

RIVERDALE BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Riverdale, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
of the
Riverdale Board of Education
Riverdale, New Jersey
For The Fiscal Year Ended June 30, 2015**

**Prepared by
Business Office**

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INTRODUCTORY SECTION

RIVERDALE PUBLIC SCHOOL DISTRICT

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

Sean P. Bowe
Principal
973-839-1300 Ext. 100
Fax: 973-839-1024

Vicki J. Pede
Superintendent
973-839-1300 Ext. 102
Fax: 973-839-8856

Michael J. Donow
Interim Business Administrator/
Board Secretary
973-839-1300 Ext. 103

December 3, 2015

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, 2015 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 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels 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 reported an enrollment of 328 resident students on its annual October 15 enrollment report (ASSA), which is 2 students less than the previous year's enrollment. These figures do not include the high school students sent to Pompton Lakes High School.

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>
2014-2015	328	-0.6%
2013-2014	330	-0.9%
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%

Beginning in the 2000/01 school year, students in grades 9 through 12 began attending the Pompton Lakes School District and the Riverdale School District paid the Pompton Lakes School District tuition according to a ten year send/receive agreement that was renewed in 2010 and will continue through the end of the 2019-2020 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).

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 apartments in town. 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 332 students, we have been able to personalize instruction by maintaining small class sizes, wherever possible, in an environment of high expectations for student achievement and excellence. Student performances on state and local assessments are clear examples of the district's effectiveness in attaining high levels of student achievement.

During the 2014/2015 school year, teachers and administrators were committed to examining instructional methodologies in the following curricular areas: differentiated instruction, writing process, language arts literacy, mathematics, student wellness, inclusion and special education. Through the continued efforts of the District, professional development activities were aligned to instructional improvement. The curriculum reflects a focus 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.

Our five year curriculum review/revision cycle is one of our ongoing efforts to establish clear expectations, while increasing accountability and providing opportunities to work with parents in monitoring each child's educational goals. Each area of curriculum is reviewed to ensure the reflection of the most recent core

curriculum content standard. Student activities embody the leadership theme and include: the Student Council, National Junior Honor Society, an interscholastic athletic program, 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 additional meaning to their learning.

Responding to the New Jersey State mandate for professional growth, teachers, parents and administrators have provided input to guide professional development opportunities for our staff. As a result, the district has provided staff with training in diverse areas. District staff has received training in differentiated instruction, technology applications and everyday math implementation. The Social Decision Making/Problem Solving Program fosters a culture of responsibility among our students. Professional development opportunities are also included, but were not limited to, the following topics: authentic assessment tools and strategies, motivating and managing students, collaborative/team teaching, inclusion practices, literacy development, mathematical problem solving, and the writing process. In addition, all teachers and paraprofessionals meet the standards for the Highly Qualified Status.

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 and FM systems, Riverdale continues to be able to support students' needs. 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, and the school planning team. Our school district has a cooperative working relationship with the Borough, who has assisted us in numerous facility projects, 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 few years, Riverdale completed renovations to the physical building such as: Window Replacements, Ceiling & Lighting Replacement, Nurse's Office Renovations, Second Floor toilet Room Renovations, Exterior Door Replacement, Roof Replacement Nurse's Office area, Exterior Door Security System 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, 2015.

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

7) DEBT ADMINISTRATION: At June 30 2015, the District had finalized payment of all outstanding obligation bonds. On December 10, 2002, the voters of the Borough of Riverdale authorized a bond issue in the amount of \$5,552,000 to construct an addition and renovation to the Riverdale School. In addition, the Borough of Riverdale has agreed to contribute \$1,000,000 to fund the cost thereof. To date the district has received \$900,000, the balance of \$100,000.00 being canceled.

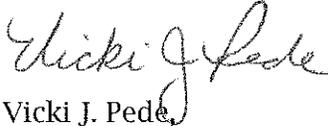
8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements". The District has adopted a cash management plan, which requires it to deposit funds in public depositories protected from loss under the provisions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

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

10) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board's audit committee selected the accounting firm of Lerch, Vinci, & Higgins, LLP, CPAs. In addition to meeting the requirements set forth in state statutes the audit also was designed to meet the requirements of the Single Audit Act as amended and the related OMB Circular A-133 and state Treasury Circular Letter 15-08 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.

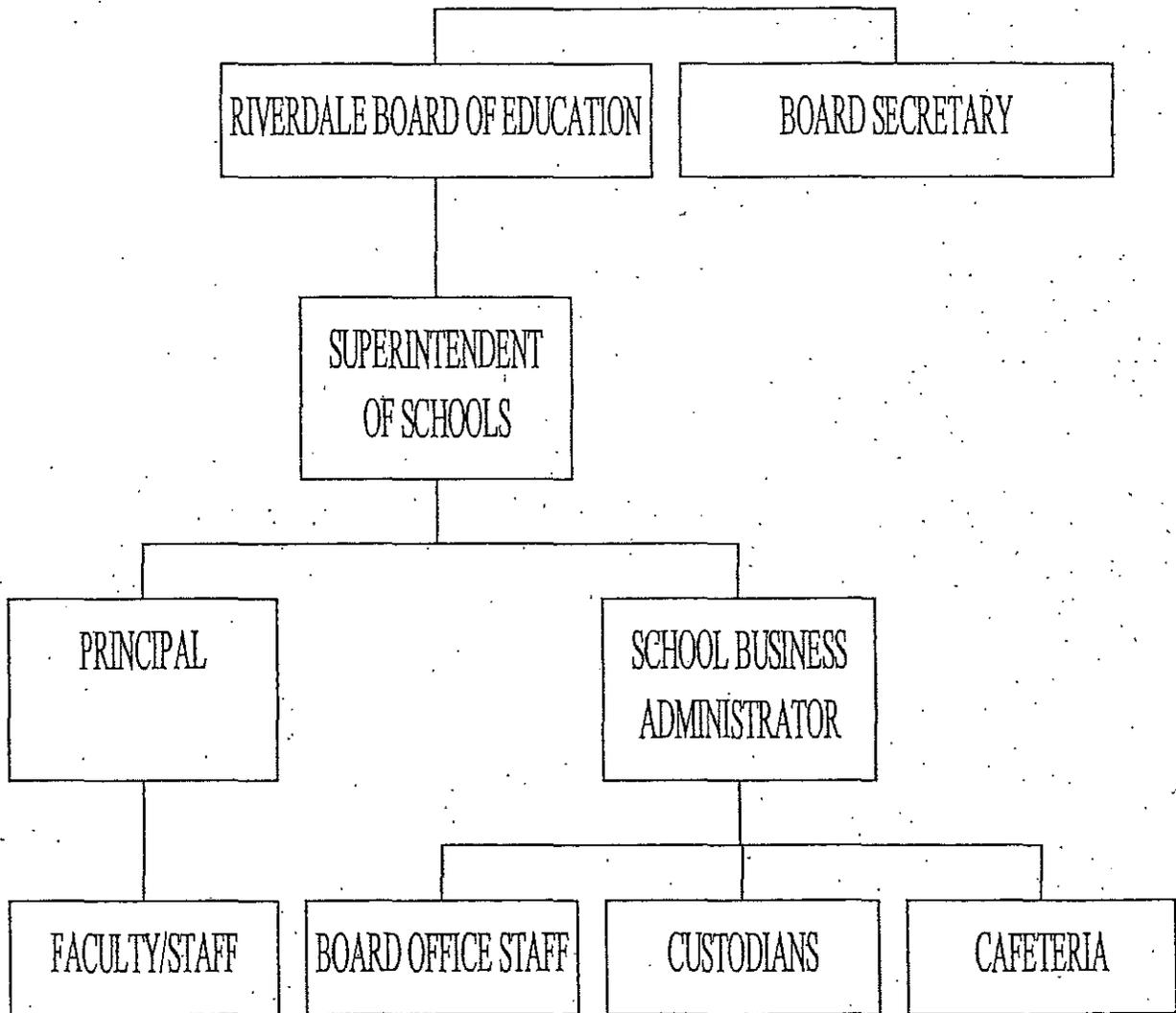
Respectfully submitted,



Vicki J. Pede
Superintendent

VJP:an

**RIVERDALE BOARD OF EDUCATION
Organizational Chart**



RIVERDALE SCHOOL DISTRICT
RIVERDALE, NJ

ROSTER OF OFFICIALS

JUNE 30, 2015

Board Members:

Term Expires:

Charles Sheridan, President	2017
Kelly Norris, Vice President	2018
Michael Bohan	2016
Michael Kheyfets	2016
Jessica Rentas	2016
June Carelli	2018
Andrew Oliveri	2018

Other Officials:

Vicki J. Pede, Superintendent
Estrella Molinet, Business Administrator/Board Secretary
Linda Forbes, 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

DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
LORI T. MANUKIAN, CPA, PSA
MARK SACO, CPA
KEVIN LOMSKI, CPA

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

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, 2015 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 above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverdale Board of Education as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2015, the Riverdale Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension 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

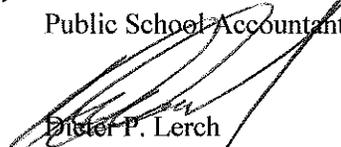
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Riverdale Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 3, 2015 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

Lester P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
December 3, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

**Management's Discussion and Analysis
Year Ended June 30, 2015**

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, 2015. 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 (2014-2015) and the prior year (2013-2014) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2014-2015 fiscal year are as follows:

- The assets and deferred outflows of resources of the Riverdale Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$5,371,534 (net position).
- The District's total net position decreased \$222,599.
- Overall district revenues were \$8,803,237. General revenues accounted for \$7,173,388 or 81% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$1,629,849 or 19% of total revenues.
- The school district had \$8,947,841 in expenses for governmental activities; only \$1,545,818 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$7,173,359 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 \$1,719,311. Of this amount \$230,248 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, 2015**

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/deferred inflows/outflows of resources information	All assets, liabilities, and deferred inflows/outflows of resources, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or Paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

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

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2015**

District-Wide Statements

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

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

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the district's property tax base and the condition of 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, 2015**

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 2015 and 2014.

Net position. The district's combined net position was \$5,371,534 on June 30, 2015. (See Table A-1).

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

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2015**

Table A-1
Net Position
as of June 30, 2015 and 2014

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u> (Restated)
Assets						
Current and other assets	\$ 1,746,135	\$ 1,764,706	\$ 25,333	\$ 18,344	\$ 1,771,468	\$ 1,783,050
Capital assets, net	<u>4,638,397</u>	<u>4,835,832</u>	<u>7,879</u>	<u>9,370</u>	<u>4,646,276</u>	<u>4,845,202</u>
Total Assets	<u>6,384,532</u>	<u>6,600,538</u>	<u>33,212</u>	<u>27,714</u>	<u>6,417,744</u>	<u>6,628,252</u>
Deferred Outflows of Resources	<u>79,154</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,154</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>6,463,686</u>	<u>6,600,538</u>	<u>33,212</u>	<u>27,714</u>	<u>6,496,898</u>	<u>6,628,252</u>
Liabilities						
Non-Current liabilities	1,034,755	999,101			1,034,755	999,101
Other liabilities	<u>26,824</u>	<u>29,316</u>	<u>4,849</u>	<u>5,649</u>	<u>31,673</u>	<u>34,965</u>
Total Liabilities	<u>1,061,579</u>	<u>1,028,417</u>	<u>4,849</u>	<u>5,649</u>	<u>1,066,428</u>	<u>1,034,066</u>
Deferred Inflows of Resources	<u>58,650</u>	<u>-</u>	<u>286</u>	<u>53</u>	<u>58,936</u>	<u>53</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,120,229</u>	<u>1,028,417</u>	<u>5,135</u>	<u>5,702</u>	<u>1,125,364</u>	<u>1,034,119</u>
Net Position						
Net Investment in capital assets	4,612,005	4,800,412	7,879	9,370	4,619,884	4,809,782
Restricted	962,172	962,090			962,172	962,090
Unrestricted	<u>(230,720)</u>	<u>(190,381)</u>	<u>20,198</u>	<u>12,642</u>	<u>(210,522)</u>	<u>(177,739)</u>
Total Net Position	<u>\$ 5,343,457</u>	<u>\$ 5,572,121</u>	<u>\$ 28,077</u>	<u>\$ 22,012</u>	<u>\$ 5,371,534</u>	<u>\$ 5,594,133</u>

Table A-2 on the following page shows changes in net position for fiscal year 2015 and 2014.

