

RIVER VALE BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

River Vale, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

River Vale Board of Education

River Vale, New Jersey

For The Fiscal Year Ended June 30, 2011

Prepared by

Business Office

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INTRODUCTORY SECTION



RIVER VALE PUBLIC SCHOOLS

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October 21, 2011

Honorable President and
Members of the Board of Education
River Vale School District
County of Bergen
River Vale, New Jersey 07675

Dear Board Members:

The comprehensive annual financial report of the River Vale School District for the fiscal year ended June 30, 2011 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 River Vale Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner 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 auditor's report thereon including the Management Discussion and Analysis. 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 of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES: The River Vale 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 River Vale Board of Education and all its schools constitute the district's reporting entity.

The district provides a full range of educational services appropriate to grade levels K through 8. These include regular education as well as special education for handicapped youngsters. The district completed the 2010/2011 fiscal year with an enrollment of 1399 students, which is an increase of 1.57 students over the previous year's enrollment.

REPORTING ENTITY AND ITS SERVICES (Continued)

Student enrollments have fluctuated over the past several years. However, distribution in enrollments in the schools has been evenly distributed; thus causing the district to engage the services of Averbach & Associates. Averbach & Associates demographic study of estimated student enrollment projections was utilized as a planning tool in connection with the design of the district's referendum Capital Project which is currently in progress.

The following details the changes in the student enrollment of the district.

Average Daily Enrollment

| <u>Fiscal Year</u> | <u>Student Enrollment</u> | <u>Percent Change</u> |
|--------------------|---------------------------|-----------------------|
| 2010-2011 | 1,399 | 1.57 |
| 2009-2010 | 1,375.6 | -2.15% |
| 2008-2009 | 1,405.2 | 1.6% |
| 2007-2008 | 1,383 | 1.50% |
| 2006-2007 | 1,362 | 1.18% |
| 2005-2006 | 1,346 | .2% |
| 2004-2005 | 1,343 | -4.2% |
| 2003-2004 | 1,402 | 7.4% |
| 2002-2003 | 1,306 | 4.5% |
| 2001-2002 | 1,250 | 3.1% |

ECONOMIC CONDITION AND OUTLOOK: River Vale Township comprises a land area of 4.5 square miles and is located in the northeastern part of Bergen County. River Vale is a, suburban community consisting of mainly single-family homes, and additionally, has three (3) condominium developments. The Township of River Vale is experiencing a period of development and expansion. The School District and Township Council combined efforts in 1996 to do a demographic study on the impact of new housing and resale of homes on school enrollment. The report was presented in July 1997 by Thomas Associates.

GENERAL EDUCATIONAL GOALS: The River Vale School District is a K-8 type II district which is made up of three schools: Roberge and Woodside (grades K-5) and Holdrum (grades 6-8).

The district has been able to attract excellent teachers over the years. More than half of the teachers are tenured. More than half are on the MA+ level. Enrollment for the 2010-2011 school year was 1399 students including out-of-district special education placements. Enrollment for

2011-2012 is expected to decrease. Homerooms average twenty (20) students and reading/math groups have a lower faculty/student ratio.

Each member of the seven-member school board is elected to a three-year term and represents a cross-section of the community.

The goals of the district are to provide learning opportunities to help each student grow and develop intellectually, emotionally, physically, and socially. The school system emphasizes a sound and basic curriculum. There are gifted and talented programs, special education and resource centers, and computer labs & media centers in each of the schools. In addition, the schools provide extensive curricular offerings in world language, instrumental and vocal music, visual arts, computer literacy, library services and physical education.

The Superintendent of Schools, under the direction of the Board of Education, has consulted with teaching staff members, pupils, parents and other residents in the formation of the educational goals of this district and has invited comments at public meetings relative to the goals. These educational goals were then adopted by the Board. The school-level goals address the needs of the pupils of this district and constitute the foundation on which the instructional program is anchored.

The performance of River Vale students on these standardized assessment measures continues to be well above state and national averages in all content areas.

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 are compiled to allow for the preparation of financial statement in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

As part of the district's single audit 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.

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end 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, 2011.

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 in "Notes to the Financial Statements", Note 1.

DEBT ADMINISTRATION: At June 30, 2011 the River Vale School District had \$7,715,000 in bonded debt.

CASH MANAGEMENT: The school district primarily invests in the New Jersey Cash Management Fund due to the higher interest rates that are offered. The school district also invests in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA).

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.

OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci, & Higgins, LLP, was selected by the Board of Education. 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 Amendments of 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

AWARDS AND ACKNOWLEDGMENTS:

The Government Finance Officers Association (GFOA) and the Association of School Business Officials (ASBO) awarded a Certification of Achievement for Excellent in Financial Reporting to the River Vale Board of Education for its comprehensive annual financial report (CAFR) for

the fiscal year ended June 30, 2010. This was the sixth year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certification of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA and ASBO to determine its eligibility for another certificate.

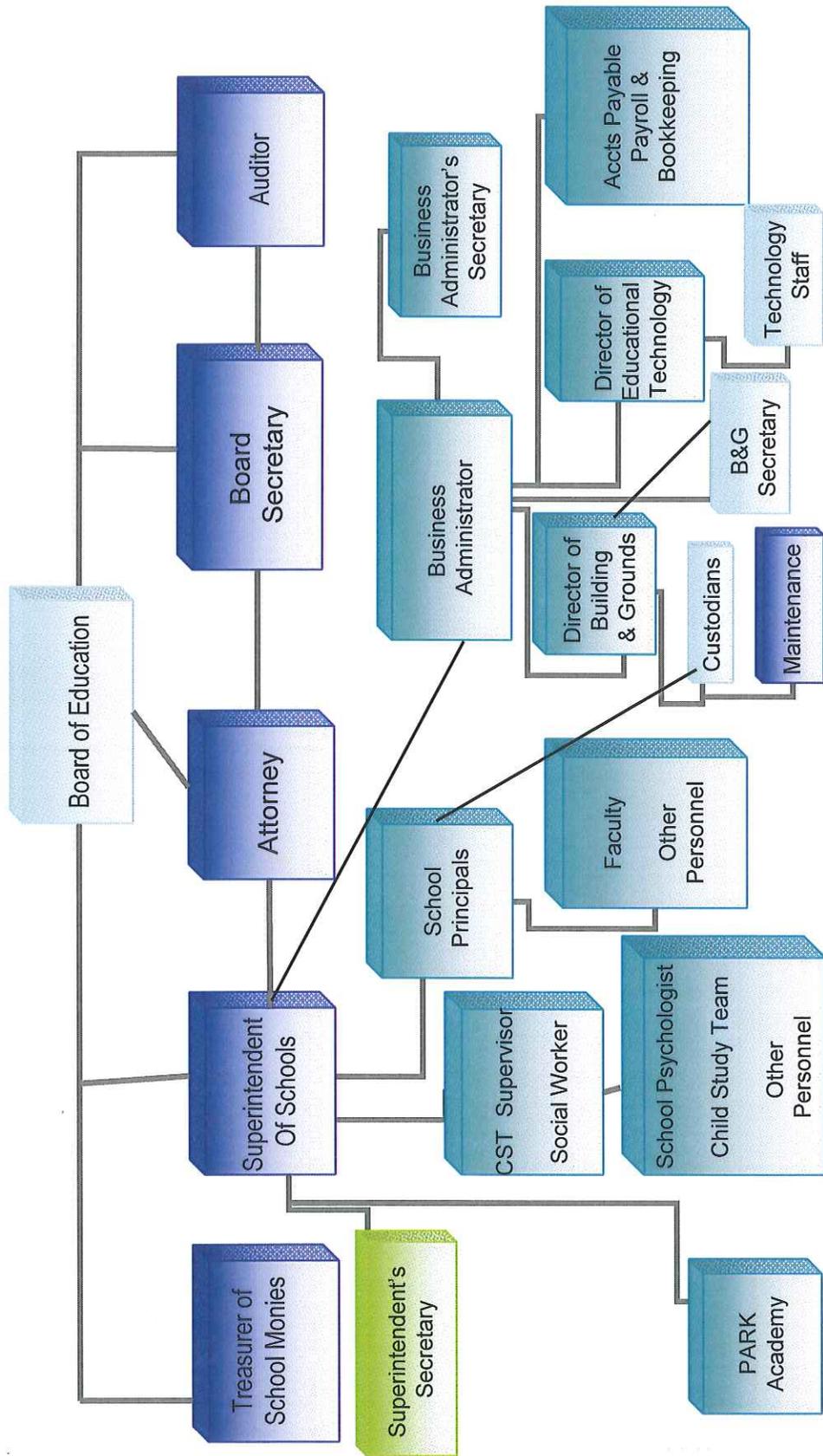
We would like to express our appreciation to the members of the River Vale School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.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

Respectfully submitted,

Kelly Ippolito

Kelly Ippolito
Business Administrator/Board Secretary

River Vale Public Schools



**RIVER VALE BOARD OF EDUCATION
RIVER VALE, NEW JERSEY**

ROSTER OF OFFICIALS
JUNE 30, 2011

| <u>Members of the Board of Education</u> | <u>Term Expires</u> |
|---|----------------------------|
| Lorraine Waldes, President | 2012 |
| Paul Criscuolo, Vice President | 2014 |
| Michael Shirey | 2014 |
| Sheryl Eaton | 2013 |
| William Ellis | 2012 |
| Steven Rosini | 2014 |
| Andrew Spector | 2013 |

Other Officials

Matthew J. Murphy, Ph. D., Superintendent of Schools

Kelly Ippolito, School Business Administrator/Board Secretary

Gennaro Rotella, Treasurer of School Monies

**RIVER VALE BOARD OF EDUCATION
RIVER VALE, NEW JERSEY**

Consultants and Advisors

Architect

LAN Associates
445 Godwin Avenue, Suite 1
Midland Park, NJ 07432

Audit Firm

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

Attorney

Fogarty & Hara
16-00 Route 208
Fair Lawn, New Jersey 07410

Official Depository

TD Bank
River Vale Branch
River Vale, New Jersey 07675

Risk Manager

Burton Agency
P.O. Box 270
Westwood, New Jersey 07675

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

RIVER VALE BOARD OF EDUCATION

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2010

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

FINANCIAL SECTION

LERCH, VINCI & HIGGINS, LLP

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REGISTERED MUNICIPAL ACCOUNTANTS

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ELIZABETH A. SHICK, CPA, RMA, PSA
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ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA
EDWARD N. KERE, CPA

INDEPENDENT AUDITOR'S REPORT

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

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 River Vale Board of Education as of and for the fiscal year ended June 30, 2011, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board of Education's management. 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 Division of Finance and Regulatory Compliance, 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the River Vale Board of Education's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the River Vale Board of Education as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

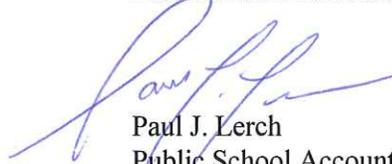
In accordance with Government Auditing Standards, we have also issued our report dated October 21, 2011 on our consideration of the River Vale Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the River Vale Board of Education's basic financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, financial schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", and are also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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.



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



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
October 21, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

**RIVER VALE BOARD OF EDUCATION
RIVER VALE, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

This discussion and analysis of the River Vale School District's financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2011. The intent of this is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2011 are as follows:

- District-Wide - Overall revenues were \$22,341,531. General revenues accounted for \$19,773,145 or 89 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2,568,386 or 11 percent of total revenues of \$22,341,531.
- District-Wide - The School District had \$21,245,629 in expenses; only \$2,568,386 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$19,773,145 were adequate to provide for these programs.
- Fund Financials - As of the close of the current fiscal year, the River Vale Board of Education's governmental funds reported combined ending fund balances of \$1,491,836, an increase of \$189,313 in comparison with the prior year.
- Fund Financials - At the end of June 30, 2011, unassigned fund balance (budgetary basis) for the General Fund was \$620,869, an increase of \$199,370.

RIVER VALE BOARD OF EDUCATION

Management's Discussion and Analysis (continued)

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 district-wide financial statements, fund financial statements and notes to the financial statements.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the River Vale Board of Education's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the River Vale Board of Education, reporting the River Vale Board of Education's operation in more detail than the district-wide statements.
 - The governmental fund 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 fund statements offer short and long-term financial information about the activities the River Vale Board of Education operates like a business.
 - Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

Figure A-1 summarizes the major features of the River Vale Board of Education's financial statements, including the portion of the River Vale Board of Education'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.

RIVER VALE BOARD OF EDUCATION

Management's Discussion and Analysis (continued)

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

| | District-Wide Statements | 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 and food service | Activities the district operates similar to private businesses |
| Required financial statements | Statements of Net Assets Statement of Activities | Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances | Statement of Net Assets Statement of Revenues, Expenses, and Changes in Fund Net Assets |
| Accounting Basis and Measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial focus | Accrual accounting and economic resources focus |
| Type of asset/liability information | All assets and liabilities, both financial and capital, short-term and long-term | Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included | All assets and liabilities, both financial and capital, and short-term and long-term |
| Type of inflow/outflow information | All revenues and expenses during year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable. | All revenues and expenses during the year, regardless of when cash is received or paid. |

District-wide Statements

District-wide. The District-wide financial statements are designed to provide readers with a broad overview of the River Vale Board of Education's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the River Vale Board of Education's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, when assessing the overall health of the District, you need to consider additional non-financial factors, such as changes in the District's property tax base and the condition of the school buildings and other facilities.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

RIVER VALE BOARD OF EDUCATION

Management's Discussion and Analysis (continued)

District-wide Statements (Continued)

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, maintenance and administration services. 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 the District's Food Service Fund and Park Academy Fund.

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).

The District has three kinds of funds:

Governmental funds. The District's basic services are included in the governmental funds, which generally focus on near-term inflows and outflows of spendable resources and the balances of spendable resources at year-end. Consequently, the governmental fund 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 a reconciliation at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and Debt Service Fund. A budgetary comparison statement has been provided for the General Fund, Special Revenue Fund and Debt Service Fund.

RIVER VALE BOARD OF EDUCATION

Management's Discussion and Analysis (continued)

Fund Financial Statements (Continued)

Proprietary Funds. The District maintains one type of Proprietary Fund, Enterprise Funds, which is used to report the activity of the Food Service Fund and Park Academy Fund. Proprietary Funds provide the same type of information as the district-wide financial statements and is presented as business-type activities in the district-wide financial statements.

Fiduciary Funds. Fiduciary Funds are used to account for resources held for the benefit of parties outside the government, such as the Payroll Agency Fund, Unemployment Trust Fund and the Student Activity Funds. Fiduciary Funds are not reflected in the district-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

DISTRICT-WIDE FINANCIAL ANALYSIS OF THE RIVER VALE 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 assets for fiscal years 2011 and 2010. Net assets for 2011 and 2010 were \$13,206,088 and \$12,110,186, respectively.

By far the largest portion of the District's net assets reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide regular and special education, transportation, maintenance and administration services. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

RIVER VALE BOARD OF EDUCATION

Management's Discussion and Analysis (continued)

Table A-1
Statement of Net Assets
As of June 30, 2011 and 2010

| | <u>Governmental</u> <u>Activities</u> | | <u>Business-Type</u> <u>Activities</u> | | <u>Total</u> | |
|--|--|----------------------|---|-------------------|----------------------|----------------------|
| | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> |
| Current and Other Assets | \$ 2,138,990 | \$ 1,944,340 | \$ 213,888 | \$ 230,606 | \$ 2,352,878 | \$ 2,174,946 |
| Capital Assets | <u>20,008,425</u> | <u>20,015,942</u> | <u>2,049</u> | <u>2,439</u> | <u>20,010,474</u> | <u>20,018,381</u> |
| Total Assets | <u>22,147,415</u> | <u>21,960,282</u> | <u>215,937</u> | <u>233,045</u> | <u>22,363,352</u> | <u>22,193,327</u> |
| Other Liabilities | 659,333 | 659,136 | 42,559 | 129,506 | 701,892 | 788,642 |
| Long-Term Liabilities | <u>8,455,372</u> | <u>9,294,499</u> | <u>-</u> | <u>-</u> | <u>8,455,372</u> | <u>9,294,499</u> |
| Total Liabilities | <u>9,114,705</u> | <u>9,953,635</u> | <u>42,559</u> | <u>129,506</u> | <u>9,157,264</u> | <u>10,083,141</u> |
| Net Assets: | | | | | | |
| Invested in Capital Assets, Net of Related Debt | 12,298,108 | 11,562,104 | 2,049 | 2,439 | 12,300,157 | 11,564,543 |
| Restricted | 224,076 | 235,897 | | | 224,076 | 235,897 |
| Unrestricted | <u>510,526</u> | <u>208,646</u> | <u>171,329</u> | <u>101,100</u> | <u>681,855</u> | <u>309,746</u> |
| Total Net Assets | <u>\$ 13,032,710</u> | <u>\$ 12,006,647</u> | <u>\$ 173,378</u> | <u>\$ 103,539</u> | <u>\$ 13,206,088</u> | <u>\$ 12,110,186</u> |

RIVER VALE BOARD OF EDUCATION

Management's Discussion and Analysis (continued)

Governmental activities. Governmental activities increased the District's net assets by \$1,026,063. Key elements of this increase are as follows:

Table A-2
Changes in Net Assets
For the Fiscal Years Ended June 30, 2011 and 2010

| | Governmental Activities | | Business-Type Activities | | Total | |
|---------------------------------------|----------------------------|----------------------|-----------------------------|-------------------|----------------------|----------------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$ 17,600 | | \$ 715,763 | \$ 278,179 | \$ 733,363 | \$ 278,179 |
| Operating Grants and Contributions | 1,823,995 | \$ 2,373,202 | 11,028 | 11,168 | 1,835,023 | 2,384,370 |
| General Revenues | | | | | | |
| Property Taxes | 19,525,073 | 18,524,538 | | | 19,525,073 | 18,524,538 |
| Other | 246,592 | 81,902 | 1,480 | 1,198 | 248,072 | 83,100 |
| Total Revenues | <u>21,613,260</u> | <u>20,979,642</u> | <u>728,271</u> | <u>290,545</u> | <u>22,341,531</u> | <u>21,270,187</u> |
| Expenses | | | | | | |
| Instruction | | | | | | |
| Regular | 9,737,441 | 9,676,884 | | | 9,737,441 | 9,676,884 |
| Special Education | 2,129,638 | 2,333,154 | | | 2,129,638 | 2,333,154 |
| Other Instruction | 543,070 | 538,942 | | | 543,070 | 538,942 |
| School Sponsored Activities and Ath. | 111,249 | 137,292 | | | 111,249 | 137,292 |
| Support Services | | | | | | |
| Student and Instruction Related Serv. | 2,178,179 | 1,867,320 | | | 2,178,179 | 1,867,320 |
| Attendance and Social Work | 118,281 | 168,345 | | | 118,281 | 168,345 |
| Educational Media/School Library | 227,370 | 336,393 | | | 227,370 | 336,393 |
| General Administrative Services | 691,280 | 635,394 | | | 691,280 | 635,394 |
| School Administrative Services | 925,318 | 951,097 | | | 925,318 | 951,097 |
| Plant Operations and Maintenance | 2,046,993 | 2,148,125 | | | 2,046,993 | 2,148,125 |
| Pupil Transportation | 456,736 | 531,200 | | | 456,736 | 531,200 |
| Central Services | 1,132,238 | 968,795 | | | 1,132,238 | 968,795 |
| Food Services | | | 41,891 | 43,382 | 41,891 | 43,382 |
| Park Academy | | | 616,541 | 245,975 | 616,541 | 245,975 |
| Interest on Long-Term Debt | 289,404 | 363,885 | - | - | 289,404 | 363,885 |
| Total Expenses | <u>20,587,197</u> | <u>20,656,826</u> | <u>658,432</u> | <u>289,357</u> | <u>21,245,629</u> | <u>20,946,183</u> |
| Change in Net Assets | 1,026,063 | 322,816 | 69,839 | 1,188 | 1,095,902 | 324,004 |
| Net Assets, Beginning of Year | <u>12,006,647</u> | <u>11,683,831</u> | <u>103,539</u> | <u>102,351</u> | <u>12,110,186</u> | <u>11,786,182</u> |
| Net Assets, End of Year | <u>\$ 13,032,710</u> | <u>\$ 12,006,647</u> | <u>\$ 173,378</u> | <u>\$ 103,539</u> | <u>\$ 13,206,088</u> | <u>\$ 12,110,186</u> |

RIVER VALE BOARD OF EDUCATION

Management's Discussion and Analysis (continued)

Governmental activities. The District's total governmental revenues were \$21,613,260. The general share of the revenues, that included property taxes, interest, unrestricted state aid and miscellaneous revenue, amounted to \$19,771,665 or 91% of total revenues. Funding from restricted state and federal sources amounted to \$1,823,995 or 9%.

