurance coverage was provided for non-interest bearing accounts from December 31, 2010 through December 31, 2012. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2013, the book value of the Board's deposits were \$1,548,728 and bank and brokerage firm balances of the Board's deposits amounted to \$2,122,278. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ <u>2,122,278</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2013 the Board's bank balances were not exposed to custodial credit risk.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, 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, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2013, the Board had no outstanding investments.

Interest Rate Risk – The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

B. Receivables

Receivables as of June 30, 2013 for the district's individual major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Enterprise Fund</u>	<u>Total</u>
Receivables:					
Intergovernmental-Other	\$ 13,142	\$ 40,541	\$ 27,880	\$ 2,372	\$ 83,935
Gross Receivables	13,142	40,541	27,880	2,372	83,935
Less: Allowance for Uncollectibles	-	-	-	-	-
Net Total Receivables	<u>\$ 13,142</u>	<u>\$ 40,541</u>	<u>\$ 27,880</u>	<u>\$ 2,372</u>	<u>\$ 83,935</u>

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

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

	<u>Unearned</u>
General Fund	
Tuition	\$ 3,000
Special Revenue Fund	
Unencumbered grant draw downs	2,500
Grant drawdowns reserved for encumbrances	2,482
Capital Projects Fund	
Schools Development Authority School Facility Grants	<u>9,698</u>
Total deferred revenue for governmental funds	<u>\$ 17,680</u>

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2013 was as follows:

	<u>Balance, July 1, 2012</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Balance, June 30, 2013</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 11,800			\$ 11,800
Construction in Progress	<u>27,231</u>	-	\$ (27,231)	<u>-</u>
Total capital assets, not being depreciated	<u>39,031</u>	<u>-</u>	<u>(27,231)</u>	<u>11,800</u>
Capital assets, being depreciated:				
Buildings and Building Improvements	6,774,642	\$ 210,000	16,263	7,000,905
Machinery and equipment	<u>285,040</u>	<u>64,932</u>	<u>10,968</u>	<u>360,940</u>
Total capital assets being depreciated	<u>7,059,682</u>	<u>274,932</u>	<u>27,231</u>	<u>7,361,845</u>
Less accumulated depreciation for:				
Buildings and Building Improvements	(1,927,880)	(184,962)		(2,112,842)
Machinery and equipment	<u>(261,536)</u>	<u>(17,588)</u>	-	<u>(279,124)</u>
Total accumulated depreciation	<u>(2,189,416)</u>	<u>(202,550)</u>	<u>-</u>	<u>(2,391,966)</u>
Total capital assets, being depreciated, net	<u>4,870,266</u>	<u>72,382</u>	<u>27,231</u>	<u>4,969,879</u>
Governmental activities capital assets, net	<u>\$ 4,909,297</u>	<u>\$ 72,382</u>	<u>\$ -</u>	<u>\$ 4,981,679</u>

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2012</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2013</u>
Business-type activities:				
Capital assets, being depreciated:				
Machinery and equipment	\$ 16,145	-	-	\$ 16,145
Total capital assets being depreciated	<u>16,145</u>	<u>-</u>	<u>-</u>	<u>16,145</u>
Less accumulated depreciation for:				
Machinery and equipment	(13,829)	\$ (579)	-	(14,408)
Total accumulated depreciation	<u>(13,829)</u>	<u>(579)</u>	<u>-</u>	<u>(14,408)</u>
Total capital assets, being depreciated, net	<u>2,316</u>	<u>579</u>	<u>-</u>	<u>1,737</u>
Business-type activities capital assets, net	<u>\$ 2,316</u>	<u>\$ 579</u>	<u>\$ -</u>	<u>\$ 1,737</u>

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

Governmental Activities:	
Instruction	
Regular	\$ <u>16,824</u>
Total Instruction	<u>16,824</u>
Support Services	
Support Services-Students	764
Operations and Maintenance of Plant	<u>184,962</u>
Total Support Services	<u>185,726</u>
Total depreciation expense - governmental activities	<u>\$ 202,550</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 579</u>

RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2013, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 35,559
General Fund	Capital Projects Fund	3,636
General Fund	Agency Fund	26
Unemployment Fund	General Fund	(10,502)
Food Service Enterprise Fund	General Fund	(11,391)
Agency Fund	Unemployment Trust Fund	535
		<u>\$ 17,863</u>

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

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

F. Leases

Capital Leases

The District is leasing copiers totaling \$46,780 under capital leases. The lease is for a term of 5 years.

The capital assets acquired through capital leases are as follows:

	Governmental <u>Activities</u>
Machinery and Equipment	<u>\$ 46,780</u>
Total	<u>\$ 46,780</u>

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

Capital Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2013 were as follows:

Fiscal Year Ending June 30	Governmental Activities
2014	10,589
2015	10,589
2016	10,590
2017	10,590
2018	<u>7,060</u>
Total minimum lease payments	49,418
Less: amount representing interest	<u>(5,408)</u>
Present value of minimum lease payments	<u>\$ 44,010</u>

G. Long-Term Debt

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2013 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 25,775,087
Less: Net Debt	<u>-</u>
Remaining Borrowing Power	<u>\$ 25,775,087</u>

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2013, was as follows:

	Balance, July 1, 2012	Increases	Reductions	Balance, June 30, 2013	Due Within One Year
Governmental activities:					
Bonds payable	\$ 316,000		\$ 316,000		
Capital Leases		\$ 46,780	2,770	\$ 44,010	\$ 8,590
Compensated absences payable	<u>16,147</u>	<u>-</u>	<u>-</u>	<u>16,147</u>	<u>-</u>
Governmental activity Long-term liabilities	<u>\$ 332,147</u>	<u>\$ 46,780</u>	<u>\$ 318,770</u>	<u>\$ 60,157</u>	<u>\$ 8,590</u>

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

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

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

The Pooled Insurance Programs of New Jersey provide 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 insurance fund are on file with the School's Business Administrator.

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

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

Fiscal Year Ended <u>June 30,</u>	District <u>Contributions</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2013	\$ 18,000	\$ 7,388	\$ 12,645	\$ 19,327
2012	26,109	7,856	24,879	6,572
2011	24,000	3,351	46,241	(2,519)

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 OTHER INFORMATION (Continued)

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2013, 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. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2013, the District had no estimated arbitrage earnings due to the IRS.

D. Employee Retirement Systems and Pension Plans

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

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, 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 and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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 and are considered in the annual actuarial calculation of the required State contribution for the system.

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, 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.

Basis of Accounting

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

Significant Legislation

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operate and to the benefit provisions of those systems.

The legislation's provisions impacting employee pension and health benefits include:

- For new members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS increased from age 62 to 65 for Tier 5 members.
- It increased the TPAF and PERS active member rates from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years for members hired or reappointed on or after June 28, 2011. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members takes place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension system's unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

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, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. 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.

Funding Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 67.5 percent with an unfunded actuarial accrued liability of \$41.7 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 60.8 percent and \$30.1 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 77.5 percent and \$11.6 billion.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2011 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) a revised investment rate of return for all retirement systems from 8.25 percent to 7.95 percent and (b) revised projected salary increases of 4.52 percent for the PERS and 3.90 percent for TPAF.

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 member 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 6.5% for PERS, 6.5% for TPAF and 5.50% for DCRP of the employee's annual compensation.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2013 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer 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.

During the years ended June 30, 2013, 2012 and 2011 the Board was required to contribute for PERS and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-Behalf <u>TPAF</u>
2013	\$ 43,729	\$ 148,383
2012	60,082	67,757
2011	54,560	6,331

The State contributed \$148,383 and \$67,757 during 2012/2013 and 2011/2012, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2010/2011, the State did not contribute to the TPAF for normal cost and accrued liability; however, the State contributed \$6,331 for the NCGI premium only.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$152,392 during the year ended June 30, 2013 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, along with the on-behalf TPAF pension contribution, has been included in the district-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are cost sharing multiple employer defined benefit plans.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 566 state and local participating employers and contributing entities for Fiscal Year 2012.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Health Benefits Program Fund (HBPF) – Local Education (including Prescription Drug Program Fund) – The State of New Jersey provides free coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides free coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

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.