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

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2015**

**Table A-2
Changes in Net Position
For the Fiscal Years Ended June 30, 2015 and 2014**

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program Revenues						
Charges for Services	\$ 99,986	\$ 51,493	\$ 53,568	\$ 54,260	\$ 153,554	\$ 105,753
Operating/Capital Grants and Contributions	1,445,832	909,178	30,463	30,885	1,476,295	940,063
General Revenues						
Property Taxes	7,144,612	7,004,522			7,144,612	7,004,522
State Aid	4,016				4,016	
Miscellaneous	24,731	26,425	29	27	24,760	26,452
Total Revenues	<u>8,719,177</u>	<u>7,991,618</u>	<u>84,060</u>	<u>85,172</u>	<u>8,803,237</u>	<u>8,076,790</u>
Expenses						
Instruction						
Regular	4,288,907	3,553,560			4,288,907	3,553,560
Special Education	1,747,281	1,619,403			1,747,281	1,619,403
Other Instruction	133,987	107,595			133,987	107,595
School Sponsored Activities and Athletics	55,775	54,988			55,775	54,988
Support Services						
Student and Instruction Related Serv.	841,953	820,422			841,953	820,422
General Administrative Services	346,971	354,101			346,971	354,101
School Administrative Services	197,204	168,892			197,204	168,892
Plant Operations and Maintenance	626,950	640,255			626,950	640,255
Pupil Transportation	525,741	432,568			525,741	432,568
Central Services	181,511	193,217			181,511	193,217
Food Services			77,995	86,928	77,995	86,928
Interest on Long-Term Debt	1,561	1,999	-	-	1,561	1,999
Total Expenses	<u>8,947,841</u>	<u>7,947,000</u>	<u>77,995</u>	<u>86,928</u>	<u>9,025,836</u>	<u>8,033,928</u>
Change in Net Position	(228,664)	44,618	6,065	(1,756)	(222,599)	42,862
Net Position, Beginning of Year	5,572,121	6,475,037	22,012	23,768	5,594,133	6,498,805
Prior Period Adjustment	-	(947,534)	-	-	-	(947,534)
Net Position, End of Year	<u>\$ 5,343,457</u>	<u>\$ 5,572,121</u>	<u>\$ 28,077</u>	<u>\$ 22,012</u>	<u>\$ 5,371,534</u>	<u>\$ 5,594,133</u>

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

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2015**

Governmental Activities. The District's total revenues were \$8,719,177. The local share of the revenues, that included property taxes, investment earnings, and miscellaneous revenue, amounted to \$7,169,343 or 82% of total revenues. Funding from state and federal sources and charges for services amounted to \$1,549,834 or 18%. (See Figure A-2)

The District's expenses are predominantly related to instruction and support services. Instruction totaled \$6,225,950 (70%) and student support services and interest on long-term debt totaled \$2,720,330 (30%) of total expenditures. (See Figure A-3)

Figure A-2 Revenues by Sources – Governmental Activities
For Fiscal Year 2015

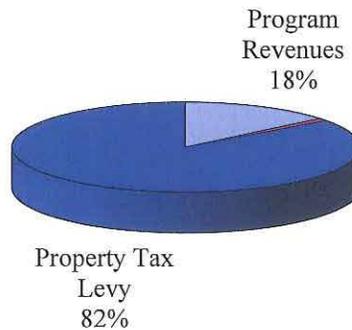
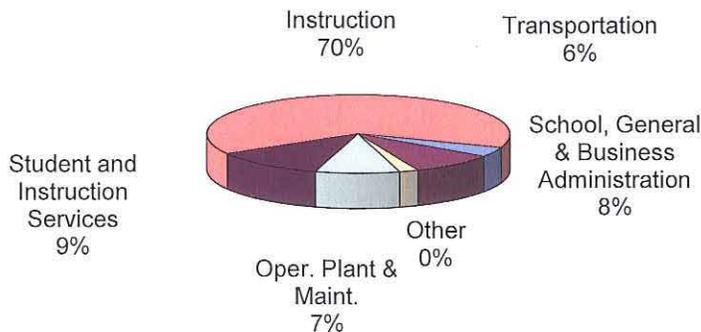


Figure A-3 Expenses by Function – Governmental Activities
For Fiscal Year 2015



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

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2015**

**Table A-3
Cost and Net Cost of Services for Governmental Activities
For the Fiscal Years Ended June 30, 2015 and 2014**

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Governmental Activities				
Instruction				
Regular	\$ 4,288,907	\$ 3,553,560	\$ 3,483,098	\$ 3,227,127
Special Education	1,747,281	1,619,403	1,223,611	1,126,699
Other Instruction	133,987	107,595	81,549	76,814
School Sponsored Activities and Athletics	55,775	54,988	55,775	54,988
Support Services				
Student and Instruction Related Svcs.	841,953	820,422	762,431	764,467
General Administrative Services	346,971	354,101	346,971	354,101
School Administrative Services	197,204	168,892	146,139	147,022
Plant Operations and Maintenance	626,950	640,255	617,159	630,639
Pupil Transportation	525,741	432,568	502,218	409,256
Central Services	181,511	193,217	181,511	193,217
Interest on Long-Term Debt	1,561	1,999	1,561	1,999
	<u>1,561</u>	<u>1,999</u>	<u>1,561</u>	<u>1,999</u>
Total Governmental Activities	<u>\$ 8,947,841</u>	<u>\$ 7,947,000</u>	<u>\$ 7,402,023</u>	<u>\$ 6,986,329</u>

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2015 was \$77,995. 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, 2015**

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 \$1,719,311. At June 30, 2014, the fund balance was \$1,735,390.

Revenues for the District's governmental funds were \$8,197,264, while total expenditures were \$8,213,343.

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

The following schedule presents a summary of General Fund revenues for the fiscal years ended June 30, 2015 and 2014.

	Fiscal Year Ended <u>6/30/2015</u>	Fiscal Year Ended <u>6/30/2014</u>	Amount of Increase <u>(Decrease)</u>	Percent <u>Change</u>
Local Sources:				
Property Taxes	\$ 7,144,612	\$ 7,004,522	\$ 140,090	2.0%
Miscellaneous	124,717	77,918	46,799	60.1%
Intergovernmental				
State Sources	<u>814,670</u>	<u>786,964</u>	<u>27,706</u>	3.5%
 Total Revenues	 <u>\$ 8,083,999</u>	 <u>\$ 7,869,404</u>	 <u>\$ 214,595</u>	 2.7%

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

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2015**

General Fund (Continued)

The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2015 and 2014.

	Fiscal Year Ended 6/30/2015	Fiscal Year Ended 6/30/2014	Amount of Increase (Decrease)	Percent Change
Instruction	\$ 5,642,756	\$ 5,222,723	\$ 420,033	8%
Support Services	2,437,688	2,394,542	43,146	2%
Debt Service	10,589	10,589	-	0%
Capital Outlay	9,045	59,675	(50,630)	-85%
Total Expenditures	<u>\$ 8,100,078</u>	<u>\$ 7,687,529</u>	<u>\$ 412,549</u>	5%

Total General Fund expenditures increased by \$412,549 or 5% 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 \$113,265 for the year ended June 30, 2015. Federal sources accounted for \$113,265 or 100% of Special Revenue Fund's revenue for the year.

Total Special Revenue Fund revenues decreased \$8,949 or 7% from the previous year.

Expenditures of the Special Revenue Fund were \$113,265. Instructional expenditures were \$96,822 or 85%.

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, 2015**

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 unbudgeted costs.

Capital Assets. At the end of the fiscal year 2015, 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	
	2015	2014	2015	2014	2015	2014
Land	\$ 11,800	\$ 11,800			\$ 11,800	\$ 11,800
Buildings and Building Improvements	7,057,900	7,057,900			7,057,900	7,057,900
Machinery and Equipment	358,098	363,620	\$ 22,269	\$ 22,269	380,367	385,889
Total	7,427,798	7,433,320	22,269	22,269	7,450,067	7,455,589
Less: Accumulated Depreciation	(2,789,401)	(2,597,488)	(14,390)	(12,899)	(2,803,791)	(2,610,387)
Total	\$ 4,638,397	\$ 4,835,832	\$ 7,879	\$ 9,370	\$ 4,646,276	\$ 4,845,202

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

Debt Administration. As of June 30, 2015 the school district had long-term debt and outstanding long-term liabilities in the amount of \$1,034,755.

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

**Management's Discussion and Analysis (continued)
Year Ended June 30, 2015**

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

	<u>2015</u>	<u>2014</u>
Capital Lease Payable	\$ 26,392	\$ 35,420
Net Pension Liability	984,142	947,534
Compensated Absences Payable	<u>24,221</u>	<u>16,147</u>
 Total	 <u>\$ 1,034,755</u>	 <u>\$ 999,101</u>

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

RIVERDALE BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2015

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,711,357	\$ 22,585	\$ 1,733,942
Receivables, net			
Receivables from Other Governments	34,305	2,367	36,672
Other	26		26
Internal Balances	447	(447)	-
Inventory		828	828
Capital Assets, not being depreciated	11,800		11,800
Capital Assets, net of depreciation	<u>4,626,597</u>	<u>7,879</u>	<u>4,634,476</u>
Total Assets	<u>6,384,532</u>	<u>33,212</u>	<u>6,417,744</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows on Net Pension Liability	<u>79,154</u>	-	<u>79,154</u>
Total Deferred Outflows of Resources	<u>79,154</u>	-	<u>79,154</u>
Total Assets and Deferred Outflows of Resources	<u>6,463,686</u>	<u>33,212</u>	<u>6,496,898</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	13,518	4,849	18,367
Unearned Revenue	13,306		13,306
Noncurrent Liabilities			
Due within one year	51,163		51,163
Due beyond one year	<u>983,592</u>	-	<u>983,592</u>
Total Liabilities	<u>1,061,579</u>	<u>4,849</u>	<u>1,066,428</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows on Net Pension Liability	58,650		58,650
Deferred Commodities Revenue	<u>-</u>	<u>286</u>	<u>286</u>
Total Deferred Inflows of Resources	<u>58,650</u>	<u>286</u>	<u>58,936</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,120,229</u>	<u>5,135</u>	<u>1,125,364</u>
NET POSITION			
Net Investment in Capital Assets	4,612,005	7,879	4,619,884
Restricted for:			
Capital Projects	512,139		512,139
Other Purposes	450,033		450,033
Unrestricted	<u>(230,720)</u>	<u>20,198</u>	<u>(210,522)</u>
Total Net Position	<u>\$ 5,343,457</u>	<u>\$ 28,077</u>	<u>\$ 5,371,534</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, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 4,288,907	\$ 99,986	\$ 705,823		\$ (3,483,098)		\$ (3,483,098)
Special Education	1,747,281		523,670		(1,223,611)		(1,223,611)
Other Instruction	133,987		52,438		(81,549)		(81,549)
School Sponsored Activities and Athletics	55,775				(55,775)		(55,775)
Support Services							
Student and Instruction Related Services	841,953		79,522		(762,431)		(762,431)
General Administration Services	346,971				(346,971)		(346,971)
School Administration Services	197,204		51,065		(146,139)		(146,139)
Central Services	181,511				(181,511)		(181,511)
Plant Operations and Maintenance	626,950		9,791		(617,159)		(617,159)
Pupil Transportation	525,741		23,523		(502,218)		(502,218)
Interest on Debt	1,561	-	-	-	(1,561)	-	(1,561)
Total Governmental Activities	8,947,841	99,986	1,445,832	-	(7,402,023)	-	(7,402,023)
Business-Type Activities							
Food Service	77,995	53,568	30,463	-	-	\$ 6,036	6,036
Total Business-Type Activities	77,995	53,568	30,463	-	-	6,036	6,036
Total Primary Government	\$ 9,025,836	\$ 153,554	\$ 1,476,295	\$ -	(7,402,023)	6,036	(7,395,987)
General Revenues							
Property Taxes, Levied for General Purposes					7,144,612		7,144,612
State Aid - Unrestricted					4,016		4,016
Miscellaneous Income					24,731	29	24,760
Total General Revenues					7,173,359	29	7,173,388
Change in Net Position					(228,664)	6,065	(222,599)
Net Position, Beginning of Year (Restated)					5,572,121	22,012	5,594,133
Net Position, End of Year					\$ 5,343,457	\$ 28,077	\$ 5,371,534