The District's governmental expenses are predominantly related to instruction and support services. Instruction totaled \$12,521,398 (61%), student support services totaled \$7,776,395 (38%) and interest on long-term debt total \$289,404 (1%) of total expenditures. (See Table A-3.)

Table A-2 Revenues by Source- Governmental Activities
For Fiscal Year 2011

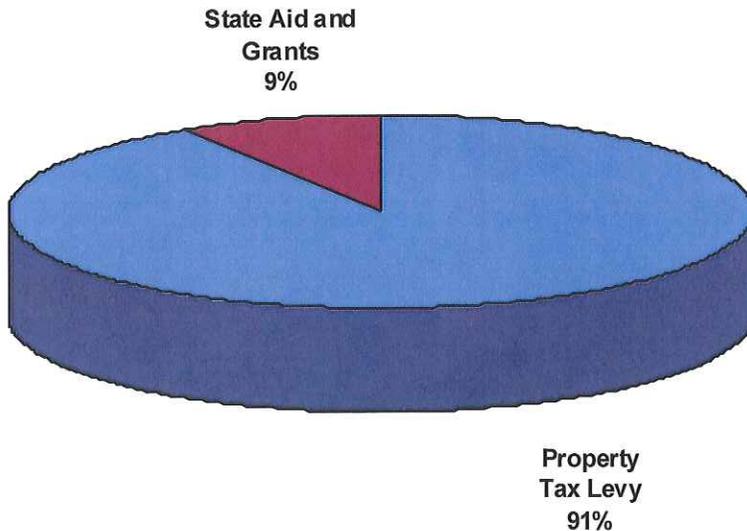
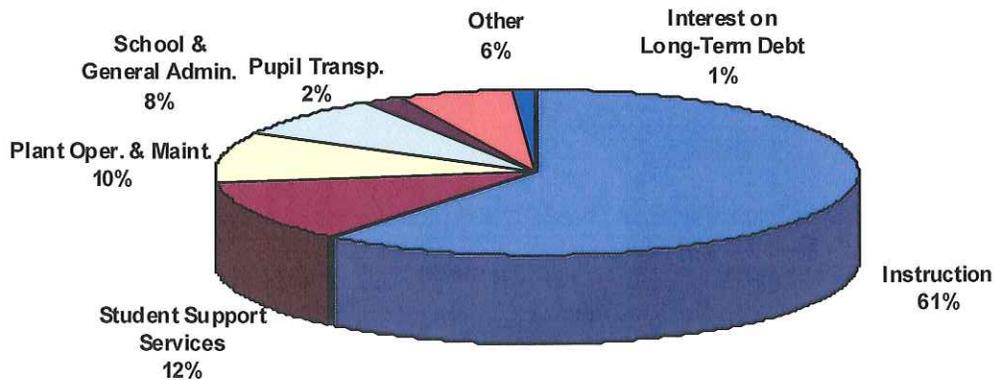


Table A-2 Expenditures by Type- Governmental Activities
For Fiscal Year 2011



RIVER VALE BOARD OF EDUCATION

Management's Discussion and Analysis (continued)

**Table A-4
Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2011 and 2010**

| <u>Functions/Programs</u> | <u>Cost of Services</u> | | <u>Net Cost of Services</u> | |
|---|-------------------------|----------------------|-----------------------------|----------------------|
| | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> |
| Governmental Activities | | | | |
| Instruction | | | | |
| Regular | \$ 9,737,441 | \$ 9,676,884 | \$ 8,813,892 | \$ 8,759,839 |
| Special Education | 2,129,638 | 2,333,154 | 1,590,686 | 1,368,707 |
| Other Instruction | 543,070 | 538,942 | 488,541 | 479,474 |
| School Sponsored Activities and Athletics | 111,249 | 137,292 | 111,249 | 137,292 |
| Support Services | | | | |
| Student and Instruction Related Svcs. | 2,178,179 | 1,867,320 | 2,043,026 | 1,741,775 |
| Attendance and Social Work | 118,281 | 168,345 | 82,173 | 134,809 |
| Educational Media/School Library | 227,370 | 336,393 | 209,945 | 308,882 |
| General Administrative Services | 691,280 | 635,394 | 665,963 | 615,077 |
| School Administrative Services | 925,318 | 951,097 | 866,965 | 895,855 |
| Plant Operations and Maintenance | 2,046,993 | 2,148,125 | 2,036,523 | 2,087,263 |
| Pupil Transportation | 456,736 | 531,200 | 437,285 | 443,806 |
| Central Services | 1,132,238 | 968,795 | 1,109,950 | 946,960 |
| Interest on Long-Term Debt | 289,404 | 363,885 | 289,404 | 363,885 |
| | | | | |
| Total Governmental Activities | <u>\$ 20,587,197</u> | <u>\$ 20,656,826</u> | <u>\$ 18,745,602</u> | <u>\$ 18,283,624</u> |

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2011 was \$658,432. These costs were funded by operating grants and charges for services (Detailed on Table A-2). The operations resulted in an increase in net assets of \$69,839.

RIVER VALE BOARD OF EDUCATION

Management's Discussion and Analysis (continued)

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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 a government's net resources available for spending at the end of the fiscal year.

As the District completed the year, its governmental funds reported a combined fund balance of \$1,491,836. At June 30, 2010 the fund balance was \$1,302,523.

The District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$21,436,433 and expenditures were \$21,247,120.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the governmental fund revenues for the fiscal year ended June 30, 2011 and 2010.

| | <u>Year Ended</u> <u>June 30, 2011</u> | <u>Year Ended</u> <u>June 30, 2010</u> | <u>Amount of</u> <u>Increase</u> <u>(Decrease)</u> | <u>Percent</u> <u>Increase</u> <u>(Decrease)</u> |
|--------------------|---|---|--|--|
| Local Sources | \$ 19,612,944 | \$ 18,612,063 | \$ 1,000,881 | 5.38% |
| State Sources | 1,614,682 | 1,988,656 | (373,974) | -18.81% |
| Federal Sources | 208,807 | 378,923 | (170,116) | -44.89% |
| Total Revenues | <u>\$ 21,436,433</u> | <u>\$ 20,979,642</u> | <u>\$ 456,791</u> | 2.18% |

The following schedule represents a summary of general fund, special revenue fund, capital projects fund, and debt service fund expenditures for the fiscal year ended June 30, 2011 and 2010.

| | <u>Year Ended</u> <u>June 30, 2011</u> | <u>Year Ended</u> <u>June 30, 2010</u> | <u>Amount of</u> <u>Increase</u> <u>(Decrease)</u> | <u>Percent</u> <u>Increase</u> <u>(Decrease)</u> |
|------------------------|---|---|--|--|
| Instruction | \$ 12,241,297 | \$ 12,305,716 | \$ (64,419) | -0.52% |
| Undistributed | 7,629,605 | 7,405,652 | 223,953 | 3.02% |
| Capital Outlay | 239,102 | 164,005 | 75,097 | 45.79% |
| Debt Service | | | | |
| Principal | 817,134 | 670,127 | 147,007 | 21.94% |
| Interest | 319,982 | 394,185 | (74,203) | -18.82% |
| Total Expenditures | <u>\$ 21,247,120</u> | <u>\$ 20,939,685</u> | <u>\$ 307,435</u> | 1.47% |

RIVER VALE BOARD OF EDUCATION

Management's Discussion and Analysis (continued)

General and Special Revenue Fund

Budgetary Highlights

The District's budget is prepared according to New Jersey law and is based on generally accepted accounting principles on the basis of cash receipts, disbursement and encumbrances. The primary funds are the General Fund and Special Revenue Fund (grants and restricted aid).

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent overexpenditures in specific line item accounts. Several of these revisions bear notation.

- Several unanticipated events resulted in significant additional revenue during this budget year:
 - * The District applied for and received \$240,069 in extraordinary aid.
- Salary accounts were adjusted to reflect: changes in staff assignments; retirements, resignations and the resulting new hires; program adjustments necessitated by student population changes.
- An unanticipated increase in federal IDEA (Individuals with Disabilities Education Act) funding allowed the District to offset some out of district special education tuition costs. This allowed budgeted general fund tuition costs to be transferred to other special education related accounts.
- Tuition for special education students is budgeted based on the existing and known incoming students at the time the budget is submitted. Students move into and out of the District during the summer as well as the school year, which necessitates transferring funds to the appropriate account to pay these special education costs.
- Effective September 1, 2002, the district opened a behavioral disabilities class which services both in-district resident students, as well as out-of-district placements from surrounding school districts. The District's initiative in opening the aforementioned special education program has enabled the district to significantly reduce both special education tuition costs as well as associated special education transportation costs.
- Effective September 1, 2004, the district opened an integrated pre-school class which services both general education and special education students ages 3 and 4. The District's initiative in opening the aforementioned special education program has enabled the district to significantly reduce both special education tuition costs as well as associated special education transportation costs.
- Special education costs increased significantly for occupational and physical therapy and Applied Behavioral Analysis.
- Property, liability, and medical insurances were renewed at higher rates. While adequately budgeted for, it should be noted that this represents a national trend in all major areas of the insurance industry.
- TPAF, which is the state's contribution to the pension fund and social security is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.

RIVER VALE BOARD OF EDUCATION

Management's Discussion and Analysis (continued)

Capital Assets. The River Vale Board of Education's investment in capital assets for its governmental and business type activities as of June 30, 2011 amounts to \$20,010,474 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and building improvements, and machinery and equipment.

The major capital asset event during the current fiscal year was the completion of the facilities acquisitions and construction services at Holdrum, Woodside and Roberge Schools.

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

| | Governmental Activities | | Business-Type Activities | | Total | |
|-------------------------------------|----------------------------|----------------------|-----------------------------|------------------|----------------------|----------------------|
| | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> |
| Land | \$ 43,525 | \$ 43,525 | | | \$ 43,525 | \$ 43,525 |
| Land Improvements | 573,030 | 384,600 | | | 573,030 | 384,600 |
| Buildings and Building Improvements | 23,776,134 | 23,726,401 | | | 23,776,134 | 23,726,401 |
| Machinery, Equipment and Vehicles | <u>1,909,224</u> | <u>2,032,158</u> | <u>\$ 15,258</u> | <u>\$ 15,258</u> | <u>1,924,482</u> | <u>2,047,416</u> |
| Total | 26,301,913 | 26,186,684 | 15,258 | 15,258 | 26,317,171 | 26,201,942 |
| Less: Accumulated Depreciation | <u>6,293,488</u> | <u>6,170,742</u> | <u>13,209</u> | <u>12,819</u> | <u>6,306,697</u> | <u>6,183,561</u> |
| Total | <u>\$ 20,008,425</u> | <u>\$ 20,015,942</u> | <u>\$ 2,049</u> | <u>\$ 2,439</u> | <u>\$ 20,010,474</u> | <u>\$ 20,018,381</u> |

Additional information on River Vale Board of Education's capital assets can be found in the Notes of this report.

Debt Administration. As of June 30, 2011 the school district had long-term debt and outstanding long-term liabilities in the amount of \$8,400,070 as stated in Table A-5.

Table A-5
Long-Term Debt
Outstanding Long-Term Liabilities

| | <u>2011</u> | <u>2010</u> |
|------------------------------|---------------------|---------------------|
| Serial Bonds | \$ 7,715,000 | \$ 8,370,000 |
| Capital Leases | 187,550 | 349,684 |
| Compensated Absences Payable | <u>497,520</u> | <u>508,547</u> |
| Total | <u>\$ 8,400,070</u> | <u>\$ 9,228,231</u> |

RIVER VALE BOARD OF EDUCATION

Management's Discussion and Analysis (continued)

Debt Administration (Continued)

The District has outstanding general obligation serial bonds in the amount of \$7,715,000. These bonds were used to finance the facilities acquisitions and construction services at Holdrum, Woodside and Roberge Schools. The capital leases are comprised of technology improvements and a boiler upgrade. The compensated absences represents the District's liability for unused accrued sick leave and unused vacation.

Moody's Investors Service has assigned an Aa2 enhanced rating to the River Vale Board of Education's \$12.8 million General Obligation School Bonds. These bonds are secured by New Jersey's Chapter 72 program. The Aa2 rating on this issue reflects: Chapter 72's highly liquid reserve that by statute is perpetually sized at 1.5% of New Jersey school district related indebtedness; significant ability to regenerate the fund in the case of a draw; and, Moody's anticipation that program mechanics will govern timely bond repayment in the case of a defaulting issuer. Additional information on this program follows:

CHAPTER 72 IS A CONSTITUTIONALLY CREATED FUND LOCATED IN THE STATE'S FUND FOR SUPPORT OF FREE PUBLIC SCHOOLS

The Chapter 72 reserves, authorized in 1980 (NJ 18A:56-19), to make scheduled debt service payments for a defaulting issuer are carved from the State of New Jersey's larger constitutionally created Fund for Support of Free Public Schools. Chapter 72 assets currently valued at \$62 million, are recalculated annually, to comply with the statutory requirement that the reserve equal exactly 1.5% of the \$4.1 billion of outstanding school related debt. Currently, Chapter 72 assets comprise 41% of the Fund.

Additional information on River Vale Board of Education's long-term debt can be found in Note 3 of this report.

FOR THE FUTURE

Currently, the District is in superior financial condition. Everyone associated with the River Vale School District is grateful for the community support of the schools. A major concern is the financial support required to maintain appropriate class sizes and services. This, in an environment of flat state aid support, means an ever-increasing reliance on local property taxes.

In conclusion, the River Vale School District has committed itself to financial and educational excellence. Its system for financial planning, budgeting, and internal financial controls is audited annually and it plans to continue to manage its finances in order to meet the many challenges ahead.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

If you have questions about this report or need additional information, contact the School Business Administrator at the River Vale Board of Education, 609 Westwood Ave., River Vale, NJ 07675.

BASIC FINANCIAL STATEMENTS

**RIVER VALE BOARD OF EDUCATION
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011**

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|----------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 1,526,849 | \$ 111,314 | \$ 1,638,163 |
| Receivables, net | | | |
| Receivables from Other Governments | 523,145 | | 523,145 |
| Other | 16,017 | 102,574 | 118,591 |
| Deferred Charges | 72,979 | | 72,979 |
| Capital Assets, Not Being Depreciated | 43,525 | | 43,525 |
| Capital Assets, Being Depreciated, Net | <u>19,964,900</u> | <u>2,049</u> | <u>19,966,949</u> |
| Total Assets | <u>22,147,415</u> | <u>215,937</u> | <u>22,363,352</u> |
| LIABILITIES | | | |
| Accounts Payable and Other Current Liabilities | 76,558 | 24,847 | 101,405 |
| Note Payable | 275,000 | | 275,000 |
| Accrued Interest Payable | 85,158 | | 85,158 |
| Unearned Revenue | 222,617 | 17,712 | 240,329 |
| Noncurrent Liabilities | | | |
| Due Within One Year | 792,303 | | 792,303 |
| Due Beyond One Year | <u>7,663,069</u> | <u>-</u> | <u>7,663,069</u> |
| Total Liabilities | <u>9,114,705</u> | <u>42,559</u> | <u>9,157,264</u> |
| NET ASSETS | | | |
| Invested in Capital Assets, Net of Related Debt | 12,298,108 | 2,049 | 12,300,157 |
| Restricted for | | | |
| Capital Projects | 224,076 | | 224,076 |
| Unrestricted | <u>510,526</u> | <u>171,329</u> | <u>681,855</u> |
| Total Net Assets | <u>\$ 13,032,710</u> | <u>\$ 173,378</u> | <u>\$ 13,206,088</u> |

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

RIVER VALE BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| Functions/Programs | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets | | | |
|---|----------------------|----------------------|------------------------------------|---|-------------------------|--------------------------|---------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Governmental Activities | | | | | | | |
| Instruction | | | | | | | |
| Regular | \$ 9,737,441 | | \$ 923,549 | | \$ (8,813,892) | | \$ (8,813,892) |
| Special Education | 2,129,638 | \$ 17,600 | 521,352 | | (1,590,686) | | (1,590,686) |
| Other Instruction | 543,070 | | 54,529 | | (488,541) | | (488,541) |
| School Sponsored Activities and Athletics | 111,249 | | | | (111,249) | | (111,249) |
| Support Services | | | | | | | |
| Student and Instruction Related Services | 2,178,179 | | 135,153 | | (2,043,026) | | (2,043,026) |
| Attendance and Social Work | 118,281 | | 36,108 | | (82,173) | | (82,173) |
| Educational Media/School Library | 227,370 | | 17,425 | | (209,945) | | (209,945) |
| School Administrative Services | 925,318 | | 58,353 | | (866,965) | | (866,965) |
| General and Business Administrative Services | 691,280 | | 25,317 | | (665,963) | | (665,963) |
| Plant Operations and Maintenance | 2,046,993 | | 10,470 | | (2,036,523) | | (2,036,523) |
| Pupil Transportation | 456,736 | | 19,451 | | (437,285) | | (437,285) |
| Central Services | 1,132,238 | | 22,288 | | (1,109,950) | | (1,109,950) |
| Interest on Long-Term Debt | 289,404 | | - | | (289,404) | | (289,404) |
| Total Governmental Activities | 20,587,197 | 17,600 | 1,823,995 | - | (18,745,602) | - | (18,745,602) |
| Business-Type Activities | | | | | | | |
| Food Service- Non Major | 41,891 | 25,835 | 11,028 | - | - | (5,028) | (5,028) |
| Park Academy | 616,541 | 689,928 | - | - | - | 73,387 | 73,387 |
| Total Business-Type Activities | 658,432 | 715,763 | 11,028 | - | - | 68,359 | 68,359 |
| Total Primary Government | \$ 21,245,629 | \$ 733,363 | \$ 1,835,023 | \$ - | (18,745,602) | 68,359 | (18,677,243) |
| General Revenues | | | | | | | |
| Property Taxes | | | | | 19,525,073 | | 19,525,073 |
| Interest on Investments | | | | | 20,188 | 1,480 | 21,668 |
| Unrestricted State Aid | | | | | 3,800 | | 3,800 |
| Miscellaneous Income | | | | | 45,777 | | 45,777 |
| Net Effect of Gain on Contributed Assets/Loss on Disposal of Assets | | | | | 176,827 | | 176,827 |
| Total General Revenues | | | | | 19,771,665 | 1,480 | 19,773,145 |
| Change in Net Assets | | | | | 1,026,063 | 69,839 | 1,095,902 |
| Net Assets, Beginning of Year | | | | | 12,006,647 | 103,539 | 12,110,186 |
| Net Assets, End of Year | | | | | \$ 13,032,710 | \$ 173,378 | \$ 13,206,088 |