Basis of Accounting

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

Significant Legislation

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the State had a \$48.9 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$18.0 billion for state active and retired members and \$30.9 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Funded Status and Funding Progress (Continued)

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2011, actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2012, there were 97,661, retirees receiving post-retirement medical benefits and the State contributed \$958.9 million on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education with 25 years of service. The State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2013, 2012 and 2011 were \$167,783, \$136,208 and \$134,474, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

BUDGETARY COMPARISON SCHEDULES

**RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 6,562,424		\$ 6,562,424	\$ 6,562,424	
Tuition	27,500		27,500	86,068	\$ 58,568
Interest	200		200	2,017	1,817
Unrestricted Miscellaneous Revenue	10,538	-	10,538	14,073	3,535
Total Local Sources	6,600,662	-	6,600,662	6,664,582	63,920
State Sources					
Special Education Aid	212,928		212,928	212,928	-
Transportation Aid	18,800		18,800	18,800	-
Security Aid	7,875		7,875	7,875	-
Extraordinary Aid				145,930	145,930
Non Public Transportation				4,162	4,162
On-behalf TPAF Pension Benefit Contribution (Non-Budget)				140,966	140,966
On-behalf TPAF Pension NCGI Premium (Non-Budget)				7,417	7,417
On-behalf TPAF Post Retirement Medical Contribution (Non-Budget)				167,783	167,783
On-behalf TPAF Social Security Contribution (Non-Budget)	-	-	-	152,392	152,392
Total State Sources	239,603	-	239,603	858,253	618,650
Federal Sources					
Ed Jobs Aid	-	-	-	-	-
Total Federal Sources	-	-	-	-	-
Total Revenues	6,840,265	-	6,840,265	7,522,835	682,570
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction					
Regular Programs					
Salaries of Teachers					
Preschool	86,653	-	86,653	82,904	3,749
Kindergarten	119,586	\$ 22,156	141,742	132,484	9,258
Grades 1-5	660,288	15,832	676,120	675,184	936
Grades 6-8	517,975	(39,083)	478,892	477,852	1,040
Regular Program - Home Instruction					
Salaries of Teachers		630	630	630	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	22,457	(17,847)	4,610	450	4,160
Other Purchased Services	40,000	(15,742)	24,258	18,624	5,634
General Supplies	72,000	64,590	136,590	117,081	19,509
Textbooks	15,000	-	15,000		15,000
Miscellaneous Expenditures	17,596	(2,000)	15,596	10,875	4,721
Total Regular Programs	1,551,555	28,536	1,580,091	1,516,084	64,007

**RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 102,170	-	\$ 102,170	\$ 102,170	
Other Salaries for Instruction	18,525	-	18,525	15,216	\$ 3,309
General Supplies	2,400	-	2,400	1,091	1,309
Textbooks	400	-	400	-	400
Total Learning and/or Language Disabilities	123,495	-	123,495	118,477	5,018
Resource Room/Resource Center					
Salaries of Teachers	170,503	\$ 360	170,863	170,862	1
General Supplies	2,000	(360)	1,640	897	743
Textbooks	600	-	600	-	600
Total Resource Room/Resource Center	173,103	-	173,103	171,759	1,344
Total Special Education - Instruction	296,598	-	296,598	290,236	6,362
Basic Skills/Remedial Instruction					
Salaries of Teachers	60,892	1	60,893	60,893	-
General Supplies	1,600	(1)	1,599	355	1,244
Textbooks	300	-	300	-	300
Total Basic Skills/Remedial Instruction	62,792	-	62,792	61,248	1,544
School Sponsored Cocurricular Activities					
Salaries	23,135	(1,254)	21,881	21,189	692
Supplies and Materials	1,200	(169)	1,031	1,031	-
Other Objects	2,500	1,423	3,923	3,922	1
Total School Sponsored Cocurricular Activities	26,835	-	26,835	26,142	693
School Sponsored Athletics					
Salaries	12,755	-	12,755	11,652	1,103
Supplies and Materials	2,200	-	2,200	1,602	598
Other Objects	4,000	-	4,000	3,104	896
Total School Sponsored Athletics	18,955	-	18,955	16,358	2,597
Total Instruction	1,956,735	28,536	1,985,271	1,910,068	75,203
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Regular	1,281,079	(40,497)	1,240,582	1,208,441	32,141
Tuition to Other LEAs Within the State-Special	459,661	4,365	464,026	457,176	6,850
Tuition to County Voc. School Dist-Regular	139,500	9,300	148,800	148,768	32
Tuition to County Voc. School Dist-Special	14,000	(4,020)	9,980	4,785	5,195
Tuition to Private Schools - Disabled - W/I State	462,489	74,635	537,124	364,137	172,987
Total Undistributed Expenditures - Instruction	2,356,729	43,783	2,400,512	2,183,307	217,205

**RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Attendance and Social Work Services					
Salaries	\$ 17,340	\$ 2,810	\$ 20,150	\$ 20,148	\$ 2
Total Attendance and Social Work Services	<u>17,340</u>	<u>2,810</u>	<u>20,150</u>	<u>20,148</u>	<u>2</u>
Undistributed Expenditures					
Health Services					
Salaries	67,050	40	67,090	66,842	248
Purchased Professional and Educational Services	2,700	(285)	2,415	863	1,552
Supplies and Materials	2,500	-	2,500	2,500	-
Other Objects	525	-	525	345	180
Total Health Services	<u>72,775</u>	<u>(245)</u>	<u>72,530</u>	<u>70,550</u>	<u>1,980</u>
Speech, OT, PT & Related Services					
Salaries	51,800	-	51,800	51,800	-
Purchased Professional - Educational Services	42,700	1,780	44,480	40,379	4,101
Supplies and Materials	500	-	500	97	403
Total Speech, OT, PT & Related Services	<u>95,000</u>	<u>1,780</u>	<u>96,780</u>	<u>92,276</u>	<u>4,504</u>
Other Support Serv. Students - Extra. Svcs.					
Salaries	53,235	100	53,335	45,413	7,922
Purchased Professional-Educational Services	61,698	9,993	71,691	37,176	34,515
Other Objects	300	-	300	-	300
Total Other Support Serv. Students - Extra. Svcs.	<u>115,233</u>	<u>10,093</u>	<u>125,326</u>	<u>82,589</u>	<u>42,737</u>
Guidance					
Salaries of Secretarial and Clerical Assistants	17,341	160	17,501	17,500	1
Supplies and Materials	2,500	-	2,500	1,922	578
Total Guidance	<u>19,841</u>	<u>160</u>	<u>20,001</u>	<u>19,422</u>	<u>579</u>
Child Study Teams					
Salaries of Other Professional Staff	153,400	-	153,400	152,916	484
Salaries of Secretarial and Clerical Assistants	43,028	1,650	44,678	43,643	1,035
Other Purchased Professional and Tech. Services	5,500	120	5,620	5,620	-
Supplies and Materials	2,225	213	2,438	2,438	-
Other Objects	225	(213)	12	-	12
Total Child Study Teams	<u>204,378</u>	<u>1,770</u>	<u>206,148</u>	<u>204,617</u>	<u>1,531</u>
Educational Media Services/School Library					
Salaries	31,075	1	31,076	31,075	1
Purchased Professional and Technical Services	17,000	(1)	16,999	15,805	1,194
Supplies and Materials	6,605	2,257	8,862	7,381	1,481
Total Educational Media Serv./School Library	<u>54,680</u>	<u>2,257</u>	<u>56,937</u>	<u>54,261</u>	<u>2,676</u>

**RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Instructional Staff Training Services					
Purchased Professional/Educational Services	\$ 14,275	-	\$ 14,275	\$ 1,416	\$ 12,859
Other Purchased Services - Travel	1,800	-	1,800	674	1,126
Total Instructional Staff Training Services	16,075	-	16,075	2,090	13,985
Support Services General Administration					
Salaries	219,155	\$ 250	219,405	219,342	63
Legal Services	15,000	413	15,413	11,500	3,913
Audit Fees	18,195	(640)	17,555	16,500	1,055
Architectural/Engineering Services	3,000	(2,701)	299	-	299
Other Purchased Professional Services	2,895	390	3,285	3,285	-
Communications/Telephone	17,000	1,524	18,524	18,524	-
BOE Other Purchased Services	8,000	(1,186)	6,814	4,114	2,700
Miscellaneous Purchased Services	17,976	2,129	20,105	20,103	2
General Supplies	2,750	280	3,030	2,520	510
Miscellaneous Expenditures	11,860	(921)	10,939	10,214	725
BOE Membership Dues and Fees	-	4,020	4,020	4,018	2
Total Support Services General Administration	315,831	3,558	319,389	310,120	9,269
Support Services School Administration					
Salaries of Principal/Asst. Principals	109,140	(1,500)	107,640	102,981	4,659
Supplies and Materials	7,500	(540)	6,960	6,744	216
Other Objects	1,500	2,040	3,540	3,540	-
Total Support Services School Administration	118,140	-	118,140	113,265	4,875
Central Services					
Salaries	121,100	1,315	122,415	122,412	3
Purchased Professional Services	11,950	3,317	15,267	6,426	8,841
Miscellaneous Purchased Services - Travel	7,600	-	7,600	261	7,339
Supplies and Materials	4,000	5,179	9,179	9,152	27
Miscellaneous Expenditures	1,000	-	1,000	437	563
Total Central Services	145,650	9,811	155,461	138,688	16,773
Required Maintenance for School Facilities					
Salaries	40,422	1,155	41,577	41,478	99
Cleaning, Repair and Maintenance Services	35,500	2,095	37,595	24,506	13,089
General Supplies	12,000	7,541	19,541	10,857	8,684
Total Required Maintenance for School Fac.	87,922	10,791	98,713	76,841	21,872

**RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Custodial Services					
Salaries	\$ 128,107	-	\$ 128,107	\$ 120,970	\$ 7,137
Purchased, Professional and Technical Services	3,500	\$ 1,037	4,537	4,537	-
Cleaning, Repair and Maintenance Service	14,000	(2,526)	11,474	5,784	5,690
Insurance	24,840	176	25,016	25,016	-
Miscellaneous Purchased Services - Travel	1,800	(176)	1,624	506	1,118
General Supplies	18,200	2,249	20,449	19,328	1,121
Energy (Gasoline)	51,777	(4,959)	46,818	23,655	23,163
Energy (Electricity)	95,932	5,316	101,248	69,405	31,843
Other Objects	500	-	500	-	500
Total Custodial Services	338,656	1,117	339,773	269,201	70,572
Student Transportation Services					
Salaries for Pupil Transportation					
(Between Home and School) - Regular	18,308	226	18,534	18,533	1
Contracted Serv (Bet. Home and Sch)-Vendors	148,500	-	148,500	136,182	12,318
Contracted Serv (Other than Bet Home & Sch)	6,377	268	6,645	4,562	2,083
Contracted Serv (Sp Ed Students)- Vendors	26,000	-	26,000	-	26,000
Contracted Serv.-Aid in Lieu of Payments	28,500	544	29,044	24,765	4,279
Contracted Serv. (Reg. Students)-ESCs & CTSAs	45,707	3,517	49,224	32,197	17,027
Contracted Serv. (Spl.Ed.Students)-ESCs & CTSAs	124,847	(11,231)	113,616	95,607	18,009
General Supplies	1,000	2,000	3,000	2,848	152
Miscellaneous Expenditures	850	(350)	500	210	290
Total Student Transportation Services	400,089	(5,026)	395,063	314,904	80,159
Unallocated Benefits-Employee Benefits					
Social Security Contributions	48,928	9,570	58,498	56,494	2,004
Other Retirement Contributions - PERS	50,200	-	50,200	43,729	6,471
Unemployment Compensation	18,000	12,000	30,000	18,000	12,000
Workmen's Compensation	37,715	-	37,715	35,150	2,565
Health Benefits	583,604	-	583,604	574,333	9,271
Tuition Reimbursement	5,000	-	5,000	-	5,000
Other Employee Benefits	4,547	-	4,547	-	4,547
Total Unallocated Benefits - Employee Benefits	747,994	21,570	769,564	727,706	41,858
On-behalf TPAF Pension Benefit Contribution (Non-Budget)					
				140,966	(140,966)
On-behalf TPAF Pension NCGI Premium (Non-Budget)					
				7,417	(7,417)
On-behalf TPAF Post Retirement Medical Contribution (Non-Budget)					
				167,783	(167,783)
On-behalf TPAF Social Security Contributions (Non-Budget)					
	-	-	-	152,392	(152,392)
Total Undistributed Expenditures	5,106,333	104,229	5,210,562	5,148,543	62,019
Total Expenditures - Current Expenditures	7,063,068	132,765	7,195,833	7,058,611	137,222

**RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures - Instruction	-	\$ 18,152	\$ 18,152	\$ 18,152	-
Total Equipment	-	18,152	18,152	18,152	-
Facilities and Acquisition and Construction Services					
Legal Services	\$ 1,000	(1,000)			-
Architectural/Engineering Services	6,000	(6,000)			-
Other Purchased Prof. and Tech. Services	1,200	(1,200)			-
Construction Services	118,174	135,412	253,586	210,000	\$ 43,586
Supplies & Materials	6,000	(6,000)			-
Assessment for Debt Service on SDA Funding	16,125	-	16,125	16,125	-
Total Facilities Acquis. and Const. Services	148,499	121,212	269,711	226,125	43,586
Assets Acquired under Capital Leases (Non-Budget)					
Equipment	-	-	-	46,780	(46,780)
Total Assets Acquired under Capital Leases	-	-	-	46,780	(46,780)
Interest to Capital Reserve	200	-	200	-	200
Total Capital Outlay	148,699	139,364	288,063	291,057	(2,994)
Total Expenditures	7,211,767	272,129	7,483,896	7,349,668	134,228
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(371,502)	(272,129)	(643,631)	173,167	816,798
Other Financing Sources (Uses)					
Capital Lease Proceeds	-	-	-	46,780	46,780
Total Other Financing (Uses)	-	-	-	46,780	46,780
Excess (Deficiency) of Revenues and Other Financing					
Sources Over/(Under) Expenditures and Other					
Financing Uses	(371,502)	(272,129)	(643,631)	219,947	863,578
Fund Balance, Beginning of Year	1,487,297	-	1,487,297	1,487,297	-
Fund Balance, End of Year	\$ 1,115,795	\$ (272,129)	\$ 843,666	\$ 1,707,244	\$ 863,578
Restricted Fund Balance:					
Excess Surplus - Designated for Subsequent Year's Budget				\$ 242,682	
Excess Surplus				252,163	
Capital Reserve				397,350	
Maintenance Reserve				350,000	
Assigned Fund Balance:					
Year-end Encumbrances				64,957	
Unassigned Fund Balance:				400,092	
				1,707,244	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: State Aid Payments Not Recognized on GAAP Basis					
Deferred State Aid Payment			\$ (22,346)		
Extraordinary Aid			(145,930)		
				(168,276)	
Fund Balance Per Governmental Funds (GAAP)				\$ 1,538,968	

**RIVERDALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Modified Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
Federal	\$ 93,431	\$ 22,547	\$ 115,978	\$ 115,978	
Other	-	-	-	-	-
Total Revenues	<u>93,431</u>	<u>22,547</u>	<u>115,978</u>	<u>115,978</u>	<u>-</u>
EXPENDITURES					
Instruction					
Tuition	71,655	(1,655)	70,000	70,000	
General Supplies	20,918	(8,203)	12,715	12,715	-
Total Instruction	<u>92,573</u>	<u>(9,858)</u>	<u>82,715</u>	<u>82,715</u>	<u>-</u>
Support Services					
Purchased Professional/Educational Services	858	30,505	31,363	31,363	
General Supplies	-	1,900	1,900	1,900	-
Total Support Services	<u>858</u>	<u>32,405</u>	<u>33,263</u>	<u>33,263</u>	<u>-</u>
Capital Outlay- Instructional Equipment	-	-	-	-	-
Total Expenditures	<u>93,431</u>	<u>22,547</u>	<u>115,978</u>	<u>115,978</u>	<u>-</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

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

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

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1) \$	7,522,835	(C-2) \$	115,978
Difference - Budget to GAAP:				
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements (prior year)		131,676		
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements (current year)		(168,276)		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
Encumbrances, Prior Year		-		(2,482)
Encumbrances, Current Year		-		(2,482)
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) \$	<u>7,486,235</u>	(B-2) \$	<u>113,496</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$	7,349,668	(C-2) \$	115,978
Differences - Budget to GAAP				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.				
Encumbrances, June 30, 2012		-		(2,482)
Encumbrances, June 30, 2013		-		(2,482)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$	<u>7,349,668</u>	(B-2) \$	<u>113,496</u>

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, 2013

	IDEA Part B Basic	IDEA Part B Preschool	NCLB Title I	NCLB Title II-A	NCLB Title III	Race to the Top 3	Total 2013
REVENUES							
Intergovernmental	\$ 86,123	\$ 3,390	\$ 19,534	\$ 4,624	\$ 783	\$ 1,524	\$ 115,978
Federal	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total Revenues	\$ 86,123	\$ 3,390	\$ 19,534	\$ 4,624	\$ 783	\$ 1,524	\$ 115,978
EXPENDITURES							
Instruction	\$ 70,000						\$ 70,000
Tuition	4,923	1,590	5,534	-	668	-	12,715
General Supplies							
Total Instruction	74,923	1,590	5,534	-	668	-	82,715
Support Services							
Purchased Professional/Educational Services	10,000	1,100	14,000	4,624	115	1,524	31,363
General Supplies	1,200	700	-	-	-	-	1,900
Total Support Services	11,200	1,800	14,000	4,624	115	1,524	33,263
Capital Outlay- Instructional Equipment	-	-	-	-	-	-	-
Total Expenditures	\$ 86,123	\$ 3,390	\$ 19,534	\$ 4,624	\$ 783	\$ 1,524	\$ 115,978

**RIVERDALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOT APPLICABLE

CAPITAL PROJECTS FUND

RIVERDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance, June 30, 2013</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Window Replacement at Riverdale Public School	\$ 69,700	\$ 45,456	\$ -	\$ 24,244
	<u>\$ 69,700</u>	<u>\$ 45,456</u>	<u>\$ -</u>	<u>\$ 24,244</u>
Reconciliation to GAAP				
		Project Balance - Budgetary Basis, June 30, 2013		\$ 24,244
		Less:		
		Unearned EDA Grant Revenue		<u>(9,698)</u>
		Fund Balance - GAAP, June 30, 2013		<u>\$ (9,698)</u>

**RIVERDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Revenues and Other Financing Sources

State Sources- SCC Grant	
Other Local Sources - Capital Reserve	
Interest on Investments	
Transfer in Debt Service Fund	-
	-
 Total Revenues and Other Financing Sources	 -

Expenditures and Other Financing Uses

Construction Services	
Purchased Professional and Technical Services	
Prior Year Expenditures Paid by General Fund	-
	-
 Total Expenditures and Other Financing Uses	 -

Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	-
--	---

Fund Balance - Beginning of Year	\$ 24,244
----------------------------------	-----------

Fund Balance- Ending of Year	\$ 24,244
------------------------------	-----------

Reconciliation to GAAP

Fund Balance - Ending - Budgetary Basis	\$	24,244
Less: Unearned EDA Grant Revenue		(9,698)
		14,546
Fund Balance, June 30, 2013 GAAP	\$	14,546

**RIVERDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WINDOW REPLACEMENT AT THE RIVERDALE PUBLIC SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 27,880		\$ 27,880	\$ 27,880
Other Local Sources - Capital Reserve	<u>41,820</u>	<u>-</u>	<u>41,820</u>	<u>41,820</u>
 Total Revenues	 <u>69,700</u>	 <u>-</u>	 <u>69,700</u>	 <u>69,700</u>
Expenditures and Other Financing Uses				
Construction Services	38,456		38,456	62,700
Purchased Professional and Technical Services	7,000		7,000	7,000
Unallocated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Expenditures	 <u>45,456</u>	 <u>-</u>	 <u>45,456</u>	 <u>69,700</u>
 Excess of Revenue Over Expenditures	 <u>\$ 24,244</u>	 <u>\$ -</u>	 <u>\$ 24,244</u>	 <u>\$ -</u>

Additional Project Information:	
Project Number	4440-050-09-1003
Grant Date	FY 2010
Bond Authorization Date	
Bonds Authorized	
Bonds Issued	
Original Authorized Cost	\$ 69,700
Additional Authorized Cost	-
Revised Authorized Cost	69,700
 Percentage Increase Over Original Authorized Cost	
	0.00%
Percentage Completion	
	65%
Original Target Completion Date	
	Sep-10
Revised Target Completion Date	
	Sep-12

ENTERPRISE FUND

**RIVERDALE BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2013**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

RIVERDALE BOARD OF EDUCATION
 FIDUCIARY FUNDS
 COMBINING STATEMENT OF NET POSITION
 AS OF JUNE 30, 2013

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 13,181	\$ 1,364	\$ 14,545
Due from Other Funds	<u>-</u>	<u>535</u>	<u>535</u>
 Total Assets	 <u>\$ 13,181</u>	 <u>\$ 1,899</u>	 <u>\$ 15,080</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 1,873	\$ 1,873
Accounts Payable	\$ 3,104		3,104
Due to Other Funds		26	26
Due to Student Groups	<u>10,077</u>	<u>-</u>	<u>10,077</u>
 Total Liabilities	 <u>\$ 13,181</u>	 <u>\$ 1,899</u>	 <u>\$ 15,080</u>

**RIVERDALE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Balance, July 1, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance, June 30, 2013</u>
Elementary School				
Programs and Activities	\$ 11,694	\$ 42,882	\$ 41,395	\$ 13,181
Athletics	-	2,421	2,421	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total All Schools	<u>\$ 11,694</u>	<u>\$ 45,303</u>	<u>\$ 43,816</u>	<u>\$ 13,181</u>

**RIVERDALE BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Balance, July 1, <u>2012</u>	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>2013</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 1,369	\$ 1,193,757	\$ 1,193,253	\$ 1,873
Accrued Salaries and Wages		1,848,960	1,848,960	-
Due To/From Other Funds	(330)	11,025	11,230	(535)
Due To/From Other Funds	<u>26</u>	<u>57,933</u>	<u>57,933</u>	<u>26</u>
 Total	 <u>\$ 1,065</u>	 <u>\$ 3,111,675</u>	 <u>\$ 3,111,376</u>	 <u>\$ 1,364</u>

LONG-TERM DEBT

RIVERDALE BOARD OF EDUCATION
 LONG-TERM DEBT
 SCHEDULE OF SERIAL BONDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Annual Maturities Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2012</u>	<u>Matured</u>	<u>Balance, June 30, 2013</u>
School Improvements	4/1/2003	\$ 2,686,000				\$ 316,000	\$ 316,000	-
						\$ 316,000	\$ 316,000	\$ -

**RIVERDALE BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Increased by Copier Lease 2012/14	\$ 46,780
Decreased by Payments	<u>(2,770)</u>
Balance June 30, 2013	<u>44,010</u>

**RIVERDALE BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

REVENUES	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Local Sources					
Local Tax Levy	\$ 325,638	-	\$ 325,638	\$ 325,638	-
Total Revenues	325,638	-	325,638	325,638	-
EXPENDITURES					
Regular Debt Service					
Principal	316,000		316,000	316,000	
Interest	9,638		9,638	9,638	
Total Expenditures	325,638	-	325,638	325,638	-
Other Finance Sources (Uses)					
Transfers In - Capital Projects					
Transfers Out - Capital Projects	-	-	-	-	-
Total Other Finance Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	1	-	1	1	-
Fund Balance, End of Year	\$ 1	\$ -	\$ 1	\$ 1	\$ -

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Invested in capital assets, net of related debt										
Restricted	\$ 2,704,080	\$ 3,291,582	\$ 3,489,563	\$ 3,590,617	\$ 3,790,638	\$ 3,948,130	\$ 4,104,235	\$ 4,454,224	\$ 4,593,297	\$ 4,937,669
Unrestricted	(527,981)	20,966	17,120	158,000	150,662	212,492	132,548	173,243	471,703	761,897
Total governmental activities net position	\$ 2,176,179	\$ 3,729,540	\$ 3,908,558	\$ 3,970,439	\$ 4,330,516	\$ 4,505,395	\$ 4,815,247	\$ 5,431,521	\$ 5,944,909	\$ 6,475,037
Business-type activities										
Invested in capital assets, net of related debt										
Restricted	\$ 7,108	\$ 7,045	\$ 13,783	\$ 10,564	\$ 12,690	\$ 13,399	\$ 12,268	\$ 12,042	\$ 16,004	\$ 22,031
Unrestricted	(7,108)	(7,045)	(13,783)	(10,564)	(12,690)	(13,399)	(12,268)	(12,042)	(18,320)	(23,768)
Total business-type activities net position	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
District-wide										
Invested in capital assets, net of related debt										
Restricted	\$ 2,704,080	\$ 3,291,582	\$ 3,489,563	\$ 3,590,617	\$ 3,790,638	\$ 3,948,130	\$ 4,104,235	\$ 4,454,224	\$ 4,595,613	\$ 4,939,406
Unrestricted	(520,792)	20,966	17,120	158,000	150,662	212,492	132,548	173,243	471,703	761,897
Total district net position	\$ 2,183,287	\$ 3,736,585	\$ 3,922,141	\$ 3,981,005	\$ 4,343,206	\$ 4,518,794	\$ 4,827,515	\$ 5,443,563	\$ 5,963,229	\$ 6,498,805