FUND FINANCIAL STATEMENTS

**RIVERDALE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 1,711,357			\$ 1,711,357
Receivables				
Intergovernmental	3,480	\$ 2,945	\$ 27,880	34,305
Interfunds Receivable	<u>7,046</u>	<u>-</u>	<u>-</u>	<u>7,046</u>
Total Assets	<u>\$ 1,721,883</u>	<u>\$ 2,945</u>	<u>\$ 27,880</u>	<u>\$ 1,752,708</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Interfunds Payable	\$ 13,518	\$ 2,937	\$ 3,636	\$ 20,091
Unearned Revenue	<u>3,600</u>	<u>8</u>	<u>9,698</u>	<u>13,306</u>
Total Liabilities	<u>17,118</u>	<u>2,945</u>	<u>13,334</u>	<u>33,397</u>
Fund Balances				
Restricted Fund Balance				
Excess Surplus - Designated for Subsequent Year's Expenditures	245,363			245,363
Excess Surplus	255,641			255,641
Capital Reserve - Designated for Subsequent Year's Expenditures	200			200
Capital Reserve	497,393			497,393
Maintenance Reserve - Designated for Subsequent Year's Expenditures	22,366			22,366
Maintenance Reserve	377,667			377,667
Tuition Reserve - Designated for Subsequent Year's Expenditures	50,000			50,000
Capital Projects			14,546	14,546
Assigned				
Year End Encumbrances	25,887			25,887
Unassigned Fund Balance	<u>230,248</u>	<u>-</u>	<u>-</u>	<u>230,248</u>
Total Fund Balances	<u>1,704,765</u>	<u>-</u>	<u>14,546</u>	1,719,311
Total Liabilities and Fund Balances	<u>\$ 1,721,883</u>	<u>\$ 2,945</u>	<u>\$ 27,880</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 \$7,427,798, and the accumulated depreciation is \$2,789,401. 4,638,397

Certain amounts resulting from the calculation of liabilities are reported as deferred outflows and deferred inflows of resources on the statement of net position and amortized over future years. (See Note 2A) 20,504

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 2B) (1,034,755)

Net position of governmental activities \$ 5,343,457

**RIVERDALE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources				
Property Tax Levy	\$ 7,144,612			\$ 7,144,612
Tuition	99,986			99,986
Interest	3,876			3,876
Miscellaneous	20,855	-	-	20,855
Total - Local Sources	7,269,329	-	-	7,269,329
State Sources	814,670			814,670
Federal Sources	-	\$ 113,265	-	113,265
Total Revenues	8,083,999	113,265	-	8,197,264
EXPENDITURES				
Current				
Instruction				
Regular Instruction	3,893,919			3,893,919
Special Education Instruction	1,597,385	74,294		1,671,679
Other Instruction	95,677	22,528		118,205
School-Sponsored Activities and Athletics	55,775			55,775
Support Services				
Student and Instruction Related Services	791,465	16,443		807,908
General Administrative Services	338,919			338,919
School Administrative Services	170,260			170,260
Central Services	181,511			181,511
Plant Operations and Maintenance	429,792			429,792
Pupil Transportation	525,741			525,741
Debt Service				
Principal	9,028			9,028
Interest and Other Charges	1,561			1,561
Capital Outlay	9,045	-	-	9,045
Total Expenditures	8,100,078	113,265	-	8,213,343
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(16,079)	-	-	(16,079)
OTHER FINANCING SOURCES/(USES)				
Transfers In	-			-
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	-	-	-	-
Net Change in Fund Balance	(16,079)	-	-	(16,079)
Fund Balance, Beginning of Year	1,720,844	-	\$ 14,546	1,735,390
Fund Balance, End of Year	\$ 1,704,765	\$ -	\$ 14,546	\$ 1,719,311

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, 2015**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ (16,079)

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	\$ 9,045	
Depreciation Expense	<u>(206,480)</u>	
		(197,435)

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

Increase in Pension Expense	(16,104)	
Increase in Compensated Absences	<u>(8,074)</u>	
		(24,178)

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

Capital Leases		<u>9,028</u>
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Change in net position of governmental activities (Exhibit A-2) \$ (228,664)

**RIVERDALE BOARD OF EDUCATION
 PROPRIETARY FUND
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2015**

	Enterprise Fund Totals
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 22,585
Intergovernmental Receivable	
State	113
Federal	2,254
Inventories	828
Total Current Assets	25,780
Capital Assets	
Equipment	22,269
Less: Accumulated Depreciation	(14,390)
Total Capital Assets	7,879
Total Assets	33,659
LIABILITIES	
Current Liabilities	
Accounts Payable	4,849
Due to Other Funds	447
Total Current Liabilities	5,296
DEFERRED INFLOWS OF RESOURCES	
Deferred Commodities Revenue	286
Total Liabilities and Deferred Inflows of Resources	5,582
NET POSITION	
Invested in Capital Assets	7,879
Unrestricted	20,198
Total Net Position	\$ 28,077

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, 2015**

	Enterprise Fund Totals
OPERATING REVENUES	
Charges for Services	
Daily Sales	\$ 53,568
	<hr/>
Total Operating Revenues	53,568
	<hr/>
OPERATING EXPENSES	
Salaries and Wages	25,896
Insurance	2,326
Purchased Services	7,075
Supplies and Materials	617
Repair and Maintenance	1,959
Cost of Sales	36,369
Depreciation Expense	1,491
Miscellaneous	2,262
	<hr/>
Total Operating Expenses	77,995
	<hr/>
Operating (Loss)	(24,427)
	<hr/>
NONOPERATING REVENUES	
Interest Earnings	29
State Sources	
State School Lunch Program	952
Federal Sources	
National Lunch Program	29,511
	<hr/>
Total Nonoperating Revenues	30,492
	<hr/>
Net Income/Change in Net Position	6,065
	<hr/>
Net Position, Beginning of Year	22,012
	<hr/>
Net Position, End of Year	\$ 28,077
	<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, 2015**

	Enterprise Fund Totals
Cash Flows from Operating Activities	
Cash Received from Customers and Other Operating Activities	\$ 53,568
Cash Payments for Employees - Salaries and Benefits	(25,896)
Cash Payments to Suppliers for Goods and Services	<u>(45,957)</u>
Net Cash Used by Operating Activities	<u>(18,285)</u>
Cash Flows from Noncapital Financing Activities	
Cash Received from State and Federal Subsidy Reimbursements	<u>25,173</u>
Net Cash Provided by Noncapital Financing Activities	<u>25,173</u>
Cash Flows from Investing Activities	
Interest Earnings	<u>29</u>
Net Cash Provided by Investing Activities	<u>29</u>
Net Increase in Cash and Cash Equivalents	6,917
Cash and Cash Equivalents, Beginning of Year	<u>15,668</u>
Cash and Cash Equivalents, End of Year	<u>\$ 22,585</u>
Reconciliation of Operating (Loss) to Net Cash Used by Operating Activities	
Operating (Loss)	<u>\$ (24,427)</u>
Adjustments to Reconcile Operating (Loss) to Net Cash Used by Operating Activities	
Depreciation Expense	1,491
Non-Cash Federal Assistance-Food Distribution Program	5,025
Change in Assets, Liabilities and Deferred Inflows of Resources (Increase)/Decrease in Inventory	193
Increase/(Decrease) in Accounts Payable	(800)
Increase/(Decrease) in Deferred Commodities Revenue	<u>233</u>
Total Adjustments	<u>6,142</u>
Net Cash Used by Operating Activities	<u>\$ (18,285)</u>
Non-Cash Investing, Capital and Financing Activities	
Value Received - Food Distribution Program	\$ 5,258

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, 2015**

	Unemployment Compensation <u>Trust Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 16,469	\$ 14,151
Due from Other Funds	<u>13,587</u>	<u>-</u>
Total Assets	<u>30,056</u>	<u>\$ 14,151</u>
LIABILITIES		
Due to Student Groups		\$ 11,849
Due to Other Funds		95
Payroll Deductions Payable		967
Accounts Payable	<u>\$ 104</u>	<u>1,240</u>
Total Liabilities	<u>104</u>	<u>\$ 14,151</u>
NET POSITION		
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 29,952</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, 2015**

	Unemployment Compensation <u>Trust Fund</u>
ADDITIONS	
Contributions	
Employees	\$ 5,300
District	<u>21,280</u>
Total Contributions	26,580
Investment Earnings	
Interest	<u>13</u>
Total Additions	<u>26,593</u>
DEDUCTIONS	
Unemployment Claims and Contributions	<u>20,883</u>
Total Deductions	<u>20,883</u>
Change in Net Position	5,710
Net Position, Beginning of Year	<u>24,242</u>
Net Position, End of Year	<u><u>\$ 29,952</u></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, 2015**

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 2015, the District adopted the following GASB statements:

- GASB 68, *Accounting and Financial Reporting for Pensions*. 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.
- GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, should be applied simultaneously with the provisions of Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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 72, *Fair Value Measurement and Application*, will be effective beginning with the fiscal year ending June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective beginning with the fiscal year ending June 30, 2016. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the District’s enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

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

Additionally, the government reports the following fund types:

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".

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements 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.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

When both restricted and unrestricted resources are available for use, it is the 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 inflows of resources.

4. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at 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.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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)*

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.

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

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

5. *Deferred Outflows/Inflows of Resources*

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

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

RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. *Compensated Absences*

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds do not permit the accrual of unused sick leave. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

7. *Pensions*

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

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

8. *Long-Term Obligations*

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

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Net Position/Fund Balance (Continued)*

Governmental Fund Statements

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, 2014 audited excess surplus that was appropriated in the 2015/2016 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2015 audited excess surplus that is required to be appropriated in the 2016/2017 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.

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2015/2016 District budget certified for taxes.

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

Maintenance Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2015/2016 District budget certified for taxes

Tuition Reserve – Designated for Subsequent Year's Expenditures – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2013/2014 contract year that is appropriated in the 2015/2016 original budget certified for taxes.

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

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.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

3. Tuition Revenues and Expenditures

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

Tuition Expenditures - Tuition charges for the fiscal years 2013-2014 and 2014-2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. Proprietary Funds, Operating and 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 enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position– governmental activities as reported in the district-wide statement of net position. One element of that reconciliation explains that “deferred outflows and inflows are amortized over future years and therefore are not reported in the funds.” The details of this \$20,054 difference are as follows:

Deferred Outflows on Net Pension Liability	\$ 79,154
Deferred Inflows on Net Pension Liability	<u>(58,650)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 20,504</u>

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position– governmental activities as reported in the district-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including capital leases, net pension liability and compensated absences are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$1,034,755 difference are as follows:

Capital Leases Payable	\$ 26,392
Net Pension Liability	984,142
Compensated Absences	<u>24,221</u>
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 1,034,755</u>

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The annual budget is adopted in the spring of the preceding year for the general and special revenue funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. The annual budget is voted upon at the annual school election on the third Tuesday in April.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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 2014/2015. Also, during 2014/2015 the Board increased the original budget by \$152,341. 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 appropriations of \$96,382 from the general fund were made on November 19, 2014.

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

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

B. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014	\$ 497,544
Increases	
Interest	<u>49</u>
Balance, June 30, 2015	<u>\$ 497,593</u>

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve

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

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

D. Maintenance Reserve

The activity of the maintenance reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014	\$ 400,000
Increased by	
Interest earnings	<u>33</u>
Balance, June 30, 2015	<u>\$ 400,033</u>

The June 30, 2015 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$418,700.