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

FUND FINANCIAL STATEMENTS

**RIVER VALE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2011**

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Debt Service Fund</u> | <u>Total Governmental Funds</u> |
|--|-------------------------|-------------------------------------|--------------------------------------|----------------------------------|---|
| ASSETS | | | | | |
| Cash and Cash Equivalents | \$ 1,226,708 | | \$ 300,141 | | \$ 1,526,849 |
| Due from Other Funds | 60,262 | | | | 60,262 |
| Other Receivables | 16,017 | | | | 16,017 |
| Receivables from Other Governments | 42,058 | \$ 102,087 | 379,000 | - | 523,145 |
| Total Assets | <u>\$ 1,345,045</u> | <u>\$ 102,087</u> | <u>\$ 679,141</u> | <u>\$ -</u> | <u>\$ 2,126,273</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Accounts Payable | \$ 27,765 | \$ 42,793 | \$ 6,000 | | \$ 76,558 |
| Due to Other Funds | | 59,227 | 1,035 | | 60,262 |
| Note Payable | | | 275,000 | | 275,000 |
| Deferred Revenue | - | 67 | 222,550 | - | 222,617 |
| Total Liabilities | <u>27,765</u> | <u>102,087</u> | <u>504,585</u> | <u>-</u> | <u>634,437</u> |
| Fund Balance | | | | | |
| Restricted: | | | | | |
| Reserved Excess Surplus - Designated for Subsequent Year's Expenditures | 255,377 | | | | 255,377 |
| Reserved Excess Surplus | 253,341 | | | | 253,341 |
| Capital Reserve | 224,076 | | | | 224,076 |
| Capital Projects Fund | | | 174,556 | | 174,556 |
| Committed Fund Balance | | | | | |
| Year End Encumbrances | 39,020 | | | | 39,020 |
| Assigned Fund Balance | | | | | |
| Year End Encumbrances | 164,666 | | | | 164,666 |
| Unassigned Fund Balance | | | | | |
| General Fund | 380,800 | - | - | - | 380,800 |
| Total Fund Balances | <u>1,317,280</u> | <u>-</u> | <u>174,556</u> | <u>-</u> | <u>1,491,836</u> |
| Total Liabilities and Fund Balances | <u>\$ 1,345,045</u> | <u>\$ 102,087</u> | <u>\$ 679,141</u> | <u>\$ -</u> | |

Amounts reported for governmental activities in the statement of net assets (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 \$26,301,913 and the accumulated depreciation is \$6,293,488. 20,008,425

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (85,158)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

| | | |
|---------------------------------------|--------------|--------------------|
| General Obligation Bonds Payable, Net | \$ 7,770,302 | |
| Deferred Charge- | | |
| Unamortized Bond Issuance Costs | (72,979) | |
| Capital Leases Payable | 187,550 | |
| Compensated Absences | 497,520 | |
| | | <u>(8,382,393)</u> |

Net assets of governmental activities (Exhibit A-1) \$ 13,032,710

**RIVER VALE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Debt Service Fund</u> | <u>Total Governmental Funds</u> |
|---|-------------------------|-------------------------------------|--------------------------------------|----------------------------------|---|
| REVENUES | | | | | |
| Local Sources | | | | | |
| Local Property Tax Levy | \$ 18,561,576 | | | \$ 963,497 | \$ 19,525,073 |
| Tuition | 17,600 | | | | 17,600 |
| Interest on Investment | 19,002 | | \$ 1,186 | | 20,188 |
| Miscellaneous | 45,777 | \$ 4,306 | - | - | 50,083 |
| Total - Local Sources | 18,643,955 | 4,306 | 1,186 | 963,497 | 19,612,944 |
| State Sources | 1,610,882 | | 3,800 | | 1,614,682 |
| Federal Sources | - | 208,807 | - | - | 208,807 |
| Total Revenues | 20,254,837 | 213,113 | 4,986 | 963,497 | 21,436,433 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Regular Instruction | 9,497,344 | 4,000 | | | 9,501,344 |
| Special Education Instruction | 1,925,284 | 167,968 | | | 2,093,252 |
| Other Instruction | 535,452 | | | | 535,452 |
| School-Sponsored Activities and Athletics | 111,249 | | | | 111,249 |
| Support Services | | | | | |
| Student and Instruction Related Services | 2,096,154 | 38,996 | | | 2,135,150 |
| Attendance and Social Work | 107,755 | | | | 107,755 |
| Educational Media/School Library | 234,664 | | | | 234,664 |
| School Administrative Services | 895,576 | | | | 895,576 |
| General Administrative Services | 658,334 | | | | 658,334 |
| Plant Operations and Maintenance | 2,020,305 | | | | 2,020,305 |
| Pupil Transportation | 456,736 | | | | 456,736 |
| Central Services | 1,121,085 | | | | 1,121,085 |
| Debt Service | | | | | |
| Principal | 162,134 | | | 655,000 | 817,134 |
| Interest and Other Charges | 11,485 | | | 308,497 | 319,982 |
| Capital Outlay | 47,821 | 2,149 | 189,132 | - | 239,102 |
| Total Expenditures | 19,881,378 | 213,113 | 189,132 | 963,497 | 21,247,120 |
| Excess (Deficiency) of Revenues Over/ (Under) Expenditures | 373,459 | - | (184,146) | - | 189,313 |
| Other Financing Sources and (Uses) | | | | | |
| Transfers In | 49,362 | | 163,400 | | 212,762 |
| Transfers Out | (163,400) | - | (49,362) | - | (212,762) |
| Total Other Financing Sources and Uses | (114,038) | - | 114,038 | - | - |
| Net Change in Fund Balances | 259,421 | - | (70,108) | - | 189,313 |
| Fund Balance, Beginning of Year | 1,057,859 | - | 244,664 | - | 1,302,523 |
| Fund Balance, End of Year | \$ 1,317,280 | \$ - | \$ 174,556 | \$ - | \$ 1,491,836 |

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

**RIVER VALE 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, 2011**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 189,313

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 in the current period.

| | | |
|---|----------------|---------|
| Capital Outlay | \$ 239,102 | |
| Depreciation Expense | (423,446) | |
| Net Effect of Gain on Contributed Assets and Loss on Disposal of Assets | <u>176,827</u> | (7,517) |

In the statement of activities, certain operating expenses - compensated absences and claims and judgements for self insurance claims - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

| | |
|---------------------------|---------|
| Compensated Absences, Net | 817,134 |
|---------------------------|---------|

Repayment of bond and lease purchase principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.

| | |
|-----------------------------|---------|
| Reduction on Long-Term Debt | 817,134 |
|-----------------------------|---------|

The issuance of refunding bonds provides current financial resources to the governmental funds, while the repayment of the refunded bonds uses those current financial resources of governmental funds. Neither transactions, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums and other such items related to the refunding bonds when they are first issued, whereas these amounts are deferred and amortized in the statement of activities.

| | | |
|---|-----------------|---------|
| Amortization of Bond Premium | 66,213 | |
| Amortization of Deferred Amounts on Refunding | (55,247) | |
| Amortization of Cost of Issuance | <u>(14,471)</u> | (3,505) |

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

| | |
|------------------------------|---------------|
| Decrease in accrued interest | <u>19,611</u> |
|------------------------------|---------------|

Change in net assets of governmental activities (Exhibit A-2) \$ 1,026,063

**RIVER VALE BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 AS OF JUNE 30, 2011**

| | <u>Business-Type Activities Enterprise Fund Park Academy</u> | <u>Business-Type Activities Enterprise Fund Non-Major</u> | <u>Total</u> |
|--------------------------------|--|---|-------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | \$ 72,860 | \$ 38,454 | \$ 111,314 |
| Accounts Receivable | | | |
| Other | <u>102,574</u> | <u>-</u> | <u>102,574</u> |
| Total Current Assets | <u>175,434</u> | <u>38,454</u> | <u>213,888</u> |
| Capital Assets | | | |
| Equipment | | 15,258 | 15,258 |
| Less: Accumulated Depreciation | <u>-</u> | <u>(13,209)</u> | <u>(13,209)</u> |
| Total Capital Assets, Net | <u>-</u> | <u>2,049</u> | <u>2,049</u> |
| Total Assets | <u>175,434</u> | <u>40,503</u> | <u>215,937</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts Payable | 24,847 | | 24,847 |
| Unearned Revenue | <u>-</u> | <u>17,712</u> | <u>17,712</u> |
| Total Current Liabilities | <u>24,847</u> | <u>17,712</u> | <u>42,559</u> |
| Total Liabilities | <u>24,847</u> | <u>17,712</u> | <u>42,559</u> |
| NET ASSETS | | | |
| Invested in Capital Assets | | 2,049 | 2,049 |
| Unrestricted | <u>150,587</u> | <u>20,742</u> | <u>171,329</u> |
| Total Net Assets | <u>\$ 150,587</u> | <u>\$ 22,791</u> | <u>\$ 173,378</u> |

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

**RIVER VALE BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET ASSETS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

| | <u>Business-Type Activities Enterprise Fund Park Academy</u> | <u>Business-Type Activities Enterprise Fund Non-Major</u> | <u>Total</u> |
|-------------------------------------|--|---|--------------|
| Charges for Services | | | |
| Daily Sales - Milk | | \$ 25,835 | \$ 25,835 |
| Program Fees | \$ 639,947 | | 639,947 |
| Miscellaneous Fees | 49,981 | - | 49,981 |
| | 689,928 | 25,835 | 715,763 |
| OPERATING REVENUES | | | |
| Cost of Sales | | 15,165 | 15,165 |
| Salaries and Benefits | 469,823 | 25,209 | 495,032 |
| Other Purchased Services | 35,234 | | 35,234 |
| Administration Fees | 15,057 | | 15,057 |
| Supplies and Materials | 7,820 | 1,127 | 8,947 |
| Rent | 77,190 | | 77,190 |
| Miscellaneous | 11,417 | | 11,417 |
| Depreciation | - | 390 | 390 |
| | 616,541 | 41,891 | 658,432 |
| Total Operating Expenses | | | |
| Operating Income/(Loss) | 73,387 | (16,056) | 57,331 |
| NONOPERATING REVENUES | | | |
| Interest | 1,081 | 399 | 1,480 |
| Federal Sources | | | |
| Special Milk Program | - | 11,028 | 11,028 |
| | 1,081 | 11,427 | 12,508 |
| Total Nonoperating Revenues | | | |
| Change in Net Assets | 74,468 | (4,629) | 69,839 |
| Total Net Assets, Beginning of Year | 76,119 | 27,420 | 103,539 |
| Total Net Assets, End of Year | \$ 150,587 | \$ 22,791 | \$ 173,378 |

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

**RIVER VALE BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

| | <u>Business-Type Activities Enterprise Fund Park Academy</u> | <u>Business-Type Activities Enterprise Fund Non-Major</u> | <u>Total</u> |
|--|--|---|-------------------|
| Cash Flows from Operating Activities | | | |
| Cash Received from Customers | \$ 770,227 | \$ 20,795 | \$ 791,022 |
| Cash Payments to Suppliers for Goods and Services | <u>(591,694)</u> | <u>(41,501)</u> | <u>(633,195)</u> |
| Net Cash Provided by (Used by) Operating Activities | <u>178,533</u> | <u>(20,706)</u> | <u>157,827</u> |
| Cash Flows from Noncapital Financing Activities | | | |
| Cash Received from State and Federal Subsidy Reimbursements | <u>-</u> | <u>12,020</u> | <u>12,020</u> |
| Net Cash Provided by (Used by) Noncapital Financing Activities | <u>-</u> | <u>12,020</u> | <u>12,020</u> |
| Cash Flows from Investing Activities | | | |
| Interest Earnings | <u>1,081</u> | <u>399</u> | <u>1,480</u> |
| Net Cash Provided by Investing Activities | <u>1,081</u> | <u>399</u> | <u>1,480</u> |
| Net Increase/(Decrease) in Cash and Cash Equivalents | 179,614 | (8,287) | 171,327 |
| Cash and Cash Equivalents, Beginning of Year | <u>(106,754)</u> | <u>46,741</u> | <u>(60,013)</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 72,860</u> | <u>\$ 38,454</u> | <u>111,314</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities | | | |
| Operating Income (Loss) | \$ 73,387 | \$ (16,056) | \$ 57,331 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Used for Operating Activities | | | |
| Depreciation | | 390 | 390 |
| Change in Assets and Liabilities | | | |
| (Increase)/Decrease in Intergovernmental Receivable - Other | 80,299 | | 80,299 |
| Increase/(Decrease) in Accounts Payable | 24,847 | | 24,847 |
| Increase/(Decrease) in Deferred Revenue | <u>-</u> | <u>(5,040)</u> | <u>(5,040)</u> |
| Total Adjustments | <u>105,146</u> | <u>(4,650)</u> | <u>100,496</u> |
| Net Cash (Used by) Operating Activities | <u>\$ 178,533</u> | <u>\$ (20,706)</u> | <u>\$ 157,827</u> |

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

**RIVER VALE BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
AS OF JUNE 30, 2011**

| | Unemployment Compensation <u>Trust</u> | <u>Agency Fund</u> |
|---------------------------------------|---|---------------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 63,565 | \$ 192,132 |
| Total Assets | <u>63,565</u> | <u>\$ 192,132</u> |
| LIABILITIES | | |
| Payroll Deductions and Withholdings | | \$ 3,726 |
| Accrued Salaries and Wages | | 1,876 |
| Due to State of New Jersey | 20,408 | 73,255 |
| Due to Student Groups | <u>-</u> | <u>113,275</u> |
| Total Liabilities | <u>20,408</u> | <u>\$ 192,132</u> |
| NET ASSETS | | |
| Held in Trust for Unemployment Claims | <u>\$ 43,157</u> | |

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

**RIVER VALE BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

| | Unemployment Compensation <u>Trust</u> |
|---------------------------------------|---|
| ADDITIONS | |
| Contributions | |
| District | \$ 49,964 |
| Employees | 27,149 |
| Investment Earnings | |
| Interest | <u>586</u> |
| Total Additions | <u>77,699</u> |
| DEDUCTIONS | |
| Unemployment Claims and Contributions | <u>116,094</u> |
| Total Deductions | <u>116,094</u> |
| Change in Net Assets | (38,395) |
| Net Assets, Beginning of Year | <u>81,552</u> |
| Net Assets, End of Year | <u>\$ 43,157</u> |

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The River Vale 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 River Vale Board of Education this includes general operations, food service, Park Academy 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. Basic Financial Statements

The basic financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements. Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities.

The district-wide financial statements report information on all of the nonfiduciary activities of the Board of Education. 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 assets, 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.

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements (Continued)

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The District considers all of its governmental and Park Academy enterprise fund to be major funds.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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 and all liabilities associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Assets. 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.

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. All other revenue items are considered to be measurable and available only when cash is received by the District.

RIVER VALE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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 and state 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 major capital facilities and other capital assets.

The *debt service fund* accounts for the accumulation of resources for and the payment of principal and interest on long-term general obligation debt of governmental funds.

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

The *park academy fund* accounts for the activities of the District's tuition reimbursement for students attending the school.

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

The *food service fund* accounts for the activities of the school cafeteria, which provides milk to students.

Additionally, the government reports the following fund type:

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

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

RIVER VALE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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.

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.

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

D. Assets, Liabilities and Net Assets or Equity

1. *Deposits 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 and Payables*

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".

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

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 2009-2010 and 2010-2011 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.

**RIVER VALE BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

2. *Receivables and Payables (Continued)*

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenue is recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred revenues. 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. *Capital Assets*

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

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

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|-------------------------------------|--------------|
| Land Improvements | 20 |
| Buildings and Building Improvements | 45-50 |
| Machinery Equipment | 5-20 |

4. *Compensated Absences*

It is the District’s policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation and 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 vacation and sick leave benefits. 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.

RIVER VALE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

5. *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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and refunding gains or losses. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

6. *Fund Equity*

Beginning with fiscal year 2011, the District implemented GASB Statement 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.

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.

Reserved Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2010 audited excess surplus that was appropriated in the 2011/2012 original budget certified for taxes.

Reserved Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2011 audited excess surplus that is required to be appropriated in the 2012/2013 original budget certified for taxes.

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2C.)

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

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

Year-End Encumbrances – Represents outstanding purchase orders at year end for goods and materials ordered and contracts awarded for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

6. Fund Equity (Continued)

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

Year-End Encumbrances Designated for Litigation – This designation represents outstanding purchase orders at year end based on management's estimate of potential losses from pending litigation.

Unassigned Fund Balance – Amounts that are available for any purpose; positive amounts are reported only in the General Fund.

7. Reclassifications

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent and is voted upon at the annual school election on the third Tuesday in April. Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2010/2011. During 2010/2011 the Board increased the original budget by \$649,953. The increase was funded by grant awards and the reappropriation of prior year general fund encumbrances.

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

**RIVER VALE BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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. Excess Expenditures Over Appropriations

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

| | <u>Budget</u> | <u>Actual</u> | <u>Unfavorable Variance</u> |
|---------------------------------------|---------------|---------------|---------------------------------|
| General Fund | | | |
| Contractual Services | | | |
| Interest on Lease Purchase Agreements | \$8,837 | \$11,485 | \$(2,648) |

The above variances were offset with other available resources.

C. Capital Reserve

A capital reserve account was established by the District on September 27, 2000. 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, 2011 is as follows:

| | | |
|---------------------------------------|----------------|-------------------|
| Balance, July 1, 2010 | | \$ 235,897 |
| Increases | | |
| Interest earnings | \$ 1,579 | |
| Deposits Approved by Board Resolution | <u>150,000</u> | |
| | | 151,579 |
| Withdrawals | | |
| Approved by Board Resolution | | <u>(163,400)</u> |
| Balance, June 30, 2011 | | <u>\$ 224,076</u> |

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve (Continued)

The June 30, 2011 LRFP balance of local support costs of uncompleted capital projects is \$2,935,500. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

D. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2011 is \$508,718. Of this amount, \$253,341 was designated and appropriated in the 2011/2012 original budget certified for taxes and the remaining amount of \$253,341 will be appropriated in the 2012/2013 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

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, 2011, the book value of the Board's deposits was \$1,893,860 and bank balances of the Board's cash and deposits amounted to \$2,642,911. The Board's deposits which are displayed on the balance sheets and statement of net assets as "cash" or "cash and cash equivalents" are categorized as:

Depository Account

| | |
|---------|---------------------|
| Insured | \$ <u>2,642,911</u> |
|---------|---------------------|

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Investments

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

As of June 30, 2011, the Board had no outstanding investments.