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

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities										
Instruction										
Regular	\$ 2,017,237	\$ 2,493,438	\$ 2,255,994	\$ 2,850,563	\$ 3,089,022	\$ 3,242,150	\$ 3,177,713	\$ 3,109,283	\$ 3,285,868	\$ 3,520,307
Special education	616,946	709,623	837,270	828,102	895,111	891,369	1,039,953	1,083,073	1,324,189	1,324,401
Other instruction	81,244	83,314	129,186	137,296	103,937	95,526	78,805	77,082	64,166	95,630
School Sponsored Activities and Athletics	56,039	51,531	46,687	47,734	49,951	47,788	51,500	46,182	44,620	53,725
Support Services:										
Student & instruction related services	679,431	732,438	692,852	725,660	808,565	776,216	742,370	727,129	725,022	742,748
School Administrative services	202,295	123,446	116,204	141,320	140,338	147,913	143,618	155,359	158,062	401,219
General administration	319,856	237,146	284,365	306,259	317,051	289,811	357,519	377,459	377,719	160,922
Central Services		135,289	127,041	167,664	116,044	105,875	117,882	184,050	173,254	180,530
Plant operations and maintenance	327,861	391,438	533,834	544,961	605,354	732,641	633,581	617,942	594,606	586,531
Pupil transportation	190,430	237,853	244,360	273,557	297,076	327,890	344,832	330,178	345,811	321,239
Other support services	196,251									
Interest on long-term debt	100,688	73,269	151,504	90,917	75,869	42,176	39,587	23,744	14,363	7,989
Total governmental activities expenses	<u>4,788,278</u>	<u>5,268,785</u>	<u>5,419,297</u>	<u>6,114,033</u>	<u>6,498,318</u>	<u>6,699,355</u>	<u>6,727,360</u>	<u>6,731,481</u>	<u>7,107,680</u>	<u>7,395,241</u>
Business-type activities:										
Food service	60,241	67,801	64,984	76,797	75,038	75,568	81,876	82,704	85,691	77,998
Total business-type activities expense	<u>60,241</u>	<u>67,801</u>	<u>64,984</u>	<u>76,797</u>	<u>75,038</u>	<u>75,568</u>	<u>81,876</u>	<u>82,704</u>	<u>85,691</u>	<u>77,998</u>
Total district expenses	<u>\$ 4,848,519</u>	<u>\$ 5,336,586</u>	<u>\$ 5,484,281</u>	<u>\$ 6,190,830</u>	<u>\$ 6,573,356</u>	<u>\$ 6,774,923</u>	<u>\$ 6,809,236</u>	<u>\$ 6,814,185</u>	<u>\$ 7,193,371</u>	<u>\$ 7,473,239</u>
Program Revenues										
Governmental activities:										
Charges for Services					\$ 33,077	\$ 14,900	\$ 25,000	\$ 28,680	\$ 25,200	\$ 86,068
Operating grants and contributions	\$ 662,500	\$ 666,262	\$ 721,222	\$ 837,763	860,885	602,589	785,816	569,945	755,121	935,149
Capital grants and contributions	-	1,267,799	21,190	13,278	-	53,363	10,393	84,859	-	-
Total governmental activities program revenues	<u>662,500</u>	<u>1,934,061</u>	<u>742,412</u>	<u>851,041</u>	<u>893,962</u>	<u>670,852</u>	<u>821,209</u>	<u>683,484</u>	<u>780,321</u>	<u>1,021,217</u>
Business-type activities:										
Charges for services										
Food service	\$ 51,392	\$ 55,733	\$ 58,113	\$ 60,283	\$ 64,410	\$ 62,395	\$ 62,634	\$ 60,843	\$ 62,505	\$ 52,121
Operating grants and contributions	8,265	9,501	11,109	11,477	12,754	13,882	18,111	21,635	29,464	31,307
Total business-type activities program revenues	<u>59,757</u>	<u>65,234</u>	<u>69,222</u>	<u>71,760</u>	<u>77,164</u>	<u>76,277</u>	<u>80,745</u>	<u>82,478</u>	<u>91,969</u>	<u>83,428</u>
Total district program revenues	<u>\$ 722,257</u>	<u>\$ 1,999,295</u>	<u>\$ 811,634</u>	<u>\$ 922,801</u>	<u>\$ 971,126</u>	<u>\$ 747,129</u>	<u>\$ 901,954</u>	<u>\$ 765,962</u>	<u>\$ 872,290</u>	<u>\$ 1,104,645</u>
Net (Expense)/Revenue										
Governmental activities	\$ (4,125,778)	\$ (3,334,724)	\$ (4,676,885)	\$ (5,262,992)	\$ (5,604,356)	\$ (6,028,503)	\$ (5,906,151)	\$ (6,047,997)	\$ (6,327,359)	\$ (6,374,024)
Business-type activities	(484)	(2,567)	4,238	(5,037)	2,126	709	(1,131)	(226)	6,278	5,430
Total district-wide net expense	<u>\$ (4,126,262)</u>	<u>\$ (3,337,291)</u>	<u>\$ (4,672,647)</u>	<u>\$ (5,268,029)</u>	<u>\$ (5,602,230)</u>	<u>\$ (6,027,794)</u>	<u>\$ (5,907,282)</u>	<u>\$ (6,048,223)</u>	<u>\$ (6,321,081)</u>	<u>\$ (6,368,594)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 4,576,848	\$ 4,528,995	\$ 4,732,704	\$ 5,138,915	\$ 5,847,010	\$ 6,037,484	\$ 6,251,522	\$ 6,611,738	\$ 6,816,628	\$ 6,888,062
Unrestricted state & federal aid	39,807	52,665	53,336	53,336	64,621	142,385	47,117	7,092	11,802	16,090
EDA grant revenue	410,168									
Investment earnings	47,354	25,119	3,536	24,087	23,262	13,875	384			
Miscellaneous income	22,461	36,899	66,127	110,553	29,540	9,638	16,980	45,441	12,317	
Transfers				(1,818)	-	-	(100,000)			
Cancellation of Accounts Receivable										
Total governmental activities	<u>5,096,578</u>	<u>4,643,678</u>	<u>4,855,703</u>	<u>5,325,073</u>	<u>5,964,433</u>	<u>6,203,382</u>	<u>6,216,003</u>	<u>6,664,271</u>	<u>6,840,747</u>	<u>6,904,152</u>
Business-type activities:										
Transfers	1,205	2,504	2,500	1,818	-	-	-	-	-	-
Miscellaneous Income										18
Total business-type activities	<u>1,205</u>	<u>2,504</u>	<u>2,500</u>	<u>1,818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18</u>
Total district-wide	<u>\$ 5,097,783</u>	<u>\$ 4,646,182</u>	<u>\$ 4,858,203</u>	<u>\$ 5,326,891</u>	<u>\$ 5,964,433</u>	<u>\$ 6,203,382</u>	<u>\$ 6,216,003</u>	<u>\$ 6,664,271</u>	<u>\$ 6,840,747</u>	<u>\$ 6,904,170</u>
Change in Net Position										
Governmental activities	\$ 970,800	\$ 1,308,954	\$ 178,818	\$ 62,081	\$ 360,077	\$ 174,879	\$ 309,852	\$ 616,274	\$ 513,388	\$ 530,128
Business-type activities	721	(63)	6,738	(3,219)	2,126	709	(1,131)	(226)	6,278	5,448
Total district	<u>\$ 971,521</u>	<u>\$ 1,308,891</u>	<u>\$ 185,556</u>	<u>\$ 58,862</u>	<u>\$ 362,203</u>	<u>\$ 175,588</u>	<u>\$ 308,721</u>	<u>\$ 616,048</u>	<u>\$ 519,666</u>	<u>\$ 535,576</u>

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

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 609,477	\$ 366,907	\$ 278,484	\$ 222,065	\$ 346,618	\$ 273,122	\$ 372,156			
Unreserved	113,109	257,214	261,899	230,830	307,699	341,585	247,859			
Restricted										
Committed										
Assigned										
Unassigned										
Total general fund	<u>\$ 722,586</u>	<u>\$ 624,121</u>	<u>\$ 540,383</u>	<u>\$ 452,895</u>	<u>\$ 654,317</u>	<u>\$ 614,707</u>	<u>\$ 620,015</u>	<u>\$ 1,027,244</u>	<u>\$ 1,355,621</u>	<u>\$ 1,538,968</u>
All Other Governmental Funds										
Reserved	\$ 3,654,991						\$ 194,160	\$ (6,597)	\$ 14,547	\$ 14,547
Unreserved	(950,911)	20,966	(82,368)	(49,262)	(49,261)	4,102	(48,223)			
Total all other governmental funds	<u>\$ 2,704,080</u>	<u>\$ 20,966</u>	<u>\$ (82,368)</u>	<u>\$ (49,262)</u>	<u>\$ (49,261)</u>	<u>\$ 4,102</u>	<u>\$ 145,937</u>	<u>\$ (6,597)</u>	<u>\$ 14,547</u>	<u>\$ 14,547</u>

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchically based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