E. 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, 2015 is \$501,004. Of this amount, \$245,363 was designated and appropriated in the 2015/2016 original budget certified for taxes and the remaining amount of \$255,641 will be appropriated in the 2016/2017 original budget certified for taxes.

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), 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.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2015, the book value of the Board's deposits were \$1,764,562 and bank and brokerage firm balances of the Board's deposits amounted to \$2,151,231. 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>2,151,231</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, 2015 none of the Board's bank balances were exposed to custodial credit risk.

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, 2015, 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.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2015 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					
Federal		\$ 2,945		\$ 2,254	\$ 5,199
State	\$ 3,480	-	\$ 27,880	113	31,473
Gross Receivables	3,480	2,945	27,880	2,367	36,672
Less: Allowance for Uncollectibles	-	-	-	-	-
Net Total Receivables	<u>\$ 3,480</u>	<u>\$ 2,945</u>	<u>\$ 27,880</u>	<u>\$ 2,367</u>	<u>\$ 36,672</u>

C. Unearned Revenue

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

	<u>Unearned</u>
General Fund	
Tuition	\$ 3,600
Special Revenue Fund	
Unencumbered grant draw downs	8
Capital Projects Fund	
Unrealized Schools Development Authority School Facilities Grants	<u>9,698</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 13,306</u>

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	<u>Balance, July 1, 2014</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Balance, June 30, 2015</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 11,800			\$ 11,800
Construction in Progress	-	-	-	-
Total capital assets, not being depreciated	<u>11,800</u>	<u>-</u>	<u>-</u>	<u>11,800</u>
Capital assets, being depreciated:				
Buildings and Building Improvements	7,057,900			7,057,900
Machinery and equipment	<u>363,620</u>	<u>\$ 9,045</u>	<u>\$ (14,567)</u>	<u>358,098</u>
Total capital assets being depreciated	<u>7,421,520</u>	<u>9,045</u>	<u>(14,567)</u>	<u>7,415,998</u>
Less accumulated depreciation for:				
Buildings and Building Improvements	(2,300,452)	(187,616)		(2,488,068)
Machinery and equipment	<u>(297,036)</u>	<u>(18,864)</u>	<u>14,567</u>	<u>(301,333)</u>
Total accumulated depreciation	<u>(2,597,488)</u>	<u>(206,480)</u>	<u>14,567</u>	<u>(2,789,401)</u>
Total capital assets, being depreciated, net	<u>4,824,032</u>	<u>(197,435)</u>	<u>-</u>	<u>4,626,597</u>
Governmental activities capital assets, net	<u>\$ 4,835,832</u>	<u>\$ (197,435)</u>	<u>\$ -</u>	<u>\$ 4,638,397</u>

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2015</u>
Business-type activities:				
Capital assets, being depreciated:				
Machinery and equipment	\$ 22,269	-	-	\$ 22,269
Total capital assets being depreciated	<u>22,269</u>	<u>-</u>	<u>-</u>	<u>22,269</u>
Less accumulated depreciation for:				
Machinery and equipment	(12,899)	\$ (1,491)	-	(14,390)
Total accumulated depreciation	<u>(12,899)</u>	<u>(1,491)</u>	<u>-</u>	<u>(14,390)</u>
Total capital assets, being depreciated, net	<u>9,370</u>	<u>(1,491)</u>	<u>-</u>	<u>7,879</u>
Business-type activities capital assets, net	<u>\$ 9,370</u>	<u>\$ (1,491)</u>	<u>\$ -</u>	<u>\$ 7,879</u>

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

Governmental Activities:	
Instruction	
Regular	\$ 16,612
Total Instruction	<u>16,612</u>
Support Services	
Support Services-Students	762
Operations and Maintenance of Plant	<u>189,106</u>
Total Support Services	<u>189,868</u>
Total depreciation expense - governmental activities	<u>\$ 206,480</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 1,491</u>

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2015, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 2,937
General Fund	Capital Projects Fund	3,636
General Fund	Food Service Enterprise Fund	447
General Fund	Payroll Agency Fund	26
Unemployment Compensation Trust Fund	General Fund	13,518
Unemployment Compensation Trust Fund	Agency Fund	69
		<u>\$ 20,633</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 leases are for a term of 4 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental 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, 2015**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

Capital Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2016	\$ 10,590
2017	10,590
2018	<u>7,060</u>
Total minimum lease payments	28,240
Less: amount representing interest	<u>(1,848)</u>
Present value of minimum lease payments	<u>\$ 26,392</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, 2015 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 25,700,172
Less: Net Debt	<u>-</u>
Remaining Borrowing Power	<u>\$ 25,700,172</u>

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2015, was as follows:

	<u>Balance, July 1, 2014</u>	<u>Increases</u>	<u>Reductions</u>	<u>Balance, June 30, 2015</u>	<u>Due Within One Year</u>
Governmental activities:					
Capital Leases	\$ 35,420		\$ 9,028	\$ 26,392	\$ 9,489
Net Pension Liability	947,534	\$ 36,608		984,142	41,674
Compensated absences payable	<u>16,147</u>	<u>8,074</u>	<u>-</u>	<u>24,221</u>	<u>-</u>
Governmental activity Long-term liabilities	<u>\$ 999,101</u>	<u>\$ 44,682</u>	<u>\$ 9,028</u>	<u>\$ 1,034,755</u>	<u>\$ 51,163</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, 2015**

NOTE 5 OTHER INFORMATION

A. Risk Management

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

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

The relationship between the Board and the insurance 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, 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 fund attributable to a membership year during which they were a member.

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

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

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

<u>Fiscal</u> <u>Year Ended</u> <u>June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2015	\$ 21,280	\$ 5,300	\$ 20,883	\$ 29,952
2014	7,423	7,499	10,023	24,242
2013	18,000	7,388	12,645	19,327

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.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

B. Contingent Liabilities (Continued)

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, 2015, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Employee Retirement Systems and Pension Plans

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. PERS is a cost sharing multi-employer defined benefit pension plan.

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. TPAF is a cost sharing plan with special funding situations.

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

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

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

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

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds (Continued)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of 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.

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. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at www.state.nj/treasury/doinvest.

Funding Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 62.8 percent with an unfunded actuarial accrued liability of \$51.0 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 54.2 percent and \$37.3 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 75.4 percent and \$13.7 billion, respectively.

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 funding limitations on the pattern of cost sharing between the employer and members in the future.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Actuarial Methods and Assumptions

In the July 1, 2013 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) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 4.24 percent for the PERS and 3.33 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 6.9% for PERS, 6.9% for TPAF and 5.50% for DCRP of the employee's annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2015 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 fiscal years ended June 30, 2015, 2014 and 2013 the Board was required to contribute for PERS and DCRP 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>
2015	\$ 43,333	\$ 122,286
2014	41,595	94,761
2013	43,729	148,383

For fiscal years 2014/2015 and 2012/2013, the state contributed \$122,286 and \$148,383, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$94,761 for normal cost pension and NCGI premium.

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 24. The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC) (Continued)

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$150,816 during the fiscal year ended June 30, 2015 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

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

Public Employees Retirement System (PERS)

At June 30, 2015, the District reported in the statement of net position (accrual basis) a liability of \$984,142 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2014, the District's proportionate share was .00526 percent, which was an increase of .0003 percent from its proportionate share measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$59,437 for PERS. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience Changes of Assumptions	\$ 30,947	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 58,650
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>48,207</u>	<u>-</u>
Total	<u>\$ 79,154</u>	<u>\$ 58,650</u>

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

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

Fiscal Year Ending <u>June 30,</u>		
2016	\$	(112)
2017		(112)
2018		(112)
2019		(112)
2020		14,550
Thereafter		<u>6,402</u>
	<u>\$</u>	<u>20,504</u>

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15-4.40%
Thereafter	Based on Age 3.15-5.40%
Investment Rate of Return	Based on Age 7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial Assumptions were Based	June 30, 2011

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

Discount Rate

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

<u>Plan</u>	<u>Discount Rate</u>
PERS	5.39%

RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

PERS

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2033
Municipal Bond Rate *	From July 1, 2033 and Thereafter

* The municipal bond return rate used is 4.29%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 5.39%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39 percent) or 1-percentage-point higher (6.39 percent) than the current rate:

	1% Decrease <u>(4.39%)</u>	Current Discount Rate <u>(5.39%)</u>	1% Increase <u>(6.39%)</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 1,238,080</u>	<u>\$ 984,142</u>	<u>\$ 770,898</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2014. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

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

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$644,199 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2015 the State's proportionate share of the net pension liability attributable to the District is \$11,971,862. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2014.

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2009 - June 30, 2012
Study Upon Which Actuarial Assumptions were Based	

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

**RIVERDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

<u>Plan</u>	<u>Discount Rate</u>
TPAF	4.68%

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

<u>TPAF</u>	
Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2027
Municipal Bond Rate *	From July 1, 2027 and Thereafter

* The municipal bond return rate used is 4.29%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.68%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.68 percent) or 1-percentage-point higher (5.68 percent) than the current rate:

	1% Decrease <u>(3.68%)</u>	Current Discount Rate <u>(4.68%)</u>	1% Increase <u>(5.68%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 14,399,037</u>	<u>\$ 11,971,862</u>	<u>\$ 9,953,167</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2014. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2014 was not provided by the pension system.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

D. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

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, 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-Local 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 590 state and local participating employers and contributing entities for Fiscal Year 2014.

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.

Health Benefits Program Fund (HBPF) – Local Education (including Prescription Drug Program Fund) – The State of New Jersey provides paid 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 paid 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 state 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.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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, 2013, the most recent actuarial valuation date, the State had a \$53.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$19.7 billion for state active and retired members and \$33.3 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 includes 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 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 or 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, 2013, OPEB 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.

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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, 2014, there were 103,432, retirees receiving post-retirement medical benefits and the State contributed \$1.04 billion 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 employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

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 fiscal years ended June 30, 2015, 2014 and 2013 were \$194,129, \$155,372 and \$167,783 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.

NOTE 6 RESTATEMENT

On July 1, 2014, the Riverdale Board of Education implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions. The Riverdale Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2014 was to recognize the District's proportionate share of the Public Employees' Retirement System's (PERS) net pension liability, deferred outflows of resources and deferred inflows of resources with a corresponding reduction in the unrestricted component of net position in the amount of \$947,534. The result of this restatement is to reduce total net position of Governmental Activities at June 30, 2014 from \$6,519,655 as originally reported to \$5,572,121 as adjusted for the effects of the change in accounting principle.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 7,144,612		\$ 7,144,612	\$ 7,144,612	
Tuition	28,600		28,600	99,986	\$ 71,386
Interest	200		200	3,876	3,676
Unrestricted Miscellaneous Revenue	12,362	-	12,362	20,855	8,493
Total Local Sources	7,185,774	-	7,185,774	7,269,329	83,555
State Sources					
Special Education Aid	209,761		209,761	209,761	-
Transportation Aid	20,048		20,048	20,048	-
Security Aid	9,794		9,794	9,794	-
PARCC Readiness Aid	4,430		4,430	4,430	-
Per Pupil Growth Aid	4,430		4,430	4,430	-
Extraordinary Aid				107,736	107,736
Non Public Transportation				3,480	3,480
On-behalf TPAF Pension Benefit Contribution (Non-Budget)				114,079	114,079
On-behalf TPAF Pension NCGI Premium (Non-Budget)				8,207	8,207
On-behalf TPAF Post Retirement Medical Contribution (Non-Budget)				194,129	194,129
TPAF Social Security Contribution (Non-Budget)	-	-	-	150,816	150,816
Total State Sources	248,463	-	248,463	826,910	578,447
Total Revenues	7,434,237	-	7,434,237	8,096,239	662,002
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction					
Regular Programs					
Salaries of Teachers					
Preschool	87,380	\$ 2,995	90,375	90,016	359
Kindergarten	127,122	23,868	150,990	150,038	952
Grades 1-5	700,053	448	700,501	700,225	276
Grades 6-8	525,518	10,541	536,059	536,059	-
Regular Program - Home Instruction					
Salaries of Teachers		17,693	17,693	17,693	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	19,423	(16,102)	3,321	245	3,076
Other Purchased Services	25,000	1,047	26,047	25,166	881
General Supplies	62,000	39,275	101,275	72,522	28,753
Textbooks	15,000	(14,943)	57	57	-
Miscellaneous Expenditures	15,000	(10,396)	4,604	2,098	2,506
Total Regular Programs	1,576,496	54,426	1,630,922	1,594,119	36,803

**RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 127,245	-	\$ 127,245	\$ 127,245	
Other Salaries for Instruction	19,986	\$ 256	20,242	20,242	-
General Supplies	2,400	(1,177)	1,223	405	\$ 818
Textbooks	400	(256)	144	-	144
Total Learning and/or Language Disabilities	150,031	(1,177)	148,854	147,892	962
Resource Room/Resource Center					
Salaries of Teachers	177,583	199	177,782	177,782	-
General Supplies	2,000	1,142	3,142	1,501	1,641
Textbooks	600	(261)	339	170	169
Total Resource Room/Resource Center	180,183	1,080	181,263	179,453	1,810
Total Special Education - Instruction	330,214	(97)	330,117	327,345	2,772
Basic Skills/Remedial Instruction					
Salaries of Teachers	63,473	200	63,673	63,673	-
General Supplies	1,600	1,623	3,223	1,611	1,612
Textbooks	300	-	300	-	300
Total Basic Skills/Remedial Instruction	65,373	1,823	67,196	65,284	1,912
School Sponsored Cocurricular Activities					
Salaries	24,303	(607)	23,696	18,025	5,671
Supplies and Materials	1,200	-	1,200	1,113	87
Other Objects	2,500	1,077	3,577	3,577	-
Total School Sponsored Cocurricular Activities	28,003	470	28,473	22,715	5,758
School Sponsored Athletics					
Salaries	13,400	(327)	13,073	13,073	-
Supplies and Materials	2,200	1,518	3,718	3,717	1
Other Objects	4,000	34	4,034	4,034	-
Total School Sponsored Athletics	19,600	1,225	20,825	20,824	1
Total Instruction	2,019,686	57,847	2,077,533	2,030,287	47,246
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Regular	1,328,294	155,045	1,483,339	1,483,339	-
Tuition to Other LEAs Within the State-Special	527,255	(69,373)	457,882	457,882	-
Tuition to County Voc. School Dist-Regular	171,000	(57,192)	113,808	113,808	-
Tuition to Private Schools - Disabled - W/I State	669,757	(8,664)	661,093	658,595	2,498
Total Undistributed Expenditures - Instruction	2,696,306	19,816	2,716,122	2,713,624	2,498

**RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Attendance and Social Work Services					
Salaries	\$ 19,055	\$ 4,575	\$ 23,630	\$ 22,683	\$ 947
Total Attendance and Social Work Services	<u>19,055</u>	<u>4,575</u>	<u>23,630</u>	<u>22,683</u>	<u>947</u>
Undistributed Expenditures					
Health Services					
Salaries	70,010	1,189	71,199	71,199	-
Purchased Professional and Technical Services	2,700	(994)	1,706	1,530	176
Supplies and Materials	2,500	3,191	5,691	5,679	12
Other Objects	525	(65)	460	128	332
Total Health Services	<u>75,735</u>	<u>3,321</u>	<u>79,056</u>	<u>78,536</u>	<u>520</u>
Speech, OT, PT & Related Services					
Salaries	53,978	-	53,978	53,808	170
Purchased Professional - Educational Services	42,700	1,914	44,614	44,544	70
Supplies and Materials	500	374	874	840	34
Total Speech, OT, PT & Related Services	<u>97,178</u>	<u>2,288</u>	<u>99,466</u>	<u>99,192</u>	<u>274</u>
Other Support Serv. Students - Extra. Svcs.					
Salaries	83,240	(43,547)	39,693	12,904	26,789
Purchased Professional-Educational Services	61,698	19,554	81,252	80,259	993
Other Objects	300	95	395	395	-
Total Other Support Serv. Students - Extra. Svcs.	<u>145,238</u>	<u>(23,898)</u>	<u>121,340</u>	<u>93,558</u>	<u>27,782</u>
Guidance					
Salaries of Secretarial and Clerical Assistants	19,055	1,458	20,513	20,513	-
Supplies and Materials	2,500	(1,124)	1,376	683	693
Total Guidance	<u>21,555</u>	<u>334</u>	<u>21,889</u>	<u>21,196</u>	<u>693</u>
Child Study Teams					
Salaries of Other Professional Staff	159,166	(24,881)	134,285	134,285	-
Salaries of Secretarial and Clerical Assistants	46,320	2,520	48,840	48,840	-
Other Purchased Professional and Tech. Services	5,500	23,147	28,647	21,507	7,140
Supplies and Materials	2,225	541	2,766	1,577	1,189
Other Objects	225	50	275	275	-
Total Child Study Teams	<u>213,436</u>	<u>1,377</u>	<u>214,813</u>	<u>206,484</u>	<u>8,329</u>
Educational Media Services/School Library					
Salaries	45,303	284	45,587	45,587	-
Purchased Professional and Technical Services	17,000	22,102	39,102	38,932	170
Supplies and Materials	6,605	-	6,605	6,258	347
Total Educational Media Serv./School Library	<u>68,908</u>	<u>22,386</u>	<u>91,294</u>	<u>90,777</u>	<u>517</u>

**RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	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	\$ 14,560	\$ (79)	\$ 14,481	\$ 6,212	\$ 8,269
Other Purchased Services - Travel	1,800	(1,473)	327	318	9
Total Instructional Staff Training Services	16,360	(1,552)	14,808	6,530	8,278
Support Services General Administration					
Salaries	168,664	-	168,664	168,418	246
Legal Services	8,000	8,551	16,551	11,551	5,000
Audit Fees	18,600	(838)	17,762	17,762	-
Architectural/Engineering Services	3,000	(2,937)	63	-	63
Other Purchased Professional Services	2,895	1,020	3,915	3,915	-
Communications/Telephone	17,000	1,090	18,090	17,875	215
BOE Other Purchased Services	8,000	(4,771)	3,229	2,991	238
Miscellaneous Purchased Services	19,133	6,013	25,146	25,146	-
General Supplies	2,750	(1,329)	1,421	1,401	20
Miscellaneous Expenditures	7,950	(3,064)	4,886	3,581	1,305
BOE Membership Dues and Fees	4,010	-	4,010	3,889	121
Total Support Services General Administration	260,002	3,735	263,737	256,529	7,208
Support Services School Administration					
Salaries of Principal/Asst. Principals	109,180	(473)	108,707	108,707	-
Supplies and Materials	7,500	264	7,764	7,764	-
Other Objects	1,500	399	1,899	1,899	-
Total Support Services School Administration	118,180	190	118,370	118,370	-
Central Services					
Salaries	131,191	-	131,191	120,194	10,997
Purchased Professional Services	11,950	-	11,950	9,150	2,800
Miscellaneous Purchased Services - Travel	7,600	-	7,600	709	6,891
Supplies and Materials	4,000	-	4,000	3,218	782
Miscellaneous Expenditures	1,000	-	1,000	949	51
Total Central Services	155,741	-	155,741	134,220	21,521
Required Maintenance for School Facilities					
Salaries	44,381	2,407	46,788	46,788	-
Cleaning, Repair and Maintenance Services	35,500	(5,175)	30,325	25,312	5,013
General Supplies	12,000	(942)	11,058	8,914	2,144
Total Required Maintenance for School Fac.	91,881	(3,710)	88,171	81,014	7,157

**RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Custodial Services					
Salaries	\$ 129,151	\$ 2,053	\$ 131,204	\$ 127,921	\$ 3,283
Purchased, Professional and Technical Services	3,500	1,750	5,250	4,693	557
Cleaning, Repair and Maintenance Service	14,000	(2,945)	11,055	9,882	1,173
Insurance	24,990	-	24,990	23,731	1,259
Miscellaneous Purchased Services - Travel	1,650	(224)	1,426	1,292	134
General Supplies	18,200	7,908	26,108	26,108	-
Energy (Natural)	51,777	(26,344)	25,433	25,433	-
Energy (Electricity)	95,932	(16,516)	79,416	60,677	18,739
Other Objects	500	330	830	300	530
Total Custodial Services	339,700	(33,988)	305,712	280,037	25,675
Student Transportation Services					
Salaries for Pupil Transportation					
(Between Home and School) - Regular	18,783	620	19,403	19,403	-
Contracted Serv (Bet. Home and Sch)-Vendors	154,796	(8,661)	146,135	146,135	-
Contracted Serv (Other than Bet Home & Sch)	5,820	720	6,540	6,218	322
Contracted Serv (Sp Ed Students)- Vendors	-	-	-	-	-
Contracted Serv.-Aid in Lieu of Payments	21,120	3,215	24,335	23,451	884
Contracted Serv. (Reg. Students)-ESCs & CTSA's	37,740	(3,814)	33,926	33,889	37
Contracted Serv. (Spl.Ed.Students)-ESCs & CTSA's	207,750	101,350	309,100	287,065	22,035
General Supplies	3,000	-	3,000	1,590	1,410
Other Objects	2,000	-	2,000	356	1,644
Total Student Transportation Services	451,009	93,430	544,439	518,107	26,332
Unallocated Benefits-Employee Benefits					
Social Security Contributions	53,494	14,943	68,437	68,437	-
Other Retirement Contributions - PERS	51,719	(8,386)	43,333	43,333	-
Unemployment Compensation	6,000	15,398	21,398	21,293	105
Workmen's Compensation	38,241	(8,745)	29,496	29,496	-
Health Benefits	694,171	8,585	702,756	693,974	8,782
Tuition Reimbursement	5,000	(5,000)	-	-	-
Other Employee Benefits	10,547	(10,547)	-	-	-
Total Unallocated Benefits - Employee Benefits	859,172	6,248	865,420	856,533	8,887
On-behalf TPAF Pension Benefit Contribution					
(Non-Budget)				114,079	(114,079)
On-behalf TPAF Pension NCGI Premium					
(Non-Budget)				8,207	(8,207)
On-behalf TPAF Post Retirement Medical Contribution					
(Non-Budget)				194,129	(194,129)
On-behalf TPAF Social Security Contributions					
(Non-Budget)	-	-	-	150,816	(150,816)
Total Undistributed Expenditures	5,629,456	94,552	5,724,008	6,044,621	(320,613)
Total Expenditures - Current Expenditures	7,649,142	152,399	7,801,541	8,074,908	(273,367)

**RIVERDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures					
Instruction	\$ 9,655	\$ (9,045)	\$ 610		\$ 610
Care and Upkeep of Grounds		9,045	9,045	\$ 9,045	-
Security	-	-	-	-	-
Total Equipment	<u>9,655</u>	<u>-</u>	<u>9,655</u>	<u>9,045</u>	<u>610</u>
Facilities and Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	16,125	-	16,125	16,125	-
Total Facilities Acquis. and Const. Services	<u>16,125</u>	<u>-</u>	<u>16,125</u>	<u>16,125</u>	<u>-</u>
Interest to Capital Reserve	200	-	200	-	200
Total Capital Outlay	<u>25,980</u>	<u>-</u>	<u>25,980</u>	<u>25,170</u>	<u>810</u>
Transfer to Charter Schools	11,278	(11,278)	-	-	-
Total Expenditures	<u>7,686,400</u>	<u>141,121</u>	<u>7,827,521</u>	<u>8,100,078</u>	<u>(272,557)</u>
Excess (Deficiency) of Revenues Over/(Under)					
Expenditures	(252,163)	(141,121)	(393,284)	(3,839)	389,445
Other Financing Sources					
Transfers In	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	(252,163)	(141,121)	(393,284)	(3,839)	389,445
Fund Balance, Beginning of Year	<u>1,839,572</u>	<u>-</u>	<u>1,839,572</u>	<u>1,839,572</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,587,409</u>	<u>\$ (141,121)</u>	<u>\$ 1,446,288</u>	<u>\$ 1,835,733</u>	<u>\$ 389,445</u>
Restricted Fund Balance:					
Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 245,363	
Excess Surplus				255,641	
Capital Reserve - Designated for Subsequent Year's Expenditures				200	
Capital Reserve				497,393	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				22,366	
Maintenance Reserve				377,667	
Tuition Adjustments - Designated for Subsequent Year's Expenditures				50,000	
Assigned Fund Balance:					
Year-end Encumbrances				25,887	
Unassigned Fund Balance:				<u>361,216</u>	
				1,835,733	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: State Aid Payments Not Recognized on GAAP Basis					
Delayed State Aid Payments			\$ (23,232)		
Extraordinary Aid			<u>(107,736)</u>		
				<u>(130,968)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 1,704,765</u>	

**RIVERDALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
Federal	\$ 102,367	\$ 11,220	\$ 113,587	\$ 113,579	(8)
Other	-	-	-	-	-
Total Revenues	<u>102,367</u>	<u>11,220</u>	<u>113,587</u>	<u>113,579</u>	<u>(8)</u>
EXPENDITURES					
Instruction					
Tuition	72,631	(286)	72,345	72,345	
General Supplies	<u>25,609</u>	<u>(810)</u>	<u>24,799</u>	<u>24,791</u>	8
Total Instruction	<u>98,240</u>	<u>(1,096)</u>	<u>97,144</u>	<u>97,136</u>	8
Support Services					
Purchased Professional/Educational Services	4,127	11,558	15,685	15,685	
General Supplies	<u>-</u>	<u>758</u>	<u>758</u>	<u>758</u>	-
Total Support Services	<u>4,127</u>	<u>12,316</u>	<u>16,443</u>	<u>16,443</u>	-
Capital Outlay- Instructional Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>102,367</u>	<u>11,220</u>	<u>113,587</u>	<u>113,579</u>	<u>8</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**RIVERDALE BOARD OF EDUCATION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

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

	General Fund		Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1) \$ 8,096,239		(C-2) \$ 113,579
Difference - Budget to GAAP:			
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (prior year)	118,728		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (current year)	(130,968)		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Encumbrances, Prior Year	-		-
Encumbrances, Current Year	<u>-</u>		<u>(314)</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) \$ <u>8,083,999</u>		(B-2) \$ <u>113,265</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ 8,100,078		(C-2) \$ 113,579
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, 2014	-		-
Encumbrances, June 30, 2015	<u>-</u>		<u>(314)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>8,100,078</u>		(B-2) \$ <u>113,265</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.00526 %	0.00496 %
District's Proportionate Share of the Net Pension Liability (Asset)	984,142	947,534
District's Covered-Employee Payroll	311,078	310,024
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	316%	306%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

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

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

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

PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Two Fiscal Years

	<u>2015</u>	<u>2014</u>	
Contractually Required Contribution	\$ 43,333	\$ 41,595	
Contributions in Relation to the Contractually Required Contributions	43,333	41,595	
Contribution Deficiency (Excess)	-	-	
District's Covered- Employee Payroll	311,078	310,024	
Contributions as a Percentage of Covered-Employee Payroll	13.93%	13.42%	

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

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

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

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>11,971,862</u>	<u>11,605,771</u>
Total	\$ 11,971,862	\$ 11,605,771
District's Covered-Employee Payroll	1,946,722	2,087,474
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	615%	556%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

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

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

**RIVERDALE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Change of Benefit Terms: None.

Change of Assumptions: The discount rate changed from the District's rate as of June 30, 2014 to the District's rate as of June 30, 2015, in accordance with GASB Statement No. 67.

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, 2015

	IDEA Part B Basic	IDEA Part B Preschool	NCLB Title I	NCLB Title II-A	NCLB Title III	Total 2015
REVENUES						
Intergovernmental						
Federal	\$ 72,345	\$ 3,021	\$ 33,010	\$ 4,690	\$ 513	\$ 113,579
Other	-	-	-	-	-	-
Total Revenues	<u>\$ 72,345</u>	<u>\$ 3,021</u>	<u>\$ 33,010</u>	<u>\$ 4,690</u>	<u>\$ 513</u>	<u>\$ 113,579</u>
EXPENDITURES						
Instruction						
Tuition	\$ 72,345					\$ 72,345
General Supplies	-	\$ 2,263	\$ 22,015	-	\$ 513	24,791
Total Instruction	<u>72,345</u>	<u>2,263</u>	<u>22,015</u>	<u>-</u>	<u>513</u>	<u>97,136</u>
Support Services						
Purchased Professional/Educational Services			10,995	\$ 4,690		15,685
General Supplies	-	758	-	-	-	758
Total Support Services	<u>-</u>	<u>758</u>	<u>10,995</u>	<u>4,690</u>	<u>-</u>	<u>16,443</u>
Capital Outlay- Instructional Equipment	-	-	-	-	-	-
Total Expenditures	<u>\$ 72,345</u>	<u>\$ 3,021</u>	<u>\$ 33,010</u>	<u>\$ 4,690</u>	<u>\$ 513</u>	<u>\$ 113,579</u>

**RIVERDALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**RIVERDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance, June 30, 2015</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				
				\$ 24,244
				Project Balance - Budgetary Basis, June 30, 2015
				Less:
				Unearned SDA Grant Revenue
				<u>(9,698)</u>
				Fund Balance - GAAP Basis, June 30, 2015
				<u>\$ 14,546</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, 2015**

Revenues and Other Financing Sources

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

Expenditures and Other Financing Uses

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

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	<hr/> (9,698)
Fund Balance, June 30, 2015 GAAP Basis	<hr/> \$ 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, 2015**

	<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 2011
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

EXHIBIT G-1

**RIVERDALE BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

**RIVERDALE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES
AS OF JUNE 30, 2015**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 13,089	\$ 1,062	\$ 14,151
Total Assets	<u>\$ 13,089</u>	<u>\$ 1,062</u>	<u>\$ 14,151</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 967	\$ 967
Due to Other Funds		95	95
Accounts Payable	\$ 1,240		1,240
Due to Student Groups	<u>11,849</u>	<u>-</u>	<u>11,849</u>
Total Liabilities	<u>\$ 13,089</u>	<u>\$ 1,062</u>	<u>\$ 14,151</u>

**RIVERDALE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

THIS STATEMENT IS NOT APPLICABLE

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Balance, July 1, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance, June 30, 2015</u>
Elementary School				
Programs and Activities	\$ 14,855	\$ 50,372	\$ 52,138	\$ 13,089
Athletics	<u>440</u>	<u>3,121</u>	<u>3,561</u>	<u>-</u>
 Total All Schools	 <u>\$ 15,295</u>	 <u>\$ 53,493</u>	 <u>\$ 55,699</u>	 <u>\$ 13,089</u>

**RIVERDALE BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance, July 1, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>2015</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 1,575	\$ 1,304,166	\$ 1,304,774	\$ 967
Accrued Salaries and Wages	-	1,897,362	1,897,362	-
Due To/From Other Funds - Unemployment Trust	(539)	5,195	4,587	69
Due To/From Other Funds - General Fund	<u>26</u>	<u>64</u>	<u>64</u>	<u>26</u>
 Total	 <u>\$ 1,062</u>	 <u>\$ 3,206,787</u>	 <u>\$ 3,206,787</u>	 <u>\$ 1,062</u>

LONG-TERM DEBT

**RIVERDALE BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOT APPLICABLE

RIVERDALE PARK BOARD OF EDUCATION
 LONG-TERM DEBT
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2014</u>	<u>Matured</u>	<u>Balance, June 30, 2015</u>
Copiers-3	\$ 46,780	4.98%	\$ 35,420	\$ 9,028	\$ 26,392

**RIVERDALE BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOT APPLICABLE

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities									(Restated)	
Invested in capital assets, net of related debt	\$ 3,489,563	\$ 3,590,617	\$ 3,790,638	\$ 3,948,130	\$ 4,104,235	\$ 4,454,224	\$ 4,593,297	\$ 4,937,669	\$ 4,800,412	\$ 4,612,005
Restricted	17,120	158,000	150,662	212,492	132,548	173,243	471,703	761,897	962,090	962,172
Unrestricted	401,675	221,822	389,216	344,773	578,464	804,054	879,909	775,471	(190,381)	(230,720)
Total governmental activities net position	<u>\$ 3,908,358</u>	<u>\$ 3,970,439</u>	<u>\$ 4,330,516</u>	<u>\$ 4,505,395</u>	<u>\$ 4,815,247</u>	<u>\$ 5,431,521</u>	<u>\$ 5,944,909</u>	<u>\$ 6,475,037</u>	<u>\$ 5,572,121</u>	<u>\$ 5,343,457</u>
Business-type activities										
Invested in capital assets, net of related debt							\$ 2,316	\$ 1,737	\$ 9,370	\$ 7,879
Restricted										
Unrestricted	\$ 13,783	\$ 10,564	\$ 12,690	\$ 13,399	\$ 12,268	\$ 12,042	16,004	22,031	12,642	20,198
Total business-type activities net position	<u>\$ 13,783</u>	<u>\$ 10,564</u>	<u>\$ 12,690</u>	<u>\$ 13,399</u>	<u>\$ 12,268</u>	<u>\$ 12,042</u>	<u>\$ 18,320</u>	<u>\$ 23,768</u>	<u>\$ 22,012</u>	<u>\$ 28,077</u>
District-wide										
Invested in capital assets, net of related debt	\$ 3,489,563	\$ 3,590,617	\$ 3,790,638	\$ 3,948,130	\$ 4,104,235	\$ 4,454,224	\$ 4,595,613	\$ 4,939,406	\$ 4,809,782	\$ 4,619,884
Restricted	17,120	158,000	150,662	212,492	132,548	173,243	471,703	761,897	962,090	962,172
Unrestricted	415,458	232,386	401,906	358,172	590,732	816,096	895,913	797,502	(177,739)	(210,522)
Total district net position	<u>\$ 3,922,141</u>	<u>\$ 3,981,003</u>	<u>\$ 4,343,206</u>	<u>\$ 4,518,794</u>	<u>\$ 4,827,515</u>	<u>\$ 5,443,563</u>	<u>\$ 5,963,229</u>	<u>\$ 6,498,805</u>	<u>\$ 5,594,133</u>	<u>\$ 5,371,534</u>