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

B. Receivables

Receivables as of June 30, 2011 for the district's individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Major Enterprise Fund</u> | <u>Total</u> |
|---------------------------------------|-------------------------|-------------------------------------|--------------------------------------|--------------------------------------|-------------------|
| Receivables: | | | | | |
| Intergovernmental | \$ 42,058 | \$102,087 | \$ 379,000 | | \$ 523,145 |
| Other | <u>16,017</u> | <u>-</u> | <u>-</u> | <u>\$ 102,574</u> | <u>118,591</u> |
| Gross Receivables | 58,075 | 102,087 | 379,000 | 102,574 | 641,736 |
| Less: Allowance for Uncollectibles | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Total Receivables | <u>\$ 58,075</u> | <u>\$102,087</u> | <u>\$ 379,000</u> | <u>\$ 102,574</u> | <u>\$ 641,736</u> |

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

| | <u>Unearned</u> |
|---|-------------------|
| Special Revenue Fund | |
| Unencumbered grant draw downs | \$ 67 |
| Capital Projects Fund | |
| Unrealized School Facility Grants | <u>222,550</u> |
| Total deferred revenue for governmental funds | <u>\$ 222,617</u> |

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

| | Balance, <u>July 1, 2010</u> | <u>Increases</u> | <u>Decreases</u> | Balance, <u>June 30, 2011</u> |
|--|---------------------------------|------------------|--------------------|----------------------------------|
| Governmental activities: | | | | |
| Capital Assets, not being Depreciated: | | | | |
| Land | \$ 43,525 | - | - | \$ 43,525 |
| Total Capital Assets, not being depreciated | <u>43,525</u> | <u>-</u> | <u>-</u> | <u>43,525</u> |
| Capital Assets, being depreciated: | | | | |
| Buildings and Building Improvements | 23,726,401 | \$ 49,733 | | 23,776,134 |
| Machinery and Equipment | 2,032,158 | 189,369 | \$ (312,303) | 1,909,224 |
| Land Improvements | <u>384,600</u> | <u>188,430</u> | <u>-</u> | <u>573,030</u> |
| Total Capital Assets being Depreciated | <u>26,143,159</u> | <u>427,532</u> | <u>(312,303)</u> | <u>26,258,388</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings and Building Improvements | (4,568,960) | (303,061) | | (4,872,021) |
| Machinery and Equipment | (1,379,932) | (103,685) | 300,700 | (1,182,917) |
| Land Improvements | <u>(221,850)</u> | <u>(16,700)</u> | <u>-</u> | <u>(238,550)</u> |
| Total Accumulated Depreciation | <u>(6,170,742)</u> | <u>(423,446)</u> | <u>300,700</u> | <u>(6,293,488)</u> |
| Total Capital Assets, being Depreciated, net | <u>19,972,417</u> | <u>4,086</u> | <u>(11,603)</u> | <u>19,964,900</u> |
| Governmental Activities Capital Assets, net | <u>\$ 20,015,942</u> | <u>\$ 4,086</u> | <u>\$ (11,603)</u> | <u>\$ 20,008,425</u> |
| Business-type activities: | | | | |
| Food Service Fund | | | | |
| Capital Assets, being Depreciated: | | | | |
| Machinery and Equipment | \$ 15,258 | - | - | \$ 15,258 |
| Total Capital Assets being Depreciated | <u>15,258</u> | <u>-</u> | <u>-</u> | <u>15,258</u> |
| Less Accumulated Depreciation for: | | | | |
| Machinery and Equipment | <u>(12,819)</u> | \$ (390) | - | <u>(13,209)</u> |
| Total Accumulated Depreciation | <u>(12,819)</u> | <u>(390)</u> | <u>-</u> | <u>(13,209)</u> |
| Total Capital Assets, being Depreciated, net | <u>2,439</u> | <u>(390)</u> | <u>-</u> | <u>2,049</u> |
| Business-Type Activities Capital Assets, net | <u>\$ 2,439</u> | <u>\$ (390)</u> | <u>\$ -</u> | <u>\$ 2,049</u> |

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

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

Governmental activities:

| | | |
|--|----|----------------|
| Instruction | | |
| Regular | \$ | 243,027 |
| Special | | 26,714 |
| Other Special Instruction | | <u>14,181</u> |
| Total Instruction | | <u>283,922</u> |
| Support Services | | |
| Support Services - Students and Instructional Staff | | 56,489 |
| General Administration | | 8,954 |
| School Administration | | 22,700 |
| Operations and Maintenance of Plant | | 29,658 |
| Business and Other Support Services | | <u>21,723</u> |
| Total Support Services | | <u>139,524</u> |
| Total Depreciation Expense - Governmental Activities | \$ | <u>423,446</u> |
| Business-Type activities: | | |
| Food Service Fund | \$ | <u>390</u> |
| Total Depreciation Expense-Business-Type Activities | \$ | <u>390</u> |

Construction commitments

The District has the following active construction projects as of June 30, 2011:

| <u>Project</u> | <u>Spent to Date</u> | <u>Remaining Commitment</u> |
|--|----------------------|-----------------------------|
| Facilities, Acquisition and Construction Services at Holdrum, Woodside and Roberge Schools | \$ 19,648,142 | |
| Holdrum and Roberge Boiler Project | 405,764 | |
| Roberge Gymnasium Roofing Project | <u>9,500</u> | <u>\$ 257,900</u> |
| Total | <u>\$ 20,063,406</u> | <u>\$ 257,900</u> |

**RIVER VALE BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2011, is as follows:

Due to/from other funds

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|-----------------------|------------------|
| General Fund | Special Revenue Fund | \$ 59,227 |
| General Fund | Capital Projects Fund | <u>1,035</u> |
| | | <u>\$ 60,262</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.

Interfund transfers

| | <u>Transfer In:</u> | | |
|-----------------------|---------------------|-----------------------------|-------------------|
| | <u>General Fund</u> | <u>Capital Projects</u> | <u>Total</u> |
| Transfer Out: | | | |
| General Fund | | \$ 163,400 | \$ 163,400 |
| Capital Projects Fund | <u>\$ 49,362</u> | <u>-</u> | <u>49,362</u> |
| Total Transfers Out | <u>\$ 49,362</u> | <u>\$ 163,400</u> | <u>\$ 212,762</u> |

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

E. Leases

Capital Leases

The District is leasing technology improvements totaling \$277,000 under capital leases. The lease is for a term of 3 years.

**RIVER VALE BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Leases (Continued)

Capital Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011 were as follows:

| <u>Year Ending June 30</u> | <u>Governmental Activities</u> |
|---|------------------------------------|
| 2012 | \$ 98,286 |
| 2013 | <u>98,286</u> |
| Total minimum lease payments | 196,572 |
| Less: amount representing interest | <u>9,022</u> |
| Present value of minimum lease payments | <u>\$ 187,550</u> |

F. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2011 are comprised of the following issues:

| | |
|--|--------------------|
| \$12,834,000, 2001 Bonds, due in annual installments of \$660,000 through September 15, 2011, interest at 4.5% | \$ 660,000 |
| \$7,080,000, 2010 Refunding Bonds, due in annual installments of \$40,000 to \$805,000 through September 25, 2020, interest at 2.00% to 4.5% | <u>7,055,000</u> |
| | <u>\$7,715,000</u> |

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Governmental Activities:

| Year Ending <u>June 30,</u> | <u>Serial Bonds</u> | | <u>Total</u> |
|--------------------------------|---------------------|---------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | |
| 2012 | \$ 700,000 | \$ 264,550 | \$ 964,550 |
| 2013 | 725,000 | 241,850 | 966,850 |
| 2014 | 745,000 | 224,356 | 969,356 |
| 2015 | 765,000 | 203,594 | 968,594 |
| 2016 | 790,000 | 177,276 | 967,276 |
| 2017-2021 | <u>3,990,000</u> | <u>411,412</u> | <u>4,401,412</u> |
| | <u>\$ 7,715,000</u> | <u>\$ 1,523,038</u> | <u>\$ 9,238,038</u> |

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2011 was as follows:

| | |
|---|----------------------|
| 3% of Equalized Valuation Basis (Municipal) | \$ 64,922,645 |
| Less: Net Debt | <u>7,715,948</u> |
| Remaining Borrowing Power | <u>\$ 57,206,697</u> |

Prior-Year Defeasance of Debt

In prior years, the District defeased certain serial bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. On June 30, 2011, \$7,054,000 of bonds outstanding are considered defeased.

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

Changes in long-term liabilities

Long-term liability activity for the fiscal year ended June 30, 2011, was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|--|------------------------------|------------------|-------------------|---------------------------|------------------------------------|
| Governmental Activities: | | | | | |
| Bonds Payable | \$ 8,370,000 | | \$ 655,000 | \$ 7,715,000 | \$ 700,000 |
| Deferred Amounts: | | | | | |
| Add: Original Issue Premium | 400,133 | | 66,213 | 333,920 | |
| Less: Loss on Refunding | (333,865) | - | (55,247) | (278,618) | - |
| Total Bonds Payable | 8,436,268 | - | 665,966 | 7,770,302 | 700,000 |
| Capital Leases Payable | 349,684 | | 162,134 | 187,550 | 92,303 |
| Compensated Absences | 508,547 | \$ 19,196 | 30,223 | 497,520 | - |
| Governmental Activity Long-Term Liabilities | <u>\$ 9,294,499</u> | <u>\$ 19,196</u> | <u>\$ 858,323</u> | <u>\$ 8,455,372</u> | <u>\$ 792,303</u> |

Compensated absences and capital leases for governmental activities are generally liquidated by the general fund.

G. Short-Term Debt

Project Notes/Grant Anticipation Notes/Loans Payable

The Board issues Grant Anticipation Notes to interim finance capital projects funded by the State Development Authority's Facility construction grants. The Board's short-term debt activity for the year ended June 30, 2011 was as follows:

| <u>Purpose</u> | <u>Balance, July 1, 2010</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance, June 30, 2011</u> |
|-------------------------|----------------------------------|-------------------|-------------------|-----------------------------------|
| Grant Anticipation Note | \$ 275,000 | \$ 275,000 | \$ 275,000 | \$ 275,000 |
| | <u>\$ 275,000</u> | <u>\$ 275,000</u> | <u>\$ 275,000</u> | <u>\$ 275,000</u> |

**RIVER VALE BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur.

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

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

NESBIG 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>Year Ended June 30,</u> | <u>District Contributions</u> | <u>Employee Contributions</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|--------------------------------|-----------------------------------|-----------------------------------|------------------------------|---------------------------|
| 2011 | \$ 49,964 | \$ 27,149 | \$ 116,094 | \$ 43,157 |
| 2010 | 30,000 | 32,722 | 101,898 | 81,552 |
| 2009 | | 29,629 | 67,182 | 120,016 |

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.

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 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, 2011, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2011, the District had no estimated arbitrage earnings due to the IRS.

D. Employee Retirement Systems and Pension Plans

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

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds

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

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for the system.

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

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

Basis of Accounting

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

Investment Valuation

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

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Significant Legislation

P.L. 2010, c. 1, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, and employer contributions to the retirement system.

This new legislation changed the membership eligibility criteria for new members of TPAF and PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of TPAF and PERS to 1/60 from 1/55, and it provided that new members of TPAF and PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of TPAF and PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the prosecutor's part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time five years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in Fiscal Year 2012.

P.L. 2010, c.3, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the TPAF and PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Funding Status and Funding Progress

As of June 30, 2009, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 66.0 percent with an unfunded actuarial accrued liability of \$45.8 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 62.0 percent and \$30.7 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 72.1 percent and \$15.1 billion.

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

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

**RIVER VALE BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Actuarial Methods and Assumptions

In the June 30, 2009 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 (1) 8.25 percent for investment rate of return for the retirement systems and (2) 5.45 percent for projected salary increases for the PERS and 5.74 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 5.5% for PERS, 5.5% 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 for the year ended June 30, 2011 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended June 30, 2011, 2010 and 2009 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:

| Year Ended <u>June 30,</u> | <u>PERS</u> | On-behalf <u>TPAF</u> | <u>DCRP</u> |
|-------------------------------|-------------|--------------------------|-------------|
| 2011 | \$ 254,457 | \$ 27,003 | \$ 2,979 |
| 2010 | 183,674 | 30,843 | |
| 2009 | 151,630 | 19,907 | |

During the last three fiscal years, the State of New Jersey did not contribute to the TPAF for normal cost and accrued liability. The State contributed \$27,003, \$30,843 and \$19,907 during 2010/2011, 2009/2010 and 2008/2009, respectively, for the NCGI premium only.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$717,419 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, along with the on-behalf TPAF pension contribution, has been included in the district-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits

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

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans (OPEB)*, effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 514 state and local participating employers and contributing entities for Fiscal Year 2010.

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

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

Basis of Accounting

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

Significant Legislation

P.L. 2010, c.2 effective May 21, 2010, makes changes to the SHBP-State/Local Government/Local Education concerning eligibility, cost sharing, choice of a plan, the application of benefit changes, the waiver of coverage, and multiple coverage under such plans. It also requires contributions toward the cost of health care benefits coverage by public employees and certain retirees.

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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 June 30, 2009, the most recent actuarial valuation date, the State had a \$56.8 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$20.5 billion for state active and retired members and \$36.3 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 is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

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

Actuarial Methods and Assumptions

In the June 30, 2009, actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

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, 2010, there were 87,288 retirees receiving post-retirement medical benefits and the State contributed \$883.8 million on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2010.

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions (Continued)

The State sets the contribution rate based on a pay as you go basis and not on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2011, 2010 and 2009 were \$573,544, \$579,265 and \$379,782, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

BUDGETARY COMPARISON SCHEDULES

**RIVER VALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final To Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|-------------------|---|
| REVENUES | | | | | |
| Local Sources | | | | | |
| Property Taxes | \$ 18,561,576 | | \$ 18,561,576 | \$ 18,561,576 | |
| Interest on Investments | 41,113 | | 41,113 | 19,002 | \$ (22,111) |
| Tuition | 20,000 | | 20,000 | 17,600 | (2,400) |
| Miscellaneous | 48,800 | - | 48,800 | 45,777 | (3,023) |
| Total - Local Sources | <u>18,671,489</u> | <u>-</u> | <u>18,671,489</u> | <u>18,643,955</u> | <u>(27,534)</u> |
| State Sources | | | | | |
| Extraordinary Aid | | | | 240,069 | 240,069 |
| Nonpublic School Transportation Aid | | | | 6,264 | 6,264 |
| On-Behalf TPAF Pension Contribution (Non-Budgeted)- NCGI | | | | 27,003 | 27,003 |
| Post Retirement Medical Contribution | | | | 573,544 | 573,544 |
| On-Behalf TPAF Social Security (Non-Budgeted) | - | - | - | 717,419 | 717,419 |
| Total - State Sources | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,564,299</u> | <u>1,564,299</u> |
| Total Revenues | <u>18,671,489</u> | <u>-</u> | <u>18,671,489</u> | <u>20,208,254</u> | <u>1,536,765</u> |
| EXPENDITURES | | | | | |
| CURRENT EXPENDITURES | | | | | |
| Instruction - Regular Programs | | | | | |
| Salaries of Teachers | | | | | |
| Preschool/Kindergarten | 491,771 | \$ 92,453 | 584,224 | 584,224 | |
| Grades 1-5 | 3,862,326 | (137,314) | 3,725,012 | 3,719,396 | 5,616 |
| Grades 6-8 | 2,338,075 | 51,991 | 2,390,066 | 2,390,065 | 1 |
| Instruction - Home Salaries of Teachers | 4,000 | 20,444 | 24,444 | 24,444 | - |
| Total Instruction - Regular | <u>6,696,172</u> | <u>27,574</u> | <u>6,723,746</u> | <u>6,718,129</u> | <u>5,617</u> |
| Regular Programs - Undistributed Instruction | | | | | |
| Purchased Professional Services | 1,550 | 100,357 | 101,907 | 99,613 | 2,294 |
| Other Purchased Services - Lease Purchase | 96,476 | 4,591 | 101,067 | 99,618 | 1,449 |
| General Supplies | 303,808 | 28,711 | 332,519 | 314,851 | 17,668 |
| Textbooks | 34,050 | (22,668) | 11,382 | 11,239 | 143 |
| Other Objects | 1,180 | (970) | 210 | 210 | - |
| Total Regular Programs | <u>437,064</u> | <u>110,021</u> | <u>547,085</u> | <u>525,531</u> | <u>21,554</u> |
| Resource Room | | | | | |
| Salaries of Teachers | 508,059 | (28,882) | 479,177 | 479,175 | 2 |
| Purchased Professional Services | | 5,143 | 5,143 | 2,824 | 2,319 |
| General Supplies | 1,700 | (76) | 1,624 | 1,580 | 44 |
| Textbooks | 400 | - | 400 | 376 | 24 |
| Total Resource Room | <u>510,159</u> | <u>(23,815)</u> | <u>486,344</u> | <u>483,955</u> | <u>2,389</u> |
| Preschool Disabilities - Part Time | | | | | |
| Salaries of Teachers | 151,150 | 4,045 | 155,195 | 155,195 | |
| Other Salaries for Instruction | 82,089 | 22,117 | 104,206 | 104,112 | 94 |
| Purchased Professional Services | | 2,516 | 2,516 | 1,641 | 875 |
| General Supplies | 1,233 | 513 | 1,746 | 1,745 | 1 |
| Total Preschool Disabilities - Part Time | <u>234,472</u> | <u>29,191</u> | <u>263,663</u> | <u>262,693</u> | <u>970</u> |
| Total Special Education | <u>744,631</u> | <u>5,376</u> | <u>750,007</u> | <u>746,648</u> | <u>3,359</u> |

(Continued)