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

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Tax levy	\$ 4,576,848	\$ 4,528,995	\$ 4,732,704	\$ 5,138,915	\$ 5,847,010	\$ 6,037,484	\$ 6,251,522	\$ 6,611,738	\$ 6,816,628	\$ 6,888,062
Interest earnings	47,354	25,119	3,536	24,087	23,262	13,875	384		991	2,017
Tuition								28,680	25,200	86,068
Miscellaneous	22,961	36,899	92,726	113,553	62,617	29,538	41,980	45,441	11,349	14,073
State sources	1,039,903	1,902,684	669,278	806,720	834,166	700,177	671,580	559,144	643,792	821,653
Federal sources	72,012	84,042	99,871	94,657	91,340	93,161	171,746	102,752	123,108	113,496
Total revenue	5,759,078	6,577,739	5,598,115	6,177,932	6,858,395	6,874,235	7,137,212	7,347,755	7,621,068	7,925,369
Expenditures										
Instruction										
Regular instruction	2,020,788	2,345,291	2,317,602	2,849,482	3,088,474	3,233,389	3,166,942	3,098,042	3,282,837	3,503,483
Special education instruction	615,202	708,218	851,162	828,102	895,111	891,369	1,039,953	1,083,073	1,326,361	1,324,401
Other instruction	80,663	83,314	130,746	137,441	103,356	99,369	78,805	77,085	64,427	95,630
School sponsored activities and athletics	56,039	51,531	46,687	47,734	49,951	47,788	51,500	46,182	44,821	53,725
Support Services:										
Student & inst. related services	684,086	728,103	701,349	719,854	802,959	770,610	737,590	722,349	727,155	741,984
General administration	311,270	283,934	285,065	306,259	317,051	289,811	357,519	385,710	379,279	401,219
School administrative services	202,295	119,441	138,052	139,931	138,949	146,524	142,230	153,971	158,852	160,922
Central services		126,723	138,005	167,664	116,044	105,875	117,882	184,050	174,131	180,530
Plant operations and maintenance	324,082	387,950	387,821	388,908	434,451	560,320	465,606	449,967	416,571	401,569
Pupil transportation	185,886	233,309	240,932	270,129	293,648	324,462	341,405	326,751	345,944	321,239
Other Support Services	190,013									
Capital outlay	1,270,447	3,978,939	146,894	39,052	72,633	76,252	68,159	242,942	27,231	274,932
Debt service:										
Principal	225,000	235,000	245,000	255,000	260,000	270,000	280,000	295,000	305,000	318,770
Interest and other charges	81,923	75,061	153,372	80,940	84,345	44,713	42,478	27,938	18,940	10,398
Total expenditures	6,247,694	9,356,814	5,782,687	6,230,496	6,656,972	6,860,482	6,890,069	7,093,060	7,271,547	7,788,802
Excess (Deficiency) of revenues over (under) expenditures	(488,616)	(2,779,075)	(184,572)	(52,564)	201,423	13,753	247,143	254,695	349,521	136,567
Other Financing sources (uses)										
Transfers in	37,287	29,355	3,536	24,087		764	261,910		21,143	
Transfers out	(38,492)	(31,859)	(6,036)	(25,905)	-	(764)	(261,910)		(21,143)	
Capital Lease Proceeds										46,780
Cancellation of Accounts Receivable	-	-	-	-	-	-	(100,000)			
Total other financing sources (uses)	(1,205)	(2,504)	(2,500)	(1,818)	-	-	(100,000)	-	-	46,780
Net change in fund balances	\$ (489,821)	\$ (2,781,579)	\$ (187,072)	\$ (54,382)	\$ 201,423	\$ 13,753	\$ 147,143	\$ 254,695	\$ 349,521	\$ 183,347
Debt service as a percentage of noncapital expenditures	6.17%	5.77%	7.07%	5.70%	5.23%	4.64%	4.73%	4.71%	4.47%	4.38%

* Noncapital expenditures are total expenditures less capital outlay.

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

<u>Fiscal Year Ended June 30</u>	<u>Tuition</u>	<u>Other</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 86,068	\$ 14,073	\$ 2,017	\$ 102,158
2012	25,200	11,326	991	37,517
2011	28,680	45,441		74,121
2010	25,000	16,980	384	42,364
2009	14,900	14,638	13,875	43,413
2008	33,077	29,540	23,262	85,879
2007	52,033	5,077	32,923	90,033
2006		66,127	26,599	92,726
2005		20,264	12,399	32,663
2004	13,180	9,281	10,067	32,528

* Source: School District's Financial Statements

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

Fiscal Year Ended June 30,	Vacant Land		Residential	Farm Reg.	Qfarm	Commercial		Industrial	Apartment	Total Assessed Value	Public Utilities		Net Valuation Taxable	Estimated Actual Value (County Equalized)	Total Direct School Tax Rate ^a
	\$					\$					\$				
2004	\$ 31,048,500		\$ 179,910,400		\$ 3,800	\$ 89,395,550	\$ 30,568,800	\$ 296,600	\$ 331,223,650	\$ 5,345,508	\$ 356,569,158	\$ 488,768,591	\$ 1.338		
2005	75,865,800		385,679,200		3,900	144,102,100	48,343,700	1,634,600	655,629,300	7,811,449	663,440,749	655,629,300	0.692		
2006	68,703,400		421,375,250		3,900	144,650,900	48,243,700	1,646,700	684,623,850	7,811,449	692,435,299	657,921,748	0.707		
2007	61,518,300		505,020,000		5,600	167,336,900	39,583,100	1,646,700	775,110,600	6,759,635	781,870,235	819,745,192	0.696		
2008	44,919,300		532,729,300		5,600	211,390,000	43,368,700	1,646,700	834,683,800	6,751,997	841,435,797	890,190,236	0.702		
2009	30,846,100		552,982,300	\$ 624,200	5,600	215,911,400	45,667,000	1,646,700	847,683,300	7,152,016	854,835,316	N/A	0.715		
2010	38,432,000		601,005,670	624,200	5,600	218,057,760	43,401,400	1,452,800	894,979,430	6,858,306	901,837,736	958,019,399	0.713		
2011	25,297,000		574,725,450	624,200	1,700	218,808,300	43,401,400	1,460,800	864,318,850	7,430,677	871,749,527	894,021,098	0.734		
2012	24,519,800		574,056,730	624,200	5,600	259,597,000	43,301,400	1,452,800	903,557,530	7,245,200	910,802,730	854,563,669	0.749		
2013	18,334,400		481,793,800	465,400	5,600	209,935,500	42,536,200	40,794,000	793,864,900	7,430,677	801,295,577	882,433,241	0.864		

Source: County Abstract of Rates

^a Tax rates are per \$100

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

Calendar <u>Year</u>	<u>Total</u>	Local School <u>District</u>	<u>Municipality</u>	<u>County</u>
2013	\$1.814	\$0.864	\$0.673	\$0.277
2012	1.517	0.749	0.539	0.229
2011	1.492	0.734	0.526	0.232
2010	1.47	0.713	0.510	0.244
2009	1.44	0.715	0.488	0.239
2008	1.44	0.702	0.489	0.247
2007	1.42	0.696	0.474	0.250
2006	1.30	0.707	0.353	0.240
2005 (1)	1.26	0.692	0.353	0.215
2004	2.42	1.338	0.673	0.409

(1) Revaluation

Source: Tax Collector

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

Taxpayer	2013		2004	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Riverdale Crossing	\$ 48,155,500	6.01%		
Riverdale Road Development, LLC	39,500,500	4.93%		
Target Corp.	18,942,800	2.36%		
Quarry	19,364,600	2.42%	\$15,952,100	4.74%
Cresskill Hills	17,780,900	2.22%		
Heller			14,899,600	4.43%
Home Depot	14,670,200	1.83%	13,300,000	3.95%
Riverdale Square	9,375,000	1.17%	5,761,900	1.71%
Sava			5,692,700	1.69%
Filtra Corp	7,086,000	0.88%	5,202,800	1.55%
Riverdale Associates			4,502,200	1.34%
Verizon	7,245,200	0.90%	3,702,328	1.10%
Cho & Nam Associates LLC	6,308,000	0.79%		
90 Riverdale LLC			3,563,900	1.06%
East Garden			3,312,600	0.98%
	<u>\$ 188,428,700</u>	<u>23.52%</u>	<u>\$75,890,128</u>	<u>22.55%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2004	\$ 4,576,848	\$ 4,576,848	100.00%	-
2005	4,528,995	4,528,995	100.00%	-
2006	4,732,704	4,732,704	100.00%	-
2007	5,138,915	5,138,915	100.00%	-
2008	5,847,010	5,847,010	100.00%	-
2009	6,037,484	6,037,484	100.00%	-
2010	6,251,522	6,251,522	100.00%	-
2011	6,611,738	6,611,738	100.00%	-
2012	6,816,628	6,816,628	100.00%	-
2013	6,888,062	6,888,062	100.00%	-

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			Population	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Project Anticipation Notes	Capital Leases	Total District			
2005	\$ 2,226,000	N/A	N/A	\$ 2,500,000	N/A	\$ 4,726,000	2,593	\$ 1,823	
2006	1,981,000	N/A	N/A	2,200,000	N/A	4,181,000	4,849	862	
2007	1,726,000	N/A	N/A	850,000	N/A	2,576,000	5,033	512	
2008	1,466,000	N/A	N/A	750,000	N/A	2,216,000	5,235	423	
2009	1,196,000	N/A	N/A	300,000	N/A	1,496,000	5,632	266	
2010	916,000	N/A	N/A	-	N/A	916,000	3,561	257	
2011	621,000	N/A	N/A	-	N/A	621,000	3,579	174	
2012	316,000	N/A	N/A	-	N/A	316,000	3,935	80	
2013	-	N/A	44,010	-	N/A	44,010	3,935	11	