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
Instruction										
Regular	\$ 2,255,994	\$ 2,850,563	\$ 3,089,022	\$ 3,242,150	\$ 3,177,713	\$ 3,109,283	\$ 3,285,868	\$ 3,520,307	\$ 3,553,560	\$ 4,288,907
Special education	837,270	828,102	895,111	891,369	1,039,953	1,083,073	1,324,189	1,324,401	1,619,403	1,747,281
Other instruction	129,186	137,296	103,937	95,526	78,805	77,082	64,166	95,630	107,595	133,987
School Sponsored Activities and Athletics	46,687	47,734	49,951	47,788	51,500	46,182	44,620	53,725	54,988	55,775
Support Services:										
Student & instruction related services	692,852	725,660	808,565	776,216	742,370	727,129	725,022	742,748	820,422	841,953
School Administrative services	116,204	141,320	140,338	147,913	143,618	155,359	158,062	160,922	168,892	346,971
General administration	284,365	306,259	317,051	289,811	357,519	377,459	377,719	401,219	354,101	197,204
Central Services	127,041	167,664	116,044	105,875	117,882	184,050	173,254	180,530	193,217	181,511
Plant operations and maintenance	533,834	544,961	605,354	732,641	633,581	617,942	594,606	586,531	640,255	626,950
Pupil transportation	244,360	273,557	297,076	327,890	344,832	330,178	345,811	321,239	432,568	525,741
Other support services										
Interest on long-term debt	151,504	90,917	75,869	42,176	39,587	23,744	14,363	7,989	1,999	1,561
Total governmental activities expenses	<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>	<u>7,947,000</u>	<u>8,947,841</u>
Business-type activities:										
Food service	64,984	76,797	75,038	75,568	81,876	82,704	85,691	77,998	86,928	77,995
Total business-type activities expense	<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>	<u>86,928</u>	<u>77,995</u>
Total district expenses	<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>	<u>\$ 8,033,928</u>	<u>\$ 9,025,836</u>
Program Revenues										
Governmental activities:										
Charges for Services			\$ 33,077	\$ 14,900	\$ 25,000	\$ 28,680	\$ 25,200	\$ 86,068	\$ 51,493	\$ 99,986
Operating grants and contributions	\$ 721,222	\$ 837,763	860,885	602,589	785,816	569,945	755,121	935,149	909,178	1,445,832
Capital grants and contributions	21,190	13,278	-	53,363	10,393	84,859	-	-	-	-
Total governmental activities program revenues	<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>	<u>960,671</u>	<u>1,545,818</u>
Business-type activities:										
Charges for services										
Food service	\$ 58,113	\$ 60,283	\$ 64,410	\$ 62,395	\$ 62,634	\$ 60,843	\$ 62,505	\$ 52,121	\$ 54,260	\$ 53,568
Operating grants and contributions	11,109	11,477	12,754	13,882	18,111	21,635	29,464	31,507	30,885	30,463
Total business type activities program revenues	<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>	<u>85,145</u>	<u>84,031</u>
Total district program revenues	<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>	<u>\$ 1,045,816</u>	<u>\$ 1,629,849</u>
Net (Expense)/Revenue										
Governmental activities	\$ (4,676,885)	\$ (5,262,992)	\$ (5,604,356)	\$ (6,028,505)	\$ (5,906,151)	\$ (6,047,997)	\$ (6,327,359)	\$ (6,374,024)	\$ (6,986,329)	\$ (7,402,023)
Business-type activities	4,238	(5,037)	2,126	709	(1,131)	(226)	6,278	5,430	(1,783)	6,036
Total district-wide net expense	<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>	<u>\$ (6,988,112)</u>	<u>\$ (7,395,987)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 4,732,704	\$ 5,138,915	\$ 5,847,010	\$ 6,037,484	\$ 6,251,522	\$ 6,611,738	\$ 6,816,628	\$ 6,888,062	\$ 7,004,522	\$ 7,144,612
Unrestricted state & federal aid	53,336	53,336	64,621	142,385	47,117	7,092	11,802	-	-	4,016
EDA grant revenue										
Investment earnings	3,536	24,087	23,262	13,875	384					
Miscellaneous income	66,127	110,553	29,540	9,638	16,980	45,441	12,317	16,090	26,425	24,731
Transfers										
Cancellation of Accounts Receivable		(1,818)	-	-	(100,000)					
Total governmental activities	<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>	<u>7,030,947</u>	<u>7,173,359</u>
Business-type activities:										
Transfers	2,500	1,818	-	-	-	-	-	-	-	-
Miscellaneous Income								18	27	29
Total business-type activities	<u>2,500</u>	<u>1,818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18</u>	<u>27</u>	<u>29</u>
Total district-wide	<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>	<u>\$ 7,030,974</u>	<u>\$ 7,173,388</u>
Change in Net Position										
Governmental activities	\$ 178,818	\$ 62,081	\$ 360,077	\$ 174,879	\$ 309,852	\$ 616,274	\$ 513,388	\$ 530,128	\$ 44,618	\$ (228,664)
Business-type activities	6,738	(3,219)	2,126	709	(1,131)	(226)	6,278	5,448	(1,736)	6,065
Total district	<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>	<u>\$ 42,882</u>	<u>\$ (222,599)</u>

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 278,484	\$ 222,065	\$ 346,618	\$ 273,122	\$ 372,156					
Unreserved	261,899	230,830	307,699	341,585	247,859					
Restricted						\$ 711,422	\$ 1,071,340	\$ 1,242,195	\$ 1,445,070	\$ 1,448,630
Committed								64,957	44,739	25,887
Assigned						67,258	48,169	64,957	44,739	25,887
Unassigned						248,564	236,112	231,816	231,035	230,248
Total general fund	<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>	<u>\$ 1,720,844</u>	<u>\$ 1,704,765</u>
All Other Governmental Funds										
Reserved/Restricted					\$ 194,160	\$ (6,597)	\$ 14,547	\$ 14,547	\$ 14,546	\$ 14,546
Unreserved	\$ (82,368)	\$ (49,262)	\$ (49,261)	\$ 4,102	(48,223)	-	-	-	-	-
Total all other governmental funds	<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>	<u>\$ 14,546</u>	<u>\$ 14,546</u>

Beginning with Fiscal Year 2012, 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 hierarchy 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,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax levy	\$ 4,732,704	\$ 5,138,915	\$ 5,847,010	\$ 6,037,484	\$ 6,251,522	\$ 6,611,738	\$ 6,816,628	\$ 6,888,062	\$ 7,004,522	\$ 7,144,612
Interest earnings	3,536	24,087	23,262	13,875	384		991	2,017	3,682	3,876
Tuition						28,680	25,200	86,068	51,493	99,986
Miscellaneous	92,726	113,553	62,617	29,538	41,980	45,441	11,349	14,073	22,743	20,855
State sources	669,278	806,720	834,166	700,177	671,580	559,144	643,792	821,653	786,964	814,670
Federal sources	99,871	94,657	91,340	93,161	171,746	102,752	123,108	113,496	122,214	113,265
Total revenue	5,598,115	6,177,932	6,858,395	6,874,235	7,137,212	7,347,755	7,621,068	7,925,369	7,991,618	8,197,264
Expenditures										
Instruction										
Regular Instruction	2,517,602	2,849,482	3,088,474	3,233,389	3,166,942	3,098,042	3,282,837	3,503,483	3,536,948	3,893,919
Special education instruction	851,162	828,102	895,111	891,369	1,039,953	1,083,073	1,326,361	1,324,401	1,619,403	1,671,679
Other instruction	130,746	137,441	103,356	99,369	78,805	77,085	64,427	95,630	107,595	118,205
School sponsored activities and athletics	46,687	47,734	49,951	47,788	51,500	46,182	44,821	53,725	54,988	55,775
Support Services:										
Student & inst. related services	701,349	719,854	802,959	770,610	737,590	722,349	727,153	741,984	819,658	807,908
General administration	285,065	306,259	317,051	289,811	357,519	385,710	379,279	401,219	354,101	338,919
School administrative services	138,052	139,931	138,949	146,524	142,230	153,971	158,852	160,922	168,892	170,260
Central services	138,005	167,664	116,044	105,875	117,882	184,050	174,131	180,530	193,217	181,511
Plant operations and maintenance	387,821	388,908	434,451	560,320	465,606	449,967	416,571	401,569	452,109	429,792
Pupil transportation	240,932	270,129	293,648	324,462	341,405	326,751	345,944	321,239	432,568	525,741
Other Support Services										
Capital outlay	146,894	39,052	72,633	76,252	68,159	242,942	27,231	274,932	59,675	9,045
Debt service:										
Principal	245,000	255,000	260,000	270,000	280,000	295,000	305,000	318,770	8,590	9,028
Interest and other charges	153,372	80,940	84,345	44,713	42,478	27,938	18,940	10,398	1,999	1,561
Total expenditures	5,782,687	6,230,496	6,656,972	6,860,482	6,890,069	7,093,060	7,271,547	7,788,802	7,809,743	8,213,343
Excess (Deficiency) of revenues over (under) expenditures	(184,572)	(52,564)	201,423	13,753	247,143	254,695	349,521	136,567	181,875	(16,079)
Other Financing sources (uses)										
Transfers in	3,536	24,087		764	261,910		21,143		1	-
Transfers out	(6,036)	(25,905)	-	(764)	(261,910)		(21,143)		(1)	-
Capital Lease Proceeds								46,780	-	-
Cancellation of Accounts Receivable	-	-	-	-	(100,000)					
Total other financing sources (uses)	(2,500)	(1,818)	-	-	(100,000)	-	-	46,780	-	-
Net change in fund balances	\$ (187,072)	\$ (54,382)	\$ 201,423	\$ 13,753	\$ 147,143	\$ 254,695	\$ 349,521	\$ 183,347	\$ 181,875	\$ (16,079)
Debt service as a percentage of noncapital expenditures	7.07%	5.70%	5.23%	4.64%	4.73%	4.71%	4.47%	4.38%	0.14%	0.13%

* 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>
2015	\$ 99,986	\$ 20,855	\$ 3,876	\$ 124,717
2014	51,493	22,743	3,682	77,918
2013	86,068	14,073	2,017	102,158
2012	25,200	11,326	991	37,517
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

* Source: School District's Financial Statements

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate*
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	890,190,256	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	30,432,000	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
2014	18,334,400	481,745,500	465,400	5,600	208,547,800	42,536,200	40,794,000	792,428,900	7,245,200	799,674,100	868,202,233	0.881
2015	18,334,400	481,688,400	465,400	5,600	205,831,900	41,226,600	40,794,000	788,346,300	7,245,200	795,591,500	856,801,548	0.904

Source: County Abstract of Ratables

a Tax rates are per \$100

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

<u>Calendar Year</u>	<u>Total</u>	<u>Local School District</u>	<u>Municipality</u>	<u>County</u>
2015	\$1.857	\$0.904	\$0.683	\$0.270
2014	1.843	0.881	0.685	0.277
2013	1.814	0.864	0.673	0.277
2012	1.517	0.749	0.539	0.229
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

(1) Revaluation

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

Taxpayer	2015		2006	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Riverdale Crossing	\$ 48,155,500	6.05%	\$ 18,885,700	2.85%
Riverdale Road Development, LLC	39,500,500	4.96%		
Riverdale Quarry, LLC	19,364,600	2.43%	19,975,500	3.01%
Target Corp.	18,942,800	2.38%	\$ 6,950,800	1.05%
Cresskill Hills	15,500,000	1.95%	17,780,900	2.68%
Home Depot	14,670,200	1.84%	14,433,800	2.18%
Riverdale Square	9,375,000	1.18%	10,307,700	1.55%
Verizon	7,245,200	0.91%	7,811,449	1.18%
Filtra Corp	7,086,000	0.89%	7,666,300	1.16%
Cho & Nam Associates LLC	6,308,000	0.79%		
Sava			7,438,500	1.12%
	<u>\$ 186,147,800</u>	<u>23.38%</u>	<u>\$111,250,649</u>	<u>16.78%</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	
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%	-
2014	7,004,522	7,004,522	100.00%	-
2015	7,144,612	7,144,612	100.00%	-

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Population	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Project Anticipation Notes	Capital Leases	Total District		
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	3,675	249
2011	621,000	N/A	N/A	-	N/A	621,000	3,808	163
2012	316,000	N/A	N/A	-	N/A	316,000	3,936	80
2013	-	N/A	\$ 44,010	-	N/A	44,010	4,060	11
2014	-	N/A	35,420	-	N/A	35,420	4,046	9
2015	-	N/A	26,392	-	N/A	26,392	4,046 *	7

Source: District records

* Estimate

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
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%	249
2011	621,000		621,000	0.07%	163
2012	316,000		316,000	0.03%	80
2013	-		-	0.00%	-
2014	-		-	0.00%	-
2015	-		-	0.00%	-

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

RIVERDALE BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
AS OF DECEMBER 31, 2014
(Unaudited)

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt			
Borough of Riverdale (1)	\$ 10,890,750	\$ 6,804,322	\$ 4,086,428
 Total Direct Debt	 <u>\$ 10,890,750</u>	 <u>\$ 6,804,322</u>	 4,086,428
Net Overlapping Debt of School District:			
County of Morris - Borough's Share			<u>2,284,116</u>
 Total Direct and Overlapping Debt			 <u>\$ 6,370,544</u>

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

(1) Borough of Riverdale 2014 Annual Debt Statement

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

Equalized valuation basis	
2014	\$ 849,334,298
2013	857,768,666
2012	862,914,268
	<u>\$ 2,570,017,232</u>
	\$ 856,672,411
	25,700,172
	-
	<u>\$ 25,700,172</u>

Fiscal Year June 30,

	<u>2006</u>	<u>2007</u>	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$15,848,221	\$ 18,401,691	\$ 21,460,632	\$ 24,020,177	\$ 25,850,388	\$ 26,421,447	\$ 26,100,976	\$ 25,775,087	\$ 25,624,673	\$ 25,700,172
Total net debt applicable to limit	<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>\$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>	<u>\$ 25,624,673</u>	<u>\$ 25,700,172</u>
Total net debt applicable to the limit as a percentage of debt limit	12.52%	9.39%	6.84%	4.99%	3.54%	2.35%	1.21%	0.00%	0.00%	0.00%