**RIVER VALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final To Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|------------------|---|
| EXPENDITURES | | | | | |
| CURRENT EXPENDITURES (Continued) | | | | | |
| Basic Skills/Remedial | | | | | |
| Salaries of Teachers | \$ 352,763 | \$ (56,500) | \$ 296,263 | \$ 296,263 | |
| Purchased Professional Services | | 5,079 | 5,079 | 3,452 | \$ 1,627 |
| General Supplies | 1,400 | (577) | 823 | 804 | 19 |
| Textbooks | 350 | - | 350 | 338 | 12 |
| Total Basic Skills/Remedial | <u>354,513</u> | <u>(51,998)</u> | <u>302,515</u> | <u>300,857</u> | <u>1,658</u> |
| Bilingual Education | | | | | |
| Salaries of Teachers | 95,757 | | 95,757 | 95,754 | 3 |
| Purchased Professional Services | | 1,008 | 1,008 | 377 | 631 |
| General Supplies | 600 | 46 | 646 | 603 | 43 |
| Total Bilingual Education | <u>96,357</u> | <u>1,054</u> | <u>97,411</u> | <u>96,734</u> | <u>677</u> |
| School Sponsored Co-Curricular Activities | | | | | |
| Salaries | 59,941 | (6,988) | 52,953 | 51,456 | 1,497 |
| Total School Sponsored Co-Curricular Activities | <u>59,941</u> | <u>(6,988)</u> | <u>52,953</u> | <u>51,456</u> | <u>1,497</u> |
| School Sponsored Athletics - Instruction | | | | | |
| Salaries | 37,261 | 11,383 | 48,644 | 48,644 | |
| Purchased Services | 6,000 | (898) | 5,102 | 4,970 | 132 |
| Supplies and Materials | 1,000 | 1,075 | 2,075 | 1,369 | 706 |
| Total School Sponsored Athletics - Instruction | <u>44,261</u> | <u>11,560</u> | <u>55,821</u> | <u>54,983</u> | <u>838</u> |
| Total - Instruction | <u>8,432,939</u> | <u>96,599</u> | <u>8,529,538</u> | <u>8,494,338</u> | <u>35,200</u> |
| Undistributed Expenditures | | | | | |
| Instruction | | | | | |
| Tuition to Other LEAs Within the State-Special | 781,110 | (24,000) | 757,110 | 711,098 | 46,012 |
| Tuition to CSSD & Regular Day Schools | 75,000 | (75,000) | | | |
| Tuition to Private School Handicapped-Within State | 290,765 | (14,435) | 276,330 | 218,906 | 57,424 |
| Total Undistributed Expenditures - Instruction | <u>1,146,875</u> | <u>(113,435)</u> | <u>1,033,440</u> | <u>930,004</u> | <u>103,436</u> |
| Attendance and Social Work Services | | | | | |
| Salaries | 61,947 | 5,132 | 67,079 | 67,078 | 1 |
| Other Purchased Services | 9,627 | (1,022) | 8,605 | 8,598 | 7 |
| Total Attendance and Social Work Services | <u>71,574</u> | <u>4,110</u> | <u>75,684</u> | <u>75,676</u> | <u>8</u> |
| Health Services | | | | | |
| Salaries | 215,905 | (3,429) | 212,476 | 212,474 | 2 |
| Purchased Professional - Educational Services | 17,425 | 1,409 | 18,834 | 18,833 | 1 |
| Supplies and Materials | 1,500 | (90) | 1,410 | 1,345 | 65 |
| Total Health Services | <u>234,830</u> | <u>(2,110)</u> | <u>232,720</u> | <u>232,652</u> | <u>68</u> |

**RIVER VALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final To Actual |
|--|--------------------|---------------------|-----------------|----------------|--------------------------------|
| EXPENDITURES | | | | | |
| CURRENT EXPENDITURES (Continued) | | | | | |
| Speech, OT, PT & Related Services | | | | | |
| Salaries | \$ 174,100 | \$ 1 | \$ 174,101 | \$ 174,100 | \$ 1 |
| Purchased Professional - Educational Services | 128,059 | 139,626 | 267,685 | 266,834 | 851 |
| Supplies and Materials | 650 | (32) | 618 | 617 | 1 |
| Total Speech, OT, PT and Related Services | <u>302,809</u> | <u>139,595</u> | <u>442,404</u> | <u>441,551</u> | <u>853</u> |
| Other Support Services - Students - Extra. Service | | | | | |
| Salaries | 264,604 | (2,094) | 262,510 | 261,823 | 687 |
| Purchased Professional - Educational Services | | 978 | 978 | 978 | - |
| Supplies and Materials | 2,100 | (562) | 1,538 | 1,508 | 30 |
| Total Other Support Svcs.-Students-Extra. Service. | <u>266,704</u> | <u>(1,678)</u> | <u>265,026</u> | <u>264,309</u> | <u>717</u> |
| Guidance | | | | | |
| Salaries of Other Professional Staff | 179,290 | | 179,290 | 179,289 | 1 |
| Purchased Professional - Educational Services | 1,000 | (1,000) | | | |
| Other Purchased Professional & Technical Services | 8,000 | (6,247) | 1,753 | 1,615 | 138 |
| General Supplies | 6,725 | 1,750 | 8,475 | 7,537 | 938 |
| Total Guidance | <u>195,015</u> | <u>(5,497)</u> | <u>189,518</u> | <u>188,441</u> | <u>1,077</u> |
| Child Study Team | | | | | |
| Salaries of Other Professional Staff | 339,734 | (1,844) | 337,890 | 337,889 | 1 |
| Salaries of Secretarial and Clerical Assistants | 67,780 | (4,435) | 63,345 | 63,345 | |
| Purchased Professional-Educational Services | 10,000 | (6,750) | 3,250 | 3,250 | |
| Other Professional Services | 68,074 | 1 | 68,075 | 68,074 | 1 |
| Miscellaneous Purchased Services | 6,100 | (3,400) | 2,700 | 2,121 | 579 |
| Supplies and Materials | 5,000 | 7,309 | 12,309 | 12,308 | 1 |
| Other Objects | 785 | (695) | 90 | - | 90 |
| Total Child Study Team | <u>497,473</u> | <u>(9,814)</u> | <u>487,659</u> | <u>486,987</u> | <u>672</u> |
| Improvement of Inst. Serv. | | | | | |
| Salaries of Other Professional Staff | 13,000 | 4,600 | 17,600 | 16,693 | 907 |
| Purchased Professional-Educational Services | 4,500 | 12,400 | 16,900 | 16,900 | |
| Miscellaneous Purchased Services | - | 1,100 | 1,100 | 1,100 | - |
| Total Improvement of Inst. Serv. | <u>17,500</u> | <u>18,100</u> | <u>35,600</u> | <u>34,693</u> | <u>907</u> |
| Educational Media Services/School Library | | | | | |
| Salaries | 170,955 | (23,000) | 147,955 | 147,895 | 60 |
| Other Purchased Services | 17,000 | (800) | 16,200 | 16,054 | 146 |
| Supplies and Materials | 9,855 | (243) | 9,612 | 9,243 | 369 |
| Total Educational Media Services/School Library | <u>197,810</u> | <u>(24,043)</u> | <u>173,767</u> | <u>173,192</u> | <u>575</u> |
| Instructional Staff Training Services | | | | | |
| Other Salaries | 750 | 129 | 879 | 879 | |
| Purchased Professional - Educational Services | 500 | (66) | 434 | 434 | |
| Other Purchased Prof and Tech Services | 2,568 | (822) | 1,746 | 1,475 | 271 |
| Travel Expense | 9,250 | (3,430) | 5,820 | 4,004 | 1,816 |
| Supplies and Materials | - | 1,136 | 1,136 | 1,005 | 131 |
| Total Instructional Staff Training Services | <u>13,068</u> | <u>(3,053)</u> | <u>10,015</u> | <u>7,797</u> | <u>2,218</u> |

(Continued)

**RIVER VALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final To Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|----------------|---|
| EXPENDITURES | | | | | |
| CURRENT EXPENDITURES (Continued) | | | | | |
| Support Services General Administration | | | | | |
| Salaries | \$ 249,173 | \$ (1,663) | \$ 247,510 | \$ 247,508 | \$ 2 |
| Legal Services | 48,000 | 25,278 | 73,278 | 73,277 | 1 |
| Audit Fees | 40,000 | 29,500 | 69,500 | 30,480 | 39,020 |
| Other Purchased Professional Services | 24,000 | 31,716 | 55,716 | 33,596 | 22,120 |
| Communications/Telephone | 53,500 | (4,658) | 48,842 | 48,525 | 317 |
| BOE Other Purchased Services | 5,000 | (4,121) | 879 | 878 | 1 |
| Other Purchased Services | 120,227 | (29,455) | 90,772 | 88,723 | 2,049 |
| General Supplies | 10,000 | 12,766 | 22,766 | 15,672 | 7,094 |
| Judgements Against the School | | 18,640 | 18,640 | 15,790 | 2,850 |
| Miscellaneous Expenditures | 9,500 | (5,711) | 3,789 | 3,788 | 1 |
| BOE Membership Dues and Fees | 12,550 | (3,076) | 9,474 | 9,473 | 1 |
| Total Support Services General Administration | 571,950 | 69,216 | 641,166 | 567,710 | 73,456 |
| Support Services School Administration | | | | | |
| Salaries of Principals/Asst. Principals | 406,936 | (12,351) | 394,585 | 394,555 | 30 |
| Salaries of Other Professional Staff | 23,198 | 1,758 | 24,956 | 24,955 | 1 |
| Salaries of Secretarial and Clerical Assistants | 214,344 | (6,255) | 208,089 | 207,997 | 92 |
| Other Purchased Services | 8,825 | 6,314 | 15,139 | 13,953 | 1,186 |
| General Supplies | 13,040 | 1,185 | 14,225 | 11,656 | 2,569 |
| Miscellaneous Expenditures | 10,397 | (1,215) | 9,182 | 8,662 | 520 |
| Total Support Services School Administration | 676,740 | (10,564) | 666,176 | 661,778 | 4,398 |
| Central Services | | | | | |
| Salaries | 367,622 | (4,999) | 362,623 | 361,978 | 645 |
| Purchased Professional Services | 20,000 | (20,000) | | | |
| Other Purchased Services | 17,200 | 2,494 | 19,694 | 14,316 | 5,378 |
| Supplies and Materials | 6,000 | 9,237 | 15,237 | 14,681 | 556 |
| Interest on Current Loans | 1,000 | 2,273 | 3,273 | 3,273 | |
| Interest on Lease Purchase Agreements | 11,486 | (2,649) | 8,837 | 11,485 | (2,648) |
| Miscellaneous Expenditures | 4,300 | 3,025 | 7,325 | 6,893 | 432 |
| Total Central Services | 427,608 | (10,619) | 416,989 | 412,626 | 4,363 |
| Admin. Info. Tech. | | | | | |
| Salaries | 202,879 | 35,826 | 238,705 | 238,514 | 191 |
| Purchased Professional Services | 25,234 | 21,834 | 47,068 | 46,912 | 156 |
| Purchased Technical Services | 37,881 | 47,790 | 85,671 | 79,092 | 6,579 |
| Other Purchased Services | 65,620 | 2,826 | 68,446 | 68,437 | 9 |
| Supplies and Materials | 48,364 | 20,481 | 68,845 | 62,836 | 6,009 |
| Other Objects | 18,748 | (13,844) | 4,904 | 4,903 | 1 |
| Total Admin. Info. Tech. | 398,726 | 114,913 | 513,639 | 500,694 | 12,945 |

(Continued)

**RIVER VALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final To Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|------------------|---|
| EXPENDITURES | | | | | |
| CURRENT EXPENDITURES (Continued) | | | | | |
| Required Maintenance for School Facilities | | | | | |
| Salaries | \$ 124,022 | \$ (11,590) | \$ 112,432 | \$ 112,431 | \$ 1 |
| Cleaning, Repair and Maintenance Service | 95,750 | 66,205 | 161,955 | 149,124 | 12,831 |
| General Supplies | 27,500 | (2,193) | 25,307 | 22,160 | 3,147 |
| | <u>247,272</u> | <u>52,422</u> | <u>299,694</u> | <u>283,715</u> | <u>15,979</u> |
| Custodial Services | | | | | |
| Salaries | 710,381 | (27,739) | 682,642 | 671,628 | 11,014 |
| Salaries of Non-Instructional Aides | 34,920 | 1,758 | 36,678 | 11,134 | 25,544 |
| Other Salaries | 36,000 | (202) | 35,798 | 24,646 | 11,152 |
| Purchased Professional and Technical Services | 23,300 | 16,305 | 39,605 | 35,993 | 3,612 |
| Cleaning, Repair, Maintenance | 105,131 | (9,567) | 95,564 | 81,428 | 14,136 |
| Other Purchased Property | 14,500 | - | 14,500 | 14,352 | 148 |
| Insurance | 126,773 | (6,339) | 120,434 | 120,434 | - |
| Other Purchased Services | 11,400 | (921) | 10,479 | 7,284 | 3,195 |
| General Supplies | 82,750 | 9,863 | 92,613 | 61,649 | 30,964 |
| Energy (Natural Gas) | 186,800 | (77,151) | 109,649 | 69,149 | 40,500 |
| Energy (Electricity) | 292,000 | (55,121) | 236,879 | 219,537 | 17,342 |
| Miscellaneous Expenditures | 7,550 | (4,675) | 2,875 | 2,875 | - |
| | <u>1,631,505</u> | <u>(153,789)</u> | <u>1,477,716</u> | <u>1,320,109</u> | <u>157,607</u> |
| Care and Upkeep of Grounds | | | | | |
| Cleaning, Repair and Maintenance Service | 6,000 | | 6,000 | 4,345 | 1,655 |
| General Supplies | 11,500 | (1,775) | 9,725 | 2,599 | 7,126 |
| | <u>17,500</u> | <u>(1,775)</u> | <u>15,725</u> | <u>6,944</u> | <u>8,781</u> |
| Security | | | | | |
| Purchased Professional and Technical Services | 12,000 | 54,453 | 66,453 | 56,882 | 9,571 |
| Cleaning, Repair and Maintenance Service | 11,500 | (8,200) | 3,300 | 1,800 | 1,500 |
| General Supplies | - | 1,125 | 1,125 | 1,112 | 13 |
| | <u>23,500</u> | <u>47,378</u> | <u>70,878</u> | <u>59,794</u> | <u>11,084</u> |
| Student Transportation Services | | | | | |
| Contracted Services-Aid in Lieu of Pymts-Non-Public Schools | 35,000 | (21,544) | 13,456 | 13,456 | |
| Contracted Services (Between Home and School) - Vendors | 167,870 | (3,731) | 164,139 | 147,745 | 16,394 |
| Contracted Services (Other Than Between Home and School) - Vendors | 31,500 | (12,050) | 19,450 | 16,758 | 2,692 |
| Contracted Services (Spec. Ed. Students) - Joint Agreement | 330,600 | - | 330,600 | 278,777 | 51,823 |
| | <u>564,970</u> | <u>(37,325)</u> | <u>527,645</u> | <u>456,736</u> | <u>70,909</u> |
| Employee Benefits - Unallocated | | | | | |
| Social Security Contributions | 200,000 | | 200,000 | 192,263 | 7,737 |
| Other Retirement Contributions - Regular DCRP | 207,929 | 46,528 | 254,457 | 250,888 | 3,569 |
| | | 3,025 | 3,025 | 2,979 | 46 |
| Unemployment Insurance | 49,964 | | 49,964 | 49,964 | |
| Workmen's Compensation | 116,877 | (7,443) | 109,434 | 109,434 | |
| Health Benefits | 2,322,917 | (145,561) | 2,177,356 | 2,166,734 | 10,622 |
| Tuition Reimbursement | 22,700 | (2,297) | 20,403 | 18,696 | 1,707 |
| Other Employee Benefits | 26,062 | 26,616 | 52,678 | 52,203 | 475 |
| | <u>2,946,449</u> | <u>(79,132)</u> | <u>2,867,317</u> | <u>2,843,161</u> | <u>24,156</u> |

(Continued)

**RIVER VALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final To Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|---------------|---|
| EXPENDITURES | | | | | |
| CURRENT EXPENDITURES (Continued) | | | | | |
| On-Behalf TPAF Pension Contributions (Non-Budgeted) | | | | | |
| NCGI | | | | \$ 27,003 | \$ (27,003) |
| Post-Retirement Medical Contribution | | | | 573,544 | (573,544) |
| Reimbursed TPAF Social Security Contributions (Non-Budgeted) | - | - | - | 717,419 | (717,419) |
| Total | - | - | - | 1,317,966 | (1,317,966) |
| Total Undistributed Expenditures | \$ 10,449,878 | \$ (7,100) | \$ 10,442,778 | 11,266,535 | (823,757) |
| Total Current Expenditures | 18,882,817 | 89,499 | 18,972,316 | 19,760,873 | (788,557) |
| CAPITAL OUTLAY | | | | | |
| Interest Deposit to Capital Reserve | 2,000 | | 2,000 | | 2,000 |
| Equipment | | | | | |
| General Administration | | 8,796 | 8,796 | 6,505 | 2,291 |
| School Administration | | 3,197 | 3,197 | | 3,197 |
| Admin. Info. Tech. | | 92,350 | 92,350 | 7,127 | 85,223 |
| Child Study Team | 4,800 | (4,800) | | | |
| Operation & Maintenance of Plant Services | - | 19,011 | 19,011 | - | 19,011 |
| Total Undistributed Expenditures - Instruction | 6,800 | 118,554 | 125,354 | 13,632 | 111,722 |
| Total Equipment | 6,800 | 118,554 | 125,354 | 13,632 | 111,722 |
| Facilities Acquisition and Construction Services | | | | | |
| Construction Services | | 34,189 | 34,189 | 34,189 | |
| Lease Purchase Agreements - Principal | 72,684 | - | 72,684 | 72,684 | - |
| Total Facilities Acquisition and Construction Svcs. | 72,684 | 34,189 | 106,873 | 106,873 | - |
| Total Capital Outlay | 79,484 | 152,743 | 232,227 | 120,505 | 111,722 |
| Total Expenditures - General Fund | 18,962,301 | 242,242 | 19,204,543 | 19,881,378 | (676,835) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (290,812) | (242,242) | (533,054) | 326,876 | 859,930 |
| Other Financing Sources | | | | | |
| Operating Transfer Out | | (163,400) | (163,400) | (163,400) | - |
| Operating Transfer In | - | - | - | 49,362 | 49,362 |
| Total Other Financing Sources | - | (163,400) | (163,400) | (114,038) | 49,362 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources | (290,812) | (405,642) | (696,454) | 212,838 | 909,292 |
| Fund Balances, Beginning of Year | 1,344,511 | - | 1,344,511 | 1,344,511 | - |
| Fund Balances, End of Year | \$ 1,053,699 | \$ (405,642) | \$ 648,057 | \$ 1,557,349 | \$ 909,292 |

(Continued)

**RIVER VALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final To Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|---------------------|---|
| Recapitulation | | | | | |
| Restricted Fund Balance: | | | | | |
| Reserved Excess Surplus - Designated for | | | | | |
| Subsequent Year's Expenditures | | | | \$ 255,377 | |
| Reserved Excess Surplus | | | | 253,341 | |
| Capital Reserve | | | | 224,076 | |
| Committed Fund Balance | | | | | |
| Year End Encumbrances | | | | 39,020 | |
| Assigned Fund Balance | | | | | |
| Year End Encumbrances | | | | 164,666 | |
| Unassigned Fund Balance | | | | <u>620,869</u> | |
| | | | | 1,557,349 | |
| Reconciliation to Governmental Funds Statements (GAAP) | | | | | |
| Extraordinary Aid Payment | | | | <u>240,069</u> | |
| | | | | \$ 1,317,280 | |
| Fund Balances Per Governmental Funds (GAAP) | | | | <u>\$ 1,317,280</u> | |