Source: District records

* Estimate

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only nine years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2005	\$ 2,226,000	-	\$ 2,226,000	0.34%	\$ 858
2006	1,981,000		1,981,000	0.29%	409
2007	1,726,000		1,726,000	0.22%	343
2008	1,466,000		1,466,000	0.17%	280
2009	1,196,000		1,196,000	0.14%	212
2010	916,000		916,000	0.10%	257
2011	621,000		621,000	0.07%	174
2012	316,000		316,000	0.03%	80
2013	-		-	0.00%	-

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only nine years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**RIVERDALE BOARD OF EDUCATION
 COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
 FOR YEAR ENDED JUNE 30, 2013
 (Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt			
Borough of Riverdale (1)	\$ 9,736,750	\$ 7,104,322	\$ 2,632,428
Total Direct Debt	<u>\$ 9,736,750</u>	<u>\$ 7,104,322</u>	2,632,428
Net Overlapping Debt of School District:			
County of Morris - Borough's Share			<u>2,328,115</u>
Total Direct and Overlapping Debt			<u>\$ 4,960,543</u>

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

(1) Borough of Riverdale 2012 Annual Debt Statement

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

Legal Debt Margin Calculation for Fiscal Year 2012

	Equalized valuation basis
	2012 \$ 862,914,268
	2011 841,784,410
	2010 872,810,055
	<u>\$ 2,577,508,733</u>
Average equalized valuation of taxable property	\$ 859,169,578
Debt limit (3% of average equalization value)	25,775,087
Total Net Debt Applicable to Limit	-
Legal debt margin	<u>\$ 25,775,087</u>

Fiscal Year June 30,

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 13,590,436	\$ 15,848,221	\$ 18,401,691	\$ 21,460,632	\$ 24,020,177	\$ 25,850,388	\$ 26,421,447	\$ 26,100,976	\$ 25,775,087
Total net debt applicable to limit	<u>2,228,432</u>	<u>1,983,432</u>	<u>1,728,432</u>	<u>1,468,432</u>	<u>1,198,432</u>	<u>916,000</u>	<u>621,000</u>	<u>316,000</u>	
Legal debt margin	<u>\$ 11,362,004</u>	<u>\$ 13,864,789</u>	<u>\$ 16,673,259</u>	<u>\$ 19,992,200</u>	<u>\$ 22,821,745</u>	<u>\$ 24,934,388</u>	<u>\$ 25,800,447</u>	<u>\$ 25,784,976</u>	<u>\$ 25,775,087</u>
Total net debt applicable to the limit as a percentage of debt limit	16.40%	12.52%	9.39%	6.84%	4.99%	3.54%	2.35%	1.21%	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 N.J.S.A. 18A:24-19 for a K through I2 district; other % limits would be applicable for other district types.

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income</u>	<u>Population</u>
2013	N/A	\$71,730 *	3,935 *
2012	9.9%	71,730 *	3,935
2011	9.5%	71,730	3,579
2010	9.8%	69,811	3,561
2009	9.7%	67,614	5,632
2008	5.7%	74,025	5,235
2007	4.3%	71,191	5,033
2006	4.8%	67,918	4,849
2005	4.6%	62,930	2,593
2004	5.0%	60,780	2,598

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

* Estimate

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

<u>Employer</u>	<u>2013</u>		<u>2004</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Instruction								
Regular	24.10	23.00	22.30	22.70	28.70	26.70	25.50	24.5
Special education	6.3	7.2	7.2	6	5.5	6		
Other special education								
Vocational								
Other instruction								
Nonpublic school programs								
Adult/continuing education programs								
Support Services:								
Student & instruction related services	9.2	7.8	7.8	6.6	6	7	9	9
General administration	1.5	2	2	2	2	2	2	2
School administrative services	1	1	1	1	1	1	2	2
Other administrative services		0.09	0.09	0.5	1	1	1	1
Central services	1.3	1	1	0.5	0.5	0.5	1	1
Administrative Information Technology					0.5	1	1	1
Plant operations and maintenance	4.1	4.5	4.5	4.5	3.5	3.5	4	3
Pupil transportation	0.3	0.3	0.3	1				
Other support services								
Special Schools								
Food Service								
Child Care								
Total	<u>47.8</u>	<u>46.9</u>	<u>46.2</u>	<u>44.8</u>	<u>48.7</u>	<u>48.7</u>	<u>45.5</u>	<u>43.0</u>

Source: District Personnel Records

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only eight years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio				Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE)			
2004	279.2	\$ 4,660,414	\$ 16,692	2.54%	29	1:9	N/A	N/A	279.2	269.1	2.68%	96.38%
2005	279.0	4,844,542	17,364	4.03%	28	1:9	N/A	N/A	279.0	270.5	-0.07%	96.95%
2006	264.0	5,308,033	20,106	15.79%	29	1:9	N/A	N/A	264.0	264.0	-5.38%	100.00%
2007	276.0	5,855,504	21,216	5.52%	29	1:9	N/A	N/A	270.5	260.0	2.46%	96.12%
2008	280.1	6,584,339	23,507	10.80%	31.7	1:9	N/A	N/A	280.1	269.5	3.55%	96.22%
2009	292.3	6,545,769	22,394	-4.74%	34.2	1:9	N/A	N/A	292.3	281.5	4.36%	96.31%
2010	312.0	6,495,432	20,832	-6.98%	28.7	1:11	N/A	N/A	308.8	297.4	5.64%	96.31%
2011	318.0	6,527,180	20,526	-1.47%	29.5	1:11	N/A	N/A	318.2	305.1	3.04%	95.88%
2012	341.5	6,920,376	20,265	-1.27%	27.7	1:12	N/A	N/A	341.5	329.9	7.32%	96.60%
2013	333.3	7,184,702	21,556	6.37%	30.0	1:11	N/A	N/A	333.3	318.9	-2.40%	95.68%

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 EIGHT FISCAL YEARS
 (Unaudited)

	2013	2012	2011	2010	2009	2008	2007	2006
<u>District Building</u>								
<u>Elementary</u>								
Square Feet	73,120	73,120	73,210	73,210	73,210	73,210	73,210	73,210
Capacity (students)	520	520	520	520	520	520	520	520
Enrollment	333	342	318	280	280	280	276	264
Number of Schoofs at June 30, 2013								
Elementary =	1	1	1	1	1	1	1	1

Source: District Records

Note:
 GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only eight years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

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

UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES

11-000-261-xxx

School Facilities	Project #	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Riverdale Public School	N/A	\$ 76,841	\$ 100,272	\$ 86,202	\$ 80,323	\$ 80,807	\$ 60,195	\$ 53,342	\$ 48,597	\$ 53,103	\$ 50,334

**RIVERDALE BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2013
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - General Security - Pooled Insurance Limit Blanket Building & Contents per Statement of Values	\$ 27,081,776	\$ 5,000
Flood/Earthquake	5,000,000	50,000
Inland Marine:		
EDP Equipment	2,500,000	5,000
Contractors Equipment	250,000	1,000
Crime Coverage	500,000	5,000
Boiler & Machinery - Included in Property Value	27,031,776	1,000
Comprehensive/Commercial General Liability:		
Zurich Ins. Co.		
General Aggregate Limit	2,000,000	1,000
Comprehensive Auto Liability	1,000,000	1,000
Catastrophe Liability	9,000,000	
Excess Liability in Excess of \$10m as a Group Shared Limit	50,000,000	
Public Official Bonds -		
Western Surety Company		
Treasurer of School Monies	175,000	
Business Administrator/Board Secretary	100,000	

Source: Riverdale School District records.

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

ELIZABETH A. SHICK, CPA, RMA, PSA
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RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
EDWARD N. KERE, CPA
LORI T. MANUKIAN, CPA, PSA
MARK SACO, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverdale Board of Education as of and for the fiscal year ended June 30, 2013 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 November 18, 2013.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

However, we noted certain matters that 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 November 18, 2013.

Purpose of this Report

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


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


Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
November 18, 2013



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY NEW JERSEY
OMB CIRCULAR 04-04**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major State Program

We have audited the Riverdale Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB Circular 04-04 State Aid/ Grant Compliance Supplement that could have a direct and material effect on each of Riverdale Board of Education's major state programs for the fiscal year ended June 30, 2013. The Riverdale Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Riverdale Board of Education's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Riverdale Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the Riverdale Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with New Jersey OMB Circular 04-04 and which is described in the accompanying schedule of findings and questioned costs as item 2013-001. Our opinion on each major state program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

Management of the Riverdale Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Riverdale Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Riverdale Board of Education's internal control over compliance.

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

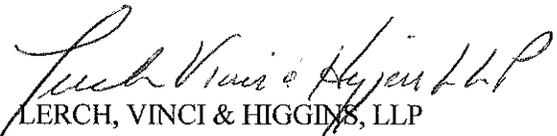
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2013-001 that we consider to be a significant deficiency.