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

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

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income</u>	<u>Population</u>
2015	N/A	\$75,054 *	4,046 *
2014	5.2%	75,054 *	4,046
2013	7.6%	75,054	4,060
2012	9.9%	74,826	3,936
2011	9.5%	71,914	3,808
2010	9.8%	68,656	3,675
2009	9.7%	67,698	5,632
2008	5.7%	71,937	5,235
2007	4.3%	69,843	5,033
2006	4.8%	66,763	4,849

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>2015</u>		<u>2006</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2015</u>	<u>2014</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	23.7	24.00	24.10	23.00	22.30	22.70	28.70	26.70	25.50	24.50
Special education	8.2	7.2	6.3	7.2	7.2	6	5.5	6		
Support Services:										
Student & instruction related services	10.5	10.1	9.2	7.8	7.8	6.6	6	7	9	9
General administration	1.4	1.5	1.5	2	2	2	2	2	2	2
School administrative services	1.5	1	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	1.3	1.3	1	1	0.5	0.5	0.5	1	1
Administrative Information Technology							0.5	1	1	1
Plant operations and maintenance	4.0	4.1	4.1	4.5	4.5	4.5	3.5	3.5	4	3
Pupil transportation	0.3	0.3	0.3	0.3	0.3	1				
Other support services										
Special Schools										
Food Service										
Child Care										
Total	<u>50.9</u>	<u>49.5</u>	<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>43.5</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Pupil/Teacher Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School	Senior High School				
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	6,499,432	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	7,463,164	22,392	10.50%	30.0	1:11	N/A	N/A	333.3	318.9	-2.40%	95.68%
2014	330.5	7,739,479	23,417	15.56%	31.2	1:11	N/A	N/A	330.5	317.7	-0.84%	96.12%
2015	332.4	8,193,709	24,650	5.26%	31.8	1:11	N/A	N/A	332.4	318.3	0.57%	95.76%

Sources: District records

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

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>District Building</u>										
<u>Elementary</u>										
Square Feet	73,120	73,120	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	520	520
Enrollment	332	330	333	342	318	280	280	280	276	264
Number of Schools at June 30										
Elementary =	1	1	1	1	1	1	1	1	1	1

Source: District Records

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

UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES

11-000-261-xxx

School Facilities	Project #	<u>2015</u>	<u>2014</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>
Riverdale Public School	N/A	\$ 81,014	\$ 95,976	\$ 76,841	\$ 100,272	\$ 86,202	\$ 80,323	\$ 80,807	\$ 60,195	\$ 53,342	\$ 48,597

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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ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in 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, 2015 and the related notes to the financial statements, which collectively comprise the Riverdale Board of Education's basic financial statements and have issued our report thereon dated December 3, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Riverdale Board of Education's internal control over financial reporting (internal control) 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. 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.

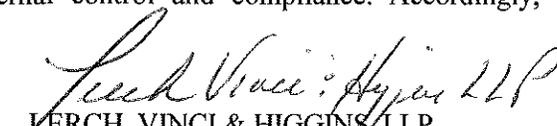
Compliance and Other Matters

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 are not required to be reported under Government Auditing Standards that we reported to management of the Riverdale Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated December 3, 2015.

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


Dietel P. Lerch
Public School Accountant
PSA Number C800756

Fair Lawn, New Jersey
December 3, 2015



CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major State Program

We have audited the Riverdale Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Riverdale Board of Education's major state programs for the fiscal year ended June 30, 2015. 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 federal and 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 15-08, 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, 2015.

Report on Internal Control Over Compliance

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

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

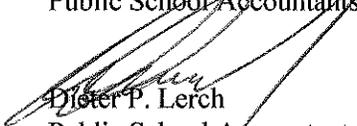
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

Report on Schedule of Expenditures of Federal Awards Required by U.S. OMB Circular A-133 and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverdale Board of Education, as of and for the fiscal year ended June 30, 2015 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 December 3, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


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


Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
December 3, 2015

**RIVERDALE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal		Grant Period	Award Amount	Balance, June 30, 2014			Cash Received	Budgetary Expenditures	Balance, June 30, 2015			GAAP Receivable
	CFDA Number	Grant or State Project Number			Unearned Revenue	(Accounts Receivable)	Due to Grantor			Unearned 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											
Cash Assistance			7/1/14-6/30/15	\$ 24,486			\$ 22,232	\$ 24,486		\$ (2,254)		\$ (2,254)	
Cash Assistance			7/1/13-6/30/14	26,058		\$ (1,969)	1,969						
Non-Cash Assistance			7/1/14-6/30/15	5,258			5,258	4,972	\$ 286				
Non-Cash Assistance			7/1/13-6/30/14	3,617	\$ 53	-	-	-	53	-	-	-	
Total U.S. Department of Agriculture					53	(1,969)	-	29,459	29,511	286	(2,254)	-	(2,254)
U.S. Department of Education Passed-through State Department of Education													
NCLB Title I	84.010	NCLB444004	7/1/14-6/30/15	33,015			29,756	33,010	5	(3,259)		(3,254)	
NCLB Title I	84.010	NCLB444004	9/1/13-6/30/14	29,528		(29,528)	29,528						
NCLB Title II A	84.010	NCLB444004	7/1/14-6/30/15	4,690			4,690	4,690				-	
NCLB Title II A	84.010	NCLB444004	9/1/13-6/30/14	4,756		(4,756)	4,756						
NCLB Title III	84.010	NCLB444004	7/1/14-6/30/15	513			513	513					
I.D.E.A. Part B, Basic	84.027	NCLB444004	7/1/14-6/30/15	72,345			72,345	72,345					
I.D.E.A. Part B, Basic	84.027	NCLB444004	9/1/13-6/30/14	82,270		(14,923)	14,923						
I.D.E.A. Part B, Preschool	84.173	NCLB444004	7/1/14-6/30/15	3,024			3,024	3,021	3				
I.D.E.A. Part B, Preschool	84.173	NCLB444004	9/1/13-6/30/14	3,178	-	(1,460)	1,460	-	-	-	-	-	
Total U.S. Department of Education					-	(50,667)	-	160,995	113,579	8	(3,259)	-	(3,254)
Total Federal Financial Assistance					\$ 53	\$ (52,636)	\$ -	\$ 190,454	\$ 143,090	\$ 294	\$ (5,513)	\$ -	\$ (5,508)

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, 2015**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2014				Balance, June 30, 2015				MEMO		
				Accounts Receivable	Unearned Revenue	Due to Grantor	Cash Received	Budgetary Expenditures	Unearned Revenue	(Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
State Department of Education														
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	\$ 209,761				\$ 190,148	\$ 209,761		\$ (19,613)			\$ 209,761	
Special Education Aid	14-495-034-5120-089	7/1/13-6/30/14	209,761	\$ (19,563)			19,563							
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	20,048				18,173	20,048		(1,875)			20,048	
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	20,048	(1,870)			1,870							
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	9,794				8,878	9,794		(916)			9,794	
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	9,794	(913)			913							
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	4,430				4,016	4,430		(414)			4,430	
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	4,430				4,016	4,430		(414)			4,430	
Additional Nonpublic Transportation Aid	15-100-034-5120-068	7/1/14-6/30/15	3,480					3,480		(3,480)		\$ (3,480)	3,480	
Additional Nonpublic Transportation Aid	14-100-034-5120-068	7/1/13-6/30/14	3,381	(3,381)			3,381							
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	107,736					107,736		(107,736)			107,736	
Extraordinary Aid	14-100-034-5120-473	7/1/13-6/30/14	96,382	(96,382)			96,382							
On-Behalf TPAF Pension - Normal Cost	15-495-034-5094-006	7/1/14-6/30/15	114,079				114,079	114,079					114,079	
On-Behalf TPAF Pension - NCGI Premium	15-495-034-5094-007	7/1/14-6/30/15	8,207				8,207	8,207					8,207	
On Behalf TPAF Post Retirement Medical Benefits	15-495-034-5094-001	7/1/14-6/30/15	194,129				194,129	194,129					194,129	
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	7/1/14-6/30/15	150,816	-	-	-	150,816	150,816	-	-	-	-	150,816	
Total General Fund State Aid				<u>(122,109)</u>	<u>-</u>	<u>-</u>	<u>814,571</u>	<u>826,910</u>	<u>-</u>	<u>(134,448)</u>	<u>-</u>	<u>(3,480)</u>	<u>826,910</u>	
Capital Projects Fund														
Educational Facilities Construction and Financing Act	4440-050-09-02VT	7/1/09-6/30/10	27,880	(27,880)	\$ 9,898	-	-	-	\$ 9,898	(27,880)	-	-	(27,880)	-
				<u>(27,880)</u>	<u>9,898</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,898</u>	<u>(27,880)</u>	<u>-</u>	<u>-</u>	<u>(27,880)</u>	<u>-</u>
Enterprise Funds														
National School Lunch Program (State Share)	15-100-010-3350-023	7/1/14-6/30/15	952				839	952		(113)			952	
National School Lunch Program (State Share)	14-100-010-3350-023	7/1/13-6/30/14	1,030	(133)	-	-	133	-	-	-	-		-	
Total Enterprise Fund				<u>(133)</u>	<u>-</u>	<u>-</u>	<u>972</u>	<u>952</u>	<u>-</u>	<u>(113)</u>	<u>-</u>	<u>(113)</u>	<u>952</u>	
Total State Financial Assistance				<u>(150,122)</u>	<u>9,898</u>	<u>-</u>	<u>815,543</u>	<u>827,862</u>	<u>9,898</u>	<u>(162,441)</u>	<u>-</u>	<u>(31,473)</u>	<u>827,862</u>	
Less:														
State Financial Assistance Programs Not Included in Calculation for Single Audit and Major Program Determination														
On-Behalf TPAF Pension - Normal Cost	15-495-034-5094-006	7/1/14-6/30/15	114,079				(114,079)	(114,079)					(114,079)	
On-Behalf TPAF Pension - NCGI Premium	15-495-034-5094-007	7/1/14-6/30/15	8,207				(8,207)	(8,207)					(8,207)	
On Behalf TPAF Post Retirement Medical Benefits	15-495-034-5094-001	7/1/14-6/30/15	194,129	-	-	-	(194,129)	(194,129)	-	-	-	-	(194,129)	
State Financial Assistance Amount Utilized for Calculation to Determine Single Audit and Major Programs.				<u>\$ (150,122)</u>	<u>\$ 9,898</u>	<u>\$ -</u>	<u>\$ 499,128</u>	<u>\$ 511,447</u>	<u>\$ 9,898</u>	<u>\$ (162,441)</u>	<u>\$ -</u>	<u>\$ (31,473)</u>	<u>\$ 511,447</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, 2015**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with requirements of U.S. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$12,240 for the general fund and a decrease of \$314 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 814,670	\$ 814,670
Special Revenue Fund	\$ 113,265		113,265
Food Service Fund	<u>29,511</u>	<u>952</u>	<u>30,463</u>
 Total Financial Assistance	 <u>\$ 142,776</u>	 <u>\$ 815,622</u>	 <u>\$ 958,398</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, 2015**

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 \$150,816 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, 2015. The amount reported as TPAF Pension System Contributions in the amount of \$122,286 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$194,129 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2015.

NOTE 7 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 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, 2015**

Part 1 – Summary of Auditor’s Results

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

Federal Awards

NOT APPLICABLE

State Awards

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

Identification of major state programs:

GMIS Number	Name of State Program or Cluster
<u>495-034-5120-089</u>	<u>Special Education Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
<u>495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>495-034-5094-003</u>	<u>TPAF Social Security Aid</u>

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

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

**RIVERDALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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, 2015**

*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 15-08, as amended.

CURRENT YEAR FEDERAL AWARDS

Not Applicable

CURRENT YEAR STATE AWARDS

There are none.

**RIVERDALE BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

There were none.