**RIVER VALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

| | <u>Budgeted Amounts</u> | | | <u>Actual</u> | <u>Variance</u> |
|--|-------------------------|------------------|--------------|---------------|------------------------|
| | <u>Original</u> | <u>Transfers</u> | <u>Final</u> | | <u>Final to Actual</u> |
| REVENUES | | | | | |
| Intergovernmental | | | | | |
| Local | | \$ 4,573 | \$ 4,573 | \$ 4,306 | \$ (267) |
| Federal | \$ 288,749 | 239,738 | 528,487 | 208,807 | (319,680) |
| Total Revenues | 288,749 | 244,311 | 533,060 | 213,113 | (319,947) |
| EXPENDITURES | | | | | |
| Instruction | | | | | |
| Salaries & Benefits | | 4,000 | 4,000 | 4,000 | |
| Purchased Professional/Educational Services | 154,000 | 11,548 | 165,548 | 120,108 | 45,440 |
| Tuition | 88,029 | 12,143 | 100,172 | 13,508 | 86,664 |
| General Supplies | 1,983 | 35,351 | 37,334 | 34,352 | 2,982 |
| Total Instruction | 244,012 | 63,042 | 307,054 | 171,968 | 135,086 |
| Support Services | | | | | |
| Salaries & Benefits | | 306 | 306 | 306 | |
| Purchased Professional/Education Services | 23,900 | 7,792 | 31,692 | 27,567 | 4,125 |
| General Supplies | 20,837 | (9,714) | 11,123 | 11,123 | - |
| Total Support Services | 44,737 | (1,616) | 43,121 | 38,996 | 4,125 |
| Facilities Acquisition and Construction Services | | | | | |
| Construction | | 180,736 | 180,736 | | 180,736 |
| Instructional Equipment | - | 2,149 | 2,149 | 2,149 | - |
| Total Facilities Acquisition and Construction | - | 182,885 | 182,885 | 2,149 | 180,736 |
| Total Expenditures | 288,749 | 244,311 | 533,060 | 213,113 | 319,947 |
| Excess Revenues Over Expenditures | - | - | - | - | - |
| Fund Balances, Beginning of Year | - | - | - | - | - |
| Fund Balances, End of Year | \$ - | \$ - | \$ - | \$ - | \$ - |

**RIVER VALE BOARD OF EDUCATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

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

| | <u>General Fund</u> | <u>Special Revenue Fund</u> |
|---|--------------------------------|--|
| Sources/inflows of resources | | |
| Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule | (C-1) \$ 20,208,254 | (C-2) \$ 213,113 |
| Difference - Budget to GAAP | | |
| State Aid payment and Extraordinary Aid (2009/2010) recognized for GAAP statements, not recognized for budgetary statements | 286,652 | |
| State Aid payments and Extraordinary Aid (2010/2011) recognized for budgetary purposes, not recognized for GAAP statements | <u>(240,069)</u> | <u>-</u> |
| Total revenues as reported on the Statement of Revenues, Expenditures | (B-2) \$ <u>20,254,837</u> | (B-2) \$ <u>213,113</u> |
| Uses/outflows of resources | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule | (C-1) \$ <u>19,881,378</u> | (C-2) \$ <u>213,113</u> |
| Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | (B-2) \$ <u>19,881,378</u> | (B-2) \$ <u>213,113</u> |

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

RIVER VALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| | Actuarial Grant | IDEIA Part B- Basic | IDEIA Preschool | ARRA Part B- Basic | NCLB Title II | Total |
|--|--------------------|------------------------|--------------------|-----------------------|------------------|-------------------|
| REVENUES | | | | | | |
| Intergovernmental | \$ 4,306 | | | | | \$ 4,306 |
| Local | - | \$ 121,604 | \$ 13,508 | \$ 49,825 | \$ 23,870 | \$ 208,807 |
| Federal | | | | | | |
| Total Revenues | <u>\$ 4,306</u> | <u>\$ 121,604</u> | <u>\$ 13,508</u> | <u>\$ 49,825</u> | <u>\$ 23,870</u> | <u>\$ 213,113</u> |
| EXPENDITURES | | | | | | |
| Instruction | | | | | | |
| Salaries & Benefits | \$ 4,000 | \$ 120,108 | | | | \$ 4,000 |
| Purchased Professional & Ed Svcs. | | | \$ 13,508 | | | 120,108 |
| Tuition | | | | | | 13,508 |
| General Supplies | | 1,496 | | \$ 32,856 | | 34,352 |
| Total Instruction | <u>4,000</u> | <u>121,604</u> | <u>13,508</u> | <u>32,856</u> | <u>-</u> | <u>171,968</u> |
| Support Services | | | | | | |
| Salaries & Benefits | 306 | | | | | 306 |
| Purchased Professional Educational Svcs. | | | | 14,820 | \$ 12,747 | 27,567 |
| General Supplies | | | | | 11,123 | 11,123 |
| Total Support Services | <u>306</u> | <u>-</u> | <u>-</u> | <u>14,820</u> | <u>23,870</u> | <u>38,996</u> |
| Facilities Acquisition and Construction Services | | | | | | |
| Instructional Equipment | | | | 2,149 | | 2,149 |
| Total Facilities Acquisition and Construction | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,149</u> | <u>-</u> | <u>2,149</u> |
| Total Expenditures | <u>\$ 4,306</u> | <u>\$ 121,604</u> | <u>\$ 13,508</u> | <u>\$ 49,825</u> | <u>\$ 23,870</u> | <u>\$ 213,113</u> |

**RIVER VALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL PROGRAM AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**RIVER VALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

| <u>Issue/Project Title</u> | <u>Expenditures</u> | | <u>Balance</u> | |
|---|----------------------|----------------------|----------------------|-------------------|
| | <u>Appropriation</u> | <u>To Date</u> | | |
| | <u>Prior Years</u> | <u>Current Year</u> | <u>June 30, 2011</u> | |
| Facilities Acquisitions and Construction Services at Holdrum, Woodside and Roberge Schools* | \$ 19,750,000 | \$ 19,646,666 | \$ 1,476 | \$ 101,858 |
| Holdrum & Roberge Boiler Project ** | 405,764 | 357,560 | 48,204 | |
| Technology Upgrade *** | 277,050 | 60,598 | 178,156 | 38,296 |
| Roberge Gymnasium Roofing Project | 267,400 | - | 9,500 | 257,900 |
| Total | <u>\$ 20,700,214</u> | <u>\$ 20,064,824</u> | <u>\$ 237,336</u> | <u>\$ 398,054</u> |
| Project Balances | | | | \$ 398,054 |
| Less: Unearned Revenue | | | | (223,498) |
| Fund Balance - GAAP | | | | <u>\$ 174,556</u> |
| Analysis of Unearned Revenue | | | | |
| SDA Grant | | | | \$ 222,550 |
| Debt Authorized But Not Issued | | | | 948 |
| Analysis of Restricted Fund Balance | | | | <u>\$ 223,498</u> |
| Year End Encumbrances | | | | \$ 257,900 |
| Restricted Fund Balance | | | | (83,344) |
| Fund Balance - GAAP | | | | <u>\$ 174,556</u> |

* - Modified Appropriation for transfer from Capital Reserve \$800,000.

** - Modified Appropriation for Interest Earnings \$11,604

*** - Modified Appropriation for Interest Earnings \$50

**RIVER VALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Revenues and Other Financing Sources

| | |
|-------------------------------|--------------------|
| State Sources - SDA Grants | \$ 104,000 |
| Local Share - Capital Reserve | 163,400 |
| Interest | <u>1,186</u> |
| Total Revenues | <u>268,586</u> |

Expenditures and Other Financing Uses

| | |
|--|--------------------|
| Construction Services | 10,976 |
| Equipment | 178,156 |
| Transfer Out to General Fund for Boiler Lease Payments | 48,204 |
| Transfer Out to General Fund | <u>1,158</u> |
| Total Expenditures | <u>238,494</u> |

| | |
|---|--------|
| Excess of Revenue and Other Financing Sources Over Expenditures and Other Financing Uses | 30,092 |
|---|--------|

| | |
|---------------------------------|----------------|
| Fund Balance, Beginning of Year | <u>367,962</u> |
|---------------------------------|----------------|

| | |
|---|----------------|
| Fund Balance, End of Year - Budgetary Basis | <u>398,054</u> |
|---|----------------|

Reconciliation to GAAP:

| | |
|---|----------------|
| Less: SDA Drawdown Revenue and Debt Authorized But Not Issued Not Realized on GAAP Basis | <u>223,498</u> |
|---|----------------|

| | |
|--|--------------------------|
| Fund Balance, End of Year - GAAP Basis | <u><u>\$ 174,556</u></u> |
|--|--------------------------|

**RIVER VALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
IMPROVEMENTS TO THE MIDDLE SCHOOL AND ELEMENTARY SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|----------------------|---------------------|-------------------|--|
| Revenues and Other Financing Sources | | | | |
| State Sources - SCC Grants | \$ 6,115,052 | | \$ 6,115,052 | \$ 6,115,052 |
| Bond Proceeds and Transfers | 12,834,000 | | 12,834,000 | 12,834,000 |
| Transfer from Capital Reserve | 800,000 | | 800,000 | 800,000 |
| | <u>19,749,052</u> | <u>-</u> | <u>19,749,052</u> | <u>19,749,052</u> |
| Expenditures and Other Financing Uses | | | | |
| Land and Improvements | | | | |
| Construction Services | 19,646,666 | \$ 1,476 | 19,648,142 | 19,648,142 |
| Equipment Purchases | | | | |
| | <u>19,646,666</u> | <u>1,476</u> | <u>19,648,142</u> | <u>19,648,142</u> |
| Excess (deficiency) or Revenues over (under) Expenditures | <u>\$ 102,386</u> | <u>\$ (1,476)</u> | <u>\$ 100,910</u> | <u>\$ 100,910</u> |

Additional project information:

Project Number 4430-050-01-0393-00
4430-060-01-0395-00
4430-070-01-0394-00

Grant Date 11/9/01
Bond Authorization Date 9/27/00
Bonds Authorized 12,834,948
Bonds Issued 12,834,000
Original Authorized Cost 18,950,000
Additional Authorized Cost 800,000
Revised Authorized Cost 19,750,000

Percentage Increase over Original
Authorized Cost 4.00%
Percentage completion 99%
Original target completion date 9/1/04
Revised target completion date 12/1/05

**RIVER VALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
BOILER PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|----------------------|---------------------|---------------|--|
| Revenues and Other Financing Sources | | | | |
| Lease Proceeds | \$ 295,000 | | \$ 295,000 | |
| Interest Earnings | 11,590 | \$ 14 | 11,604 | |
| Transfer from Capital Reserve | 99,160 | - | 99,160 | |
| | <hr/> | <hr/> | <hr/> | |
| Total Revenues | 405,750 | 14 | 405,764 | - |
| | <hr/> | <hr/> | <hr/> | |
| Expenditures and Other Financing Uses | | | | |
| Construction Services | | | | |
| Equipment Purchases | 357,560 | | 357,560 | |
| Transfer to General Fund | | 48,204 | 48,204 | |
| | <hr/> | <hr/> | <hr/> | |
| Total Expenditures | 357,560 | 48,204 | 405,764 | - |
| | <hr/> | <hr/> | <hr/> | |
| Excess (deficiency) or Revenues over (under) Expenditures | <u>\$ 48,190</u> | <u>\$ (48,190)</u> | <u>\$ -</u> | <u>\$ -</u> |
| Additional project information: | | | | |
| Project Number | N/A | | | |
| Grant Date | N/A | | | |
| Bond Authorization Date | N/A | | | |
| Bonds Authorized | N/A | | | |
| Bonds Issued | N/A | | | |
| Original Authorized Cost | 394,160 | | | |
| Additional Authorized Cost | 11,604 | | | |
| Revised Authorized Cost | 405,764 | | | |
| Percentage Increase over Original Authorized Cost | 1.00% | | | |
| Percentage completion | 100% | | | |
| Original target completion date | 12/31/06 | | | |
| Revised target completion date | 12/31/06 | | | |

**RIVER VALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
TECHNOLOGY IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|----------------------|---------------------|------------------|--|
| Revenues and Other Financing Sources | | | | |
| Lease Proceeds | \$ 277,000 | | \$ 277,000 | |
| Interest Earnings | 36 | \$ 14 | 50 | |
| Total Revenues | <u>277,036</u> | <u>14</u> | <u>277,050</u> | <u>-</u> |
| Expenditures and Other Financing Uses | | | | |
| Equipment Purchases | <u>60,598</u> | <u>178,156</u> | <u>238,754</u> | <u>-</u> |
| Total Expenditures | <u>60,598</u> | <u>178,156</u> | <u>238,754</u> | <u>-</u> |
| Excess (deficiency) or Revenues over (under) Expenditures | <u>\$ 216,438</u> | <u>\$ (178,142)</u> | <u>\$ 38,296</u> | <u>\$ -</u> |
| Additional project information: | | | | |
| Project Number | N/A | | | |
| Grant Date | 9/29/09 | | | |
| Bond Authorization Date | N/A | | | |
| Bonds Authorized | N/A | | | |
| Bonds Issued | N/A | | | |
| Original Authorized Cost | 277,000 | | | |
| Additional Authorized Cost | 50 | | | |
| Revised Authorized Cost | 277,050 | | | |
| Percentage Increase over Original Authorized Cost | 0.02% | | | |
| Percentage completion | 86% | | | |
| Original target completion date | 9/18/12 | | | |
| Revised target completion date | 9/18/12 | | | |

**RIVER VALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
ROBERGE GYMNASIUM ROOFING PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|----------------------|---------------------|---------------|--|
| Revenues and Other Financing Sources | | | | |
| State Sources - SDA Grant | | \$ 104,000 | \$ 104,000 | \$ 104,000 |
| Transfer from Capital Reserve | - | 163,400 | 163,400 | 163,400 |
| Total Revenues | - | 267,400 | 267,400 | 267,400 |
| Expenditures and Other Financing Uses | | | | |
| Construction Services | - | 9,500 | 9,500 | 9,500 |
| Total Expenditures | - | 9,500 | 9,500 | 9,500 |
| Excess (deficiency) or Revenues over (under) Expenditures | \$ - | \$ 257,900 | \$ 257,900 | \$ 257,900 |

Additional project information:

Project Number SDA#4430-060-10-G03

| | |
|----------------------------|----------|
| Grant Date | Feb 2011 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | 267,400 |
| Additional Authorized Cost | - |
| Revised Authorized Cost | 267,400 |

| | |
|---|--------|
| Percentage Increase over Original Authorized Cost | 0.00% |
| Percentage completion | 4% |
| Original target completion date | 9/1/11 |
| Revised target completion date | 9/1/11 |

PROPRIETARY FUNDS

EXHIBIT G-1

**RIVERVALE BOARD OF EDUCATION
ENTERPRISE FUND
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011**

NOT APPLICABLE

EXHIBIT G-2

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOT APPLICABLE

EXHIBIT G-3

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOT APPLICABLE

FIDUCIARY FUNDS

**RIVER VALE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING SCHEDULE OF AGENCY NET ASSETS
AS OF JUNE 30, 2011**

| | <u>Student Activity</u> | <u>Payroll</u> | <u>Total</u> |
|-------------------------------------|-----------------------------|------------------|-------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 113,275 | \$ 78,857 | \$ 192,132 |
| Total Assets | <u>\$ 113,275</u> | <u>\$ 78,857</u> | <u>\$ 192,132</u> |
| LIABILITIES | | | |
| Payroll Deductions and Withholdings | | \$ 3,726 | \$ 3,726 |
| Accrued Salaries and Wages | | 1,876 | 1,876 |
| Due to State of New Jersey | | 73,255 | 73,255 |
| Due to Student Groups | <u>\$ 113,275</u> | <u>-</u> | <u>113,275</u> |
| Total Liabilities | <u>\$ 113,275</u> | <u>\$ 78,857</u> | <u>\$ 192,132</u> |

**FIDUCIARY FUNDS
COMBINING SCHEDULE OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOT APPLICABLE

**RIVER VALE BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

| | Balance, July 1, <u>2010</u> | Cash <u>Receipts</u> | Cash <u>Disbursements</u> | Balance, June 30, <u>2011</u> |
|-----------------------|---|---------------------------------|--------------------------------------|--|
| SCHOOLS | | | | |
| Roberge Elementary | \$ 14,458 | \$ 24,674 | \$ 25,191 | \$ 13,941 |
| Woodside Elementary | 18,534 | 23,071 | 22,345 | 19,260 |
| Holdrum Middle School | <u>63,167</u> | <u>171,718</u> | <u>154,811</u> | <u>80,074</u> |
| | | | | |
| Total All Schools | <u>\$ 96,159</u> | <u>\$ 219,463</u> | <u>\$ 202,347</u> | <u>\$ 113,275</u> |

EXHIBIT H-4

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

| | Balance, July 1, <u>2010</u> | Cash <u>Receipts</u> | Cash <u>Disbursements</u> | Balance, June 30, <u>2011</u> |
|-------------------------------------|---|---------------------------------|--------------------------------------|--|
| Payroll Deductions and Withholdings | \$ 4,051 | \$ 5,416,129 | \$ 5,416,454 | \$ 3,726 |
| Accrued Salaries and Wages | 1,500 | 7,936,306 | 7,935,930 | 1,876 |
| Due to State of New Jersey | <u>72,330</u> | <u>73,255</u> | <u>72,330</u> | <u>73,255</u> |
| | | | | |
| Total | <u>\$ 77,881</u> | <u>\$ 13,425,690</u> | <u>\$ 13,424,714</u> | <u>\$ 78,857</u> |

LONG-TERM DEBT

RIVER VALE BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| <u>Issue</u> | <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Annual Maturities Date</u> | <u>Annual Maturities Amount</u> | <u>Interest Rate</u> | <u>Balance, July 1, 2010</u> | <u>Increased</u> | <u>Decreased</u> | <u>Balance, June 30, 2011</u> |
|--|----------------------|------------------------|-------------------------------|---------------------------------|----------------------|------------------------------|------------------|------------------|-------------------------------|
| School Improvements | 3/15/2001 | \$ 12,834,000 | 9/15/2011 | \$ 660,000 | 4.50 | % \$ 1,290,000 | | \$ 630,000 | \$ 660,000 |
| School District Refunding Bonds - 2009 | 2/25/2010 | 7,080,000 | 9/15/2011 | 40,000 | 3.00 | | | | |
| | | | 9/15/2012 | 725,000 | 2.00 | | | | |
| | | | 9/15/2013 | 745,000 | 2.75 | | | | |
| | | | 9/15/2014 | 765,000 | 2.75 | | | | |
| | | | 9/15/2015 | 790,000 | 4.00 | | | | |
| | | | 9/15/2016 | 805,000 | 4.00 | | | | |
| | | | 9/15/2017 | 470,000 | 4.00 | | | | |
| | | | 9/15/2017 | 330,000 | 3.50 | | | | |
| | | | 9/15/2018 | 800,000 | 4.00 | | | | |
| | | | 9/15/2019 | 355,000 | 4.50 | | | | |
| | | | 9/15/2019 | 440,000 | 3.50 | | | | |
| | | | 9/15/2020 | 790,000 | 4.50 | | | | |
| | | | | | | 7,080,000 | \$ - | 25,000 | 7,055,000 |
| | | | | | | \$ 8,370,000 | \$ - | \$ 655,000 | \$ 7,715,000 |

**RIVER VALE BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

| <u>Description</u> | <u>Interest Rate</u> | <u>Amount of Original Obligation</u> | <u>Balance, July 1, 2010</u> | <u>Increased</u> | <u>Retired</u> | <u>Balance, June 30, 2011</u> |
|------------------------|----------------------|--------------------------------------|------------------------------|------------------|-------------------|-------------------------------|
| Boiler Upgrade | 3.645% | \$ 295,000 | \$ 72,684 | | \$ 72,684 | |
| Technology Improvement | 3.585% | 277,000 | <u>277,000</u> | <u>\$ -</u> | <u>89,450</u> | <u>\$ 187,550</u> |
| Total | | | <u>\$ 349,684</u> | <u>\$ -</u> | <u>\$ 162,134</u> | <u>\$ 187,550</u> |

**RIVER VALE BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--------------------------------------|----------------------------|-----------------------------|-------------------------|----------------|-------------------------------------|
| REVENUES | | | | | |
| Local Sources | | | | | |
| Local Property Tax Levy | \$ 963,497 | - | \$ 963,497 | \$ 963,497 | - |
| Total Revenues | <u>963,497</u> | <u>-</u> | <u>963,497</u> | <u>963,497</u> | <u>-</u> |
| EXPENDITURES | | | | | |
| Regular Debt Service | | | | | |
| Principal | 655,000 | | 655,000 | 655,000 | |
| Interest | <u>308,497</u> | <u>-</u> | <u>308,497</u> | <u>308,497</u> | <u>-</u> |
| Total Expenditures | <u>963,497</u> | <u>-</u> | <u>963,497</u> | <u>963,497</u> | <u>-</u> |
| Excess of Revenues Over Expenditures | - | - | - | - | - |
| Fund Balance, Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance, End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

STATISTICAL SECTION

This part of the River Vale 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.