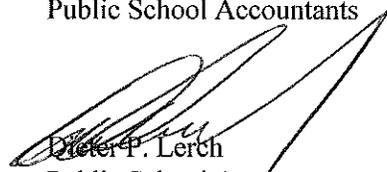
The Riverdale Board of Education's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Riverdale Board of Education's response was not subjected to the auditing procedures applied in the audit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

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 04-04. 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 04-04

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, 2013 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated November 18, 2013, 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 04-04 is presented for purposes of additional analysis and is 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 & HIGGINS, LLP
Certified Public Accountants
Public School Accountants


Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
November 18, 2013

RIVERDALE BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2012			Balance, June 30, 2013			GAAP Receivable
					Deferred Revenue	(Accounts Receivable)	Due to Grantor	Deferred Revenue	(Accounts Receivable)	Due to Grantor	
U.S. Department of Education											
Passed-through State Department of Education											
National School Lunch Program	10.555	N/A	7/1/12-6/30/13	\$ 25,365	\$ 23,145	\$ 25,365	\$ (2,220)			\$ (2,220)	
Cash Assistance			7/1/11-6/30/12	22,465	1,630						
Cash Assistance			7/1/12-6/30/13	4,993	4,993	4,761	232				
Non-Cash Assistance			7/1/11-6/30/12	5,915		123					
Total U.S. Department of Agriculture					29,768	30,249	232	(2,220)		(2,220)	
U.S. Department of Education - Passed State Department of Education											
General Fund				13,188				(1,262)		(1,262)	
Education Jobs Fund	84.410A	ARRA-XXXX-12	7/1/11-6/30/12								
U.S. Department of Education											
Passed-through State Department of Education											
NCLB Title I	84.010	NCLB444004	9/1/12-8/31/13	19,534		19,534	(19,534)			(19,534)	
NCLB Title II A	84.010	NCLB444004	9/1/12-8/31/13	4,624		4,624	(4,624)			(4,624)	
NCLB Title III	84.365	NCLB444004	9/1/12-8/31/13	783		783					
I.D.E.A. Part B, Basic	84.027	NCLB444004	9/1/12-8/31/13	86,123	71,200	86,123	(14,923)			(14,923)	
I.D.E.A. Part B, Preschool	84.173	NCLB444004	9/1/12-8/31/13	3,390	1,930	3,390	(1,460)			(1,460)	
Race to the Top 3	84.413A		9/1/11-11/30/15	1,524	1,524	1,524					
Total U.S. Department of Education					75,437	115,978	(40,541)			(40,541)	
Total Federal Financial Assistance					105,205	146,227	232	(44,023)		(44,023)	

Note: This schedule was not subject to an audit in accordance with OMB Circular A-133.

**RIVERDALE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2012			Balance, June 30, 2013			MEMO	
				Accounts Receivable	Deferred Revenue	Due to Grantor	Deferred Revenue	(Accounts Receivable)	Due to Grantor	GAAP Reservable	Cumulative Total Expenditures
State Department of Education											
Special Education Aid	13-495-034-5120-089	7/1/12-6/30/13	\$ 212,928	\$ 193,070	\$ 212,928	\$ (19,858)		\$ 212,928			
Special Education Aid	12-495-034-5120-089	7/1/11-6/30/12	193,397	17,716	17,716	(1,753)		18,800			18,800
Transportation Aid	13-495-034-5120-014	7/1/12-6/30/13	18,800	17,047	17,047	(735)		7,875			7,875
Security Aid	13-495-034-5120-084	7/1/12-6/30/13	7,875	7,140	7,140	(4,162)		4,162			4,162
Additional Nonpublic Transportation Aid	13-100-034-5120-068	7/1/12-6/30/13	4,162	3,828	3,828	(145,930)		145,930			145,930
Additional Nonpublic Transportation Aid	12-100-034-5120-068	7/1/11-6/30/12	3,828								
Extraordinary Aid	13-100-034-5120-473	7/1/12-6/30/13	145,930	113,960	113,960			140,966			140,966
Extraordinary Aid	12-100-034-5120-473	7/1/11-6/30/12	113,960	140,966	140,966			7,417			7,417
On-Behalf TPAF Pension - Normal Cost	13-495-034-5095-006	7/1/12-6/30/13	140,966	167,783	167,783			152,392			152,392
On-Behalf TPAF Pension - NCGI Premium	13-495-034-5095-007	7/1/12-6/30/13	7,417	144,674	144,674	(7,718)					
On-Behalf TPAF Post Retirement Medical Benefits	13-495-034-5095-001	7/1/12-6/30/13	167,783								
Reimbursed TPAF Social Security Contributions	13-495-034-5095-002	7/1/12-6/30/13	152,392								
				(133,504)		(180,136)					
Total General Fund State Aid				813,601	838,233	(180,136)		838,233			838,233
Capital Projects Fund											
Educational Facilities Construction and Financing Act	4440-030-09-02VY	7/1/09-6/30/10	27,880	(27,880)	9,868	(27,880)		9,868			(27,880)
	4440-030-09-02VU	7/1/09-6/30/10	12,500	(12,500)							
	4440-030-09-02VX	7/1/09-6/30/10	27,720	(27,720)							
	4440-030-09-02WB	7/1/09-6/30/10	36,850	(36,850)							
				(104,950)	9,868	(27,880)		9,868			(27,880)
Enterprise Funds											
National School Lunch Program (State Share)	13-100-010-3350-023	7/1/12-6/30/13	1,058					1,058			1,058
National School Lunch Program (State Share)	12-100-010-3350-023	7/1/11-6/30/12	1,150	(82)		(152)					
				(82)		(152)					
Total Enterprise Fund								859,311			859,311
Total State Financial Assistance				891,659	9,868	(208,188)		859,311			859,311
Less:											
State Financial Assistance Programs Not Included in Calculation for Single Audit and Major Program Determination											
On-Behalf TPAF Pension - Normal Cost	13-495-034-5095-006	7/1/12-6/30/13	140,966					(140,966)			(140,966)
On-Behalf TPAF Pension - NCGI Premium	13-495-034-5095-007	7/1/12-6/30/13	7,417					(7,417)			(7,417)
On-Behalf TPAF Post Retirement Medical Benefits	13-495-034-5095-001	7/1/12-6/30/13	167,783					(167,783)			(167,783)
Total State Financial Assistance Amount Utilized for Calculation to Determine Single Audit and Major Programs.				\$ 240,536	\$ 9,868	\$ -	\$ 575,493	\$ 543,145	\$ 208,188	\$ -	\$ 543,145

This schedule is subject to an audit in accordance with New Jersey OMB Circular 04-04.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) to the Board's basic financial statements.

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$36,600 for the general fund and a decrease of \$2,482 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 basic financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 821,653	\$ 821,653
Special Revenue Fund	\$ 113,496		113,496
Food Service Fund	<u>30,249</u>	<u>1,058</u>	<u>31,307</u>
Total Financial Assistance	<u>\$ 143,745</u>	<u>\$ 822,711</u>	<u>\$ 966,456</u>

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of \$152,392 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, 2013. The amount reported as TPAF Pension System Contributions in the amount of \$148,383 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$167,783 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2013.

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

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions 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 basic financial statements and the amount subject to State single audit and major program determination.

**RIVERDALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Part 2 – Schedule of Financial Statement Findings

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

There are none.

**RIVERDALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04, as amended.

CURRENT YEAR FEDERAL AWARDS

Not Applicable

**RIVERDALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COST
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

*Part 3 – Schedule of 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 04-04, as amended.

CURRENT YEAR STATE AWARDS

Finding 2013-001

Our audit of the Application for State School Aid (ASSA) revealed the number of Low Income and Limited English Proficient students (LEP) reported on the ASSA exceeded the number of students reported in the District workpapers.

State program information:

Special Education Categorical Aid	13-495-034-5120-089
Security Aid	13-495-034-5120-084

Criteria or specific requirement:

State of New Jersey Grant Compliance Supplement

Condition:

The District workpapers for Low Income and LEP students were not in agreement with the number of students reported in the ASSA.

Questioned Costs:

Unknown.

Context:

A difference of thirteen (13) students was reported for low income students and a difference of sixteen (16) students were reported for LEP students.

Effect:

The District may be reporting students who are ineligible.

Cause:

See Condition.

**RIVERDALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

*Part 3 – Schedule of 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 04-04, as amended.

CURRENT YEAR STATE AWARDS

Finding 2013-001 (Continued)

Recommendation:

Internal controls be enhanced to ensure that Low Income and Limited English Proficient students reported on the Application for State School Aid be in agreement with the District workpapers.

Management's Response:

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

**RIVERDALE BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (Section .315(a)(b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR YEAR FINDINGS

Finding 2012-1

Condition:

Numerous adjusting journal entries were required to reconcile the general ledger account balances to the subsidiary ledgers and supporting documentation.

The District's opening general ledger balances did not agree to the audited balances.

The general ledger did not reflect all revenues/expenditures of the Food Service Fund.

Current Status

Corrective action has been taken.