RIVER VALE BOARD OF EDUCATION
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

| | Fiscal Year Ended June 30, | | | | | | | | |
|--|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Governmental Activities | | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 6,929,604 | \$ 9,700,501 | \$ 10,100,306 | \$ 10,263,055 | \$ 10,454,235 | \$ 10,920,772 | \$ 11,300,821 | \$ 11,562,104 | \$ 12,298,108 |
| Restricted | 997,194 | 199,160 | 268,376 | 205,507 | 211,903 | 219,144 | 221,823 | 235,897 | 224,076 |
| Unrestricted | 694,538 | 283,950 | 168,021 | 337,990 | 412,966 | 318,313 | 161,187 | 208,646 | 510,526 |
| Total Governmental Activities Net Assets | \$ 8,621,336 | \$ 10,183,611 | \$ 10,536,703 | \$ 10,806,552 | \$ 11,079,104 | \$ 11,458,229 | \$ 11,683,831 | \$ 12,006,647 | \$ 13,032,710 |
| Business-Type Activities | | | | | | | | | |
| Invested in Capital Assets | \$ 1,710 | \$ 2,661 | \$ 4,412 | \$ 4,163 | \$ 3,732 | \$ 3,301 | \$ 2,870 | \$ 2,439 | \$ 2,049 |
| Restricted | 6,643 | 2,975 | 6,485 | 9,252 | 29,808 | 76,094 | 99,481 | 101,100 | 171,329 |
| Unrestricted | | | | | | | | | |
| Total Business-Type Activities Net Assets | \$ 8,353 | \$ 5,636 | \$ 10,897 | \$ 13,415 | \$ 33,540 | \$ 79,395 | \$ 102,351 | \$ 103,539 | \$ 173,378 |
| District-Wide | | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 6,931,314 | \$ 9,703,162 | \$ 10,104,718 | \$ 10,267,218 | \$ 10,457,967 | \$ 10,924,073 | \$ 11,303,691 | \$ 11,564,543 | \$ 12,300,157 |
| Restricted | 997,194 | 199,160 | 268,376 | 205,507 | 211,903 | 219,144 | 221,823 | 235,897 | 224,076 |
| Unrestricted | 701,181 | 286,925 | 174,506 | 347,242 | 442,774 | 394,407 | 260,668 | 309,746 | 681,855 |
| Total District Net Assets | \$ 8,629,689 | \$ 10,189,247 | \$ 10,547,600 | \$ 10,819,967 | \$ 11,112,644 | \$ 11,537,624 | \$ 11,786,182 | \$ 12,110,186 | \$ 13,206,088 |

RIVER VALE BOARD OF EDUCATION
 CHANGES IN NET ASSETS
 LAST NINE FISCAL YEARS
 (Unaudited)
 (accrual basis of accounting)

| | Fiscal Year Ended June 30, | | | | | | | | |
|--|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Expenses | | | | | | | | | |
| Governmental Activities | | | | | | | | | |
| Instruction | | | | | | | | | |
| Regular | \$ 7,387,853 | \$ 7,779,019 | \$ 8,389,069 | \$ 8,662,658 | \$ 9,485,795 | \$ 9,562,717 | \$ 9,244,287 | \$ 9,676,884 | \$ 9,737,441 |
| Special Education | 1,000,965 | 1,210,878 | 1,656,779 | 1,319,651 | 1,673,647 | 1,903,183 | 1,857,575 | 2,333,154 | 2,129,638 |
| Other Instruction | 388,870 | 440,348 | 406,733 | 518,550 | 549,047 | 571,252 | 469,976 | 538,942 | 543,070 |
| School Sponsored Activities and Athletics | 98,559 | 173,456 | 126,116 | 118,763 | 128,705 | 131,806 | 136,354 | 137,292 | 111,249 |
| Support Services: | | | | | | | | | |
| Student & Instruction Related Services | 1,237,876 | 1,344,326 | 1,511,348 | 1,631,621 | 1,766,408 | 1,914,871 | 1,861,330 | 1,867,320 | 2,178,179 |
| Attendance and Social Work | 61,628 | 60,665 | 63,456 | 80,746 | 87,303 | 102,585 | 152,102 | 168,345 | 118,281 |
| Educational Media/School Library | 541,379 | 720,471 | 252,368 | 293,549 | 317,648 | 327,141 | 313,761 | 336,393 | 227,370 |
| School Administrative Services | 672,033 | 799,730 | 761,119 | 797,799 | 924,889 | 943,170 | 901,583 | 951,097 | 925,318 |
| General Administration | 527,093 | 599,473 | 690,539 | 673,008 | 676,129 | 615,720 | 762,636 | 635,394 | 691,280 |
| Central Services | 1,592,584 | 1,906,270 | 656,940 | 837,282 | 877,481 | 892,744 | 895,645 | 968,795 | 1,132,238 |
| Plant Operations and Maintenance | 265,409 | 320,888 | 1,664,260 | 1,789,695 | 1,915,028 | 2,092,545 | 2,074,072 | 2,148,125 | 2,046,993 |
| Pupil Transportation | 400,196 | 400,183 | 344,106 | 360,512 | 376,815 | 471,600 | 506,282 | 531,200 | 456,736 |
| Other Support Services | 552,467 | 550,506 | 512,035 | 497,049 | 463,080 | 457,397 | 427,156 | 363,885 | 289,404 |
| Interest on Long-Term Debt | | | | | | | | | |
| Total Governmental Activities Expenses | 14,726,912 | 16,306,213 | 17,034,868 | 17,580,883 | 19,241,975 | 19,986,731 | 19,602,759 | 20,656,826 | 20,587,197 |
| Business-Type Activities: | | | | | | | | | |
| Food Service | 20,334 | 21,915 | 18,132 | 26,722 | 19,677 | 26,967 | 22,377 | 35,526 | 41,891 |
| Safety Town | | | 1,482 | 2,060 | 2,404 | 2,243 | 2,151 | 7,856 | - |
| Park Academy | | | | 234,349 | 192,961 | 209,428 | 219,897 | 245,975 | 616,541 |
| Total Business-Type Activities Expense | 20,334 | 21,915 | 19,614 | 263,131 | 215,042 | 238,638 | 244,425 | 289,357 | 658,432 |
| Total District Expenses | \$ 14,747,246 | \$ 16,328,128 | \$ 17,054,482 | \$ 17,844,014 | \$ 19,457,017 | \$ 20,225,369 | \$ 19,847,184 | \$ 20,946,183 | \$ 21,245,629 |
| Program Revenues | | | | | | | | | |
| Governmental Activities: | | | | | | | | | |
| Charges for Services: | | | | | | | | | |
| Instruction (tuition) | \$ 189,917 | \$ 201,738 | \$ 268,073 | \$ 2,184,228 | \$ 15,087 | \$ 13,435 | \$ 12,794 | \$ 2,373,202 | \$ 17,600 |
| Operating Grants and Contributions | 1,822,235 | 1,935,006 | 2,075,656 | 2,824,689 | 2,824,689 | 2,956,062 | 1,946,518 | 2,373,202 | 1,823,995 |
| Capital Grants and Contributions | 3,896,766 | 1,467,563 | - | - | - | - | - | - | - |
| Total Governmental Activities Program Revenues | 5,908,918 | 3,604,307 | 2,343,729 | 2,184,228 | 2,839,776 | 2,969,497 | 1,959,312 | 2,373,202 | 1,841,595 |

RIVER VALE BOARD OF EDUCATION
CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

| | Fiscal Year Ended June 30, | | | | | | | | |
|---|----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Business-Type Activities: | | | | | | | | | |
| Charges for Services | | | | | | | | | |
| Food Service | \$ 8,954 | \$ 8,638 | \$ 8,563 | \$ 20,812 | \$ 9,258 | \$ 19,260 | \$ 17,671 | \$ 28,932 | \$ 25,835 |
| Safety Town | | | 1,275 | 750 | 2,018 | 4,250 | 5,350 | 2,300 | |
| Park Academy | | | | 244,087 | 209,855 | 244,670 | 227,724 | 246,947 | 689,928 |
| Operating Grants and Contributions | 11,635 | 10,541 | 12,921 | | 11,457 | 14,076 | 15,663 | 11,168 | 11,028 |
| Total Business Type Activities Program Revenues | 20,589 | 19,179 | 22,759 | 265,649 | 232,588 | 282,256 | 266,408 | 289,347 | 726,791 |
| Total District Program Revenues | \$ 5,929,507 | \$ 3,623,486 | \$ 2,366,488 | \$ 2,449,877 | \$ 3,072,364 | \$ 3,251,753 | \$ 2,225,720 | \$ 2,662,549 | \$ 2,568,386 |
| Net (Expense)/Revenue | | | | | | | | | |
| Governmental Activities | \$ (8,817,994) | \$ (12,701,906) | \$ (14,691,139) | \$ (15,396,655) | \$ (16,402,199) | \$ (17,017,234) | \$ (17,643,447) | \$ (18,283,624) | \$ (18,745,602) |
| Business-Type Activities | 255 | (2,736) | 3,145 | 2,518 | 17,546 | 43,618 | 21,983 | (10) | 68,359 |
| Total district-wide net expense | \$ (8,817,739) | \$ (12,704,642) | \$ (14,687,994) | \$ (15,394,137) | \$ (16,384,653) | \$ (16,973,616) | \$ (17,621,464) | \$ (18,283,634) | \$ (18,677,243) |
| General Revenues and Other Changes in Net Assets | | | | | | | | | |
| Governmental Activities: | | | | | | | | | |
| Property Taxes Levied for General Purposes, net | \$ 13,171,314 | \$ 14,104,873 | \$ 14,890,207 | \$ 15,413,445 | \$ 16,414,093 | \$ 17,151,984 | \$ 17,795,531 | \$ 18,524,538 | \$ 19,525,073 |
| Unrestricted Grants and Contributions | | | 93,500 | 93,702 | 93,322 | 114,890 | 5,672 | | 3,800 |
| Donation of Capital Assets | | 70,266 | | | | | | | |
| Consolidated Aid | | | | | | | (4,710) | | 176,827 |
| Net Gain(Loss) on Contributed Asset | | | | 73,300 | 131,320 | 100,886 | 32,426 | 18,264 | 20,188 |
| Investment Earnings | | | | 86,057 | 36,016 | 28,599 | 40,130 | 63,638 | 45,777 |
| Miscellaneous Income | 224,242 | 89,042 | 50,834 | | | | | | |
| Total Governmental Activities | 13,395,556 | 14,264,181 | 15,044,231 | 15,666,504 | 16,674,751 | 17,396,359 | 17,869,049 | 18,606,440 | 19,771,665 |
| Business-Type Activities: | | | | | | | | | |
| Investment Earnings | 31 | 19 | 16 | | 2,579 | 2,237 | 973 | 1,198 | 1,480 |
| Total Business-Type Activities | 31 | 19 | 16 | - | 2,579 | 2,237 | 973 | 1,198 | 1,480 |
| Total District-Wide | \$ 13,395,587 | \$ 14,264,200 | \$ 15,044,247 | \$ 15,666,504 | \$ 16,677,330 | \$ 17,398,596 | \$ 17,870,022 | \$ 18,607,638 | \$ 19,773,145 |
| Change in Net Assets | | | | | | | | | |
| Governmental Activities | \$ 4,577,562 | \$ 1,562,275 | \$ 353,092 | \$ 269,849 | \$ 272,552 | \$ 379,125 | \$ 225,602 | \$ 322,816 | \$ 1,026,063 |
| Business-Type Activities | 286 | (2,717) | 3,161 | 2,518 | 20,125 | 45,855 | 22,956 | 1,188 | 69,839 |
| Total District | \$ 4,577,848 | \$ 1,559,558 | \$ 356,253 | \$ 272,367 | \$ 292,677 | \$ 424,980 | \$ 248,558 | \$ 324,004 | \$ 1,095,902 |

RIVER VALE BOARD OF EDUCATION
 FUND BALANCES - GOVERNMENTAL FUNDS
 LAST NINE FISCAL YEARS

(Unaudited)
 (modified accrual basis of accounting)

| | Fiscal Year Ended June 30, | | | | | | | | |
|------------------------------------|----------------------------|--------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| General Fund | | | | | | | | | |
| Reserved | \$ 1,517,079 | \$ 693,929 | \$ 702,037 | \$ 864,009 | \$ 879,700 | \$ 783,312 | \$ 812,576 | \$ 923,012 | |
| Unreserved | 687,187 | 386,058 | 360,892 | 236,968 | 296,609 | 315,266 | 143,275 | 134,847 | |
| Restricted | | | | | | | | | \$ 736,062 |
| Committed | | | | | | | | | 39,020 |
| Assigned | | | | | | | | | 164,666 |
| Unassigned | | | | | | | | | 377,532 |
| Total General Fund | \$ 2,204,266 | \$ 1,079,987 | \$ 1,062,929 | \$ 1,100,977 | \$ 1,176,309 | \$ 1,098,578 | \$ 955,851 | \$ 1,057,859 | \$ 1,317,280 |
| All Other Governmental Funds | | | | | | | | | |
| Reserved | \$ 5,166,761 | \$ 814,388 | \$ 612,252 | \$ 608,693 | \$ 251,843 | \$ 246,158 | \$ 8,000 | \$ 32,528 | |
| Unreserved | (1,441,208) | 167,892 | 16,245 | 192,774 | 103,738 | 38,788 | 21,715 | 212,136 | |
| Restricted | | | | | | | | | 174,556 |
| Committed | | | | | | | | | |
| Assigned | | | | | | | | | |
| Unassigned | | | | | | | | | |
| Total All Other Governmental Funds | \$ 3,725,553 | \$ 982,280 | \$ 628,497 | \$ 801,467 | \$ 355,581 | \$ 284,946 | \$ 29,715 | \$ 244,664 | \$ 174,556 |

Note:
 GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2004 only eight years of information are available.

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a 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.

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

| | Fiscal Year Ended June 30, | | | | | | | | |
|---|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Revenues | | | | | | | | | |
| Tax Levy | \$ 13,171,314 | \$ 14,104,873 | \$ 14,890,207 | \$ 15,413,445 | \$ 16,414,093 | \$ 17,151,984 | \$ 17,795,531 | \$ 18,524,538 | \$ 19,525,073 |
| Tuition Charges | | 201,738 | 268,073 | 73,300 | 15,087 | 13,435 | 12,794 | 18,264 | 17,600 |
| Interest Earnings | 414,159 | 89,042 | 52,084 | 86,361 | 37,169 | 29,946 | 40,930 | 69,261 | 50,083 |
| Miscellaneous | 5,523,816 | 3,229,063 | 1,901,074 | 2,066,927 | 2,656,768 | 2,719,628 | 1,683,813 | 1,988,656 | 1,614,682 |
| State Sources | 195,185 | 243,772 | 266,832 | 210,699 | 260,088 | 349,977 | 267,577 | 378,923 | 208,807 |
| Federal Sources | | | | | | | | | |
| Total revenues | 19,304,474 | 17,868,488 | 17,378,270 | 17,850,732 | 19,514,525 | 20,365,856 | 19,833,071 | 20,979,642 | 21,436,433 |
| Expenditures | | | | | | | | | |
| Instruction | | | | | | | | | |
| Regular Instruction | 7,264,910 | 7,568,911 | 8,222,473 | 8,373,221 | 9,176,613 | 9,239,618 | 8,918,736 | 9,349,456 | 9,501,344 |
| Special Education Instruction | 988,194 | 1,197,063 | 1,637,877 | 1,293,263 | 1,645,822 | 1,878,856 | 1,826,679 | 2,297,602 | 2,093,252 |
| Other Instruction | 381,726 | 431,782 | 398,717 | 500,910 | 532,102 | 545,309 | 453,279 | 521,366 | 535,452 |
| School Sponsored Activities and Athletics | 96,364 | 170,987 | 123,399 | 118,763 | 128,705 | 131,806 | 136,354 | 137,292 | 111,249 |
| Support Services: | | | | | | | | | |
| Student & Inst. Related Services | 1,216,983 | 1,322,974 | 1,486,744 | 1,595,227 | 1,711,437 | 1,847,569 | 1,822,801 | 1,821,328 | 2,135,150 |
| Attendance and Social Work | 60,331 | 59,335 | 61,958 | 77,964 | 84,464 | 98,831 | 146,193 | 156,757 | 107,755 |
| Educational Media/School Library | 532,563 | 711,230 | 246,959 | 284,211 | 307,818 | 316,369 | 303,359 | 326,303 | 234,664 |
| General Administration | 521,929 | 596,088 | 684,585 | 662,132 | 664,416 | 604,394 | 751,340 | 593,714 | 658,334 |
| School Administrative Services | 663,018 | 768,615 | 746,104 | 770,855 | 894,225 | 942,283 | 874,501 | 919,633 | 895,576 |
| Central Services | 1,572,701 | 1,883,928 | 656,940 | 815,134 | 853,956 | 866,266 | 867,274 | 947,671 | 1,121,085 |
| Plant Operations and Maintenance | 265,409 | 320,888 | 1,642,485 | 1,751,119 | 1,873,210 | 2,045,237 | 2,034,298 | 2,109,046 | 2,020,305 |
| Pupil Transportation | 392,603 | 392,312 | 332,221 | 360,512 | 376,815 | 471,600 | 506,282 | 531,200 | 456,736 |
| Other Support Services | 12,373,633 | 5,111,321 | 419,742 | 519,651 | 529,153 | 203,956 | 363,501 | 164,005 | 239,102 |
| Capital Outlay | | | | | | | | | |
| Debt Service: | | | | | | | | | |
| Principal | 530,281 | 653,070 | 568,888 | 596,630 | 641,987 | 848,073 | 787,869 | 670,127 | 817,134 |
| Interest and Other Charges | 558,111 | 547,536 | 520,019 | 500,122 | 464,356 | 474,055 | 438,563 | 394,185 | 319,982 |
| Cost of Issuance | | | | | | | | 107,344 | |
| Advance Refunding Escrow | | | | | | | | 409,817 | |
| Total Expenditures | 27,418,756 | 21,736,040 | 17,749,111 | 18,219,714 | 19,885,079 | 20,514,222 | 20,231,029 | 21,456,846 | 21,247,120 |

RIVER VALE BOARD OF EDUCATION
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 LAST NINE FISCAL YEARS

(Unaudited)

(modified accrual basis of accounting)

| | Fiscal Year Ended June 30, | | | | | | | | |
|---|----------------------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Excess (Deficiency) of Revenues over (under) Expenditures | \$ (8,114,282) | \$ (3,867,552) | \$ (370,841) | \$ (368,982) | \$ (370,554) | \$ (148,366) | \$ (397,958) | \$ (477,204) | \$ 189,313 |
| Other Financing Sources (uses) | | | | | | | | | |
| Proceeds from Borrowing | 500,000 | | | 580,000 | | | | | |
| Capital Leases (non-budgeted) | | | | | | | | 277,000 | |
| Refunding Bond Proceeds | | | | | | | | 7,080,000 | |
| Premium on Notes/Bonds | | | | | | | | 491,161 | |
| Bonds Refunded | | | | | | | | (7,054,000) | |
| Transfers In | 149,807 | 823,837 | 12,510 | 122,239 | 20,298 | 12,724 | 3,564 | 885 | 212,762 |
| Transfers Out | (149,807) | (823,837) | (12,510) | (122,239) | (20,298) | (12,724) | (3,564) | (885) | (212,762) |
| Total Other Financing Sources (uses) | 500,000 | - | - | 580,000 | - | - | - | 794,161 | - |
| Net Change in Fund Balances | \$ (7,614,282) | \$ (3,867,552) | \$ (370,841) | \$ 211,018 | \$ (370,554) | \$ (148,366) | \$ (397,958) | \$ 316,957 | \$ 189,313 |
| Debt Service as a Percentage of Noncapital Expenditures | 7.23% | 7.22% | 6.28% | 6.20% | 5.72% | 6.51% | 6.17% | 7.43% | 5.41% |

* Noncapital expenditures are total expenditures less capital outlay.

**RIVER VALE SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)**

| <u>Ended June 30</u> | <u>Tuition</u> | <u>Interest on Investments</u> | <u>State Health Benefit Rebate</u> | <u>Administration Fee</u> | <u>E-Rate Rebate</u> | <u>Insurance Refund</u> | <u>Tuition Refunds</u> | <u>Miscellaneous</u> | <u>Total</u> |
|----------------------|----------------|------------------------------------|--|-------------------------------|--------------------------|-----------------------------|----------------------------|----------------------|--------------|
| 2002 | \$ 74,328 | \$ 58,854 | | | | \$ 42,063 | \$ 27,668 | \$ 16,478 | \$ 219,391 |
| 2003 | 189,917 | 36,805 | \$ 21,893 | | | 36,428 | | 7,002 | 292,045 |
| 2004 | 201,738 | 15,191 | | | | 27,096 | | 20,915 | 264,940 |
| 2005 | 268,073 | 27,964 | | | | | | 10,360 | 306,397 |
| 2006 | | 73,300 | | | | | | 52,792 | 126,092 |
| 2007 | 15,087 | 101,171 | | | | | | 36,016 | 152,274 |
| 2008 | 13,435 | 85,840 | | | \$ 20,698 | | | 7,901 | 127,874 |
| 2009 | 12,794 | 28,739 | | | 13,608 | 8,337 | | 18,185 | 81,663 |
| 2010 | | 17,343 | | | 15,911 | 399 | | 47,328 | 80,981 |
| 2011 | 17,600 | 19,002 | | \$ 15,057 | 783 | 6,352 | | 23,585 | 82,379 |

Source: School District's Financial Statements

**RIVER VALE 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. | Commercial | | Industrial | Apartment | Total Assessed Value | Public Utilities | Net Valuation Taxable | Estimated Actual (County Equalized) Value | Total Direct School Tax Rates ^a |
|----------------------------|---------------|--|----------------|------------|---------------|---------------|------------|------------|----------------------|------------------|-----------------------|---|--|
| | \$ | | | | \$ | | | | | | | | |
| 2001 | \$ 23,724,755 | | \$ 870,521,062 | \$ 714,000 | \$ 47,745,150 | | | 4,834,400 | \$ 947,539,367 | - | \$ 947,539,367 | \$ 1,228,389,332 | 1.870 |
| 2002 | 21,526,150 | | 889,423,967 | 714,000 | 48,271,750 | | | 4,834,400 | 964,770,267 | - | 964,770,267 | 1,377,065,260 | 1.930 |
| 2003 | 19,123,550 | | 906,708,067 | 714,000 | 49,760,350 | | | 4,834,400 | 981,140,367 | - | 981,140,367 | 1,555,124,183 | 2.070 |
| 2004 | 17,591,750 | | 918,378,267 | 714,000 | 48,799,150 | | | 4,834,400 | 990,317,567 | - | 990,317,567 | 1,720,035,503 | 2.240 |
| 2005 | 17,591,750 | | 918,378,267 | 714,000 | 48,799,150 | | | 4,834,400 | 990,317,567 | - | 990,317,567 | 1,933,744,455 | 2.364 |
| 2006 | 16,638,050 | | 930,721,467 | 714,000 | 49,179,450 | | | 4,834,400 | 1,002,087,367 | - | 1,002,087,367 | 2,142,448,500 | 2.493 |
| 2007 | 14,660,850 | | 937,134,067 | 714,000 | 44,232,950 | | | 5,219,700 | 1,001,961,567 | - | 1,001,961,567 | 2,144,817,497 | 2.680 |
| 2008 | 27,018,600 | | 1,938,207,600 | 1,791,500 | 103,944,500 | | | 13,034,700 | 2,103,996,900 | - | 2,103,996,900 | 2,357,792,210 | 1.295 |
| 2009 | 12,081,100 | | 1,821,722,900 | 758,100 | 109,531,700 | \$ 14,315,500 | | 1,995,300 | 1,960,404,600 | - | 1,960,404,600 | 2,179,123,352 | 1.295 |
| 2010 | 27,416,700 | | 1,969,780,400 | | 70,900,800 | | | 13,034,700 | 2,081,132,600 | - | 2,081,132,600 | 2,173,734,761 | 1.372 |
| 2011 | 27,416,700 | | 1,969,780,400 | | 70,900,800 | | | 13,034,700 | 2,081,132,600 | - | 2,081,132,600 | 2,070,366,693 | 1.433 |

Source: County Abstract of Raisables

^a Tax rates are per \$100

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

| <u>Calendar Year</u> | <u>Total</u> | <u>Local School District</u> | <u>Regional School District</u> | <u>Municipality (2)</u> | <u>County (1)</u> |
|--------------------------|--------------|--------------------------------------|---|-------------------------|-------------------|
| 2002 | \$ 2.78 | \$ 1.330 | \$ 0.600 | \$ 0.540 | \$ 0.310 |
| 2003 | 2.92 | 1.400 | 0.670 | 0.550 | 0.300 |
| 2004 | 3.16 | 1.470 | 0.770 | 0.600 | 0.320 |
| 2005 | 3.36 | 1.517 | 0.847 | 0.646 | 0.350 |
| 2006 | 3.55 | 1.589 | 0.904 | 0.705 | 0.520 |
| 2007 | 3.85 | 1.680 | 1.000 | 0.800 | 0.380 |
| 2008 | 1.89 | 0.831 | 0.464 | 0.388 | 0.208 |
| 2009 | 1.89 | 0.831 | 0.464 | 0.388 | 0.208 |
| 2010 | 2.001 | 0.902 | 0.470 | 0.417 | 0.212 |
| 2011 | 2.101 | 0.947 | 0.486 | 0.451 | 0.217 |

Source: Tax Duplicate, Township of River Vale

- (1) Includes County Open Space Tax
(2) Includes Municipal Open Space Tax

**RIVER VALE BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND FIVE YEARS AGO
(Unaudited)**

| Taxpayer | 2011 | | 2006 | |
|------------------------------------|------------------------------|--|------------------------------|--|
| | Taxable Assessed Value | % of Total District Net Assessed Value | Taxable Assessed Value | % of Total District Net Assessed Value |
| Edgewood Country Club, Inc. | \$ 25,235,400 | 1.21% | \$ 9,794,900 | 0.46% |
| United Water Co of NJ | 12,018,100 | 0.58% | 4,234,350 | 0.20% |
| Gal-Ben Associates | 7,672,000 | 0.37% | 3,125,100 | 0.15% |
| Village on the Green | 7,266,400 | 0.35% | 2,356,400 | 0.11% |
| Florentine, Inc. | 5,187,100 | 0.25% | 2,326,500 | 0.11% |
| River Vale Dev LLC % Garden Homes | 5,000,000 | 0.24% | 2,008,000 | 0.09% |
| Lindvale Gardens | 4,875,400 | 0.23% | 2,027,800 | 0.09% |
| 688 Westwood Ave LLC c/o V Luppino | 4,095,000 | 0.20% | 1,704,000 | 0.07% |
| MWD River Vale One LLC | 3,222,800 | 0.15% | 2,100,000 | 0.10% |
| Rudd-O'Connor LLC NJ | 2,514,600 | 0.12% | 1,285,200 | 0.06% |
| | | | - | |
| | <u>\$ 77,086,800</u> | <u>3.70%</u> | <u>\$ 30,962,250</u> | <u>1.44%</u> |

Source: Municipal Tax Assessor

**RIVER VALE 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 | |
| 2002 | \$ 12,599,897 | \$ 12,599,897 | 100.00% | - |
| 2003 | 13,171,314 | 13,171,314 | 100.00% | - |
| 2004 | 14,104,873 | 14,104,873 | 100.00% | - |
| 2005 | 14,890,207 | 14,890,207 | 100.00% | - |
| 2006 | 15,413,445 | 15,413,445 | 100.00% | - |
| 2007 | 15,429,737 | 15,429,737 | 100.00% | - |
| 2008 | 17,151,984 | 17,151,984 | 100.00% | - |
| 2009 | 17,795,531 | 17,795,531 | 100.00% | - |
| 2010 | 18,524,538 | 18,524,538 | 100.00% | - |
| 2011 | 19,525,073 | 19,525,073 | 100.00% | - |

**RIVER VALE BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST SEVEN FISCAL YEARS
(Unaudited)**

| Fiscal Year Ended June 30, | Governmental Activities | | Business-Type Activities | | Total District | Population | Per Capita |
|-------------------------------------|-----------------------------|----------------|-----------------------------|---------------|----------------|------------|------------|
| | General Obligation Bonds | Capital Leases | Capital Leases | | | | |
| 2005 | \$ 11,074,000 | \$ 307,370 | N/A | \$ 11,381,370 | 9,671 | \$ 1,177 | |
| 2006 | 10,579,000 | 785,740 | N/A | 11,364,740 | 9,633 | 1,180 | |
| 2007 | 10,059,000 | 663,753 | N/A | 10,722,753 | 9,667 | 1,109 | |
| 2008 | 9,514,000 | 360,680 | N/A | 9,874,680 | 9,620 | 1,026 | |
| 2009 | 8,944,000 | 142,811 | N/A | 9,086,811 | 9,655 | 941 | |
| 2010 | 8,370,000 | 349,684 | N/A | 8,719,684 | 9,655 * | 903 | |
| 2011 | 7,715,000 | 187,550 | N/A | 7,902,550 | 9,655 * | 818 | |

Source: District records

Note: * Estimate

RIVER VALE BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST SEVEN FISCAL YEARS
(Unaudited)

General Bonded Debt Outstanding

| Fiscal Year Ended June 30, | General Obligation Bonds | Deductions | Net General Bonded Debt Outstanding | Percentage of Actual Taxable Value of Property | Per Capita |
|-------------------------------------|--------------------------------|------------|---|---|------------|
| 2005 | \$ 11,074,000 | \$ - | \$ 11,074,000 | 1.11% | \$ 1,134 |
| 2006 | 10,579,000 | | 10,579,000 | 1.06% | 1,098 |
| 2007 | 10,059,000 | | 10,059,000 | 1.00% | 1,041 |
| 2008 | 9,514,000 | | 9,514,000 | .45% | 989 |
| 2009 | 8,944,000 | | 8,944,000 | .38% | 926 |
| 2010 | 8,370,000 | | 8,370,000 | .38% | 867 |
| 2011 | 7,715,000 | | 7,715,000 | .37% | 799 |

Source: District records

**RIVER VALE BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2010
(Unaudited)**

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|---|----------------------|----------------------|--------------------------|
| Municipal Debt: (1) | | | |
| River Vale Board of Education | \$ 14,334,829 | \$ 14,334,829 | |
| Borough of River Vale | <u>6,618,881</u> | <u>-</u> | <u>\$ 6,618,881</u> |
| | <u>\$ 20,953,710</u> | <u>\$ 14,334,829</u> | <u>6,618,881</u> |
| Overlapping Debt Apportioned to the Municipality: | | | |
| Bergen County: | | | |
| County of Bergen | | | 8,011,166 |
| Bergen Utilities Authority - Water Pollution (B) | | | <u>3,268,229</u> |
| | | | <u>11,279,395</u> |
| Total Direct and Overlapping Debt | | | <u>\$ 17,898,276</u> |

Source:

(1) Township of River Vale's 2010 Annual Debt Statement

RIVER VALE BOARD OF EDUCATION
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS
 (Unaudited)

| | Fiscal Year | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Debt limit | \$ 34,035,775 | \$ 37,287,633 | \$ 41,368,590 | \$ 46,283,399 | \$ 48,682,888 | \$ 48,682,888 | \$ 63,127,446 | \$ 66,064,488 | \$ 66,755,947 | \$ 64,922,645 |
| Total net debt applicable to limit | 18,509,425 | 12,941,834 | 13,134,862 | 11,350,125 | 10,579,000 | 10,059,000 | 9,514,000 | 8,944,000 | 8,370,000 | 7,715,948 |
| Legal debt margin | \$ 15,526,350 | \$ 24,345,799 | \$ 28,233,728 | \$ 34,933,274 | \$ 38,103,888 | \$ 38,623,888 | \$ 53,613,446 | \$ 57,120,488 | \$ 58,385,947 | \$ 57,206,697 |
| Total net debt applicable to the limit as a percentage of debt limit | 54.38% | 34.71% | 31.75% | 24.52% | 21.73% | 20.66% | 15.07% | 13.54% | 12.54% | 11.88% |

Legal Debt Margin Calculation for Fiscal Year 2010

| | |
|---|------------------|
| Average equalized valuation of taxable property | \$ 2,164,088,172 |
| Debt limit (3 % of average equalization value) | 64,922,645 |
| Total Net Debt Applicable to Limit | 7,715,948 |
| Legal debt margin | \$ 57,206,697 |

| Equalized valuation basis | |
|---------------------------|-------------------------|
| 2010 | \$ 2,100,210,107 |
| 2009 | 2,165,838,241 |
| 2008 | 2,226,216,168 |
| | <u>\$ 6,492,264,516</u> |

Source: Annual Debt Statements

**RIVER VALE BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

| <u>Year</u> | <u>Population</u> | <u>County Per Capita Personal Income</u> | <u>Unemployment Rate</u> |
|-------------|-------------------|--|------------------------------|
| 2001 | 9,692 | \$ 52,143 | 3.0% |
| 2002 | 9,704 | 51,521 | 4.2% |
| 2003 | 9,706 | 50,682 | 4.1% |
| 2004 | 9,730 | 54,095 | 3.4% |
| 2005 | 9,671 | 56,435 | 2.1% |
| 2006 | 9,633 | 61,264 | 2.3% |
| 2007 | 9,667 | 67,125 | 2.5% |
| 2008 | 9,620 | 67,696 | 2.7% |
| 2009 | 9,655 | 64,388 * | 4.8% |
| 2010 | 9,655 * | 67,696 * | 4.9% |

Source: New Jersey State Department of Education

* Estimate

**RIVER VALE BOARD OF EDUCATION
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND TEN YEARS AGO
(Unaudited)**

NOT APPLICABLE

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

| <u>Function/Program</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Instruction | | | | | | | | | | |
| Regular | 83 | 83 | 88 | 90 | 92 | 92 | 96 | 97 | 97 | 97 |
| Special education | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| Support Services: | | | | | | | | | | |
| Student & instruction related services | 13 | 18 | 19 | 16 | 17 | 17 | 18 | 14 | 14 | 14 |
| General administration | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| School administrative services | 7 | 7 | 7 | 7 | 6 | 6 | 6 | 6 | 6 | 6 |
| Administrative Information Technology | | | | 1 | 2 | 2 | 2 | 2 | 2 | 2 |
| Plant operations and maintenance | 15 | 15 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| Other support services | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Total | 140 | 144 | 152 | 151 | 155 | 155 | 160 | 157 | 157 | 157 |

Source: District Personnel Records

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

| Fiscal Year | Enrollment ^a | Operating Expenditures ^b | Cost Per Pupil ^c | Percentage Change | Teaching Staff | Teacher/Pupil Ratio | | Average Daily Enrollment (ADE) | Average Daily Attendance (ADA) | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|-------------------------|-------------------------------------|-----------------------------|-------------------|----------------|---------------------|---------------|--------------------------------|--------------------------------|--------------------------------------|-------------------------------|
| | | | | | | Elementary | Middle School | | | | |
| 2002 | 1,249.6 | \$ 12,877,936 | \$ 10,306 | 1.95% | 115 | 14.1 | 11.5 | 1,249.6 | 1,200.1 | 3.09% | 96.04% |
| 2003 | 1,305.5 | 13,956,731 | 10,691 | 3.74% | 119 | 15.0 | 11.1 | 1,305.5 | 1,250.0 | 4.47% | 95.75% |
| 2004 | 1,402.2 | 15,424,113 | 11,000 | 2.89% | 121 | 15.0 | 11.1 | 1,402.2 | 1,277.2 | 7.41% | 91.09% |
| 2005 | 1,342.8 | 16,240,462 | 12,094 | 9.95% | 129 | 14.2 | 10.9 | 1,342.8 | 1,290.9 | -4.24% | 96.13% |
| 2006 | 1,346.0 | 16,603,311 | 12,335 | 1.99% | 126 | 14.2 | 10.9 | 1,346.0 | 1,346.0 | 0.24% | 100.00% |
| 2007 | 1,362.0 | 18,249,583 | 13,399 | 8.62% | 126 | 14.2 | 10.9 | 1,316.4 | 1,271.8 | -2.20% | 96.61% |
| 2008 | 1,383.0 | 18,988,138 | 13,730 | 2.47% | 120 | 14.1 | 10 | 1,390.5 | 1,337.5 | 5.63% | 96.19% |
| 2009 | 1,405.0 | 18,641,096 | 13,268 | -3.56% | 120 | 14.1 | 10 | 1,405.2 | 1,352.9 | 1.06% | 96.28% |
| 2010 | 1,375.0 | 19,711,368 | 14,336 | 8.05% | 120 | 14.1 | 10.9 | 1,375.6 | 1,327.5 | -2.11% | 96.50% |
| 2011 | 1,383.0 | 19,870,902 | 14,368 | 0.23% | 127 | 13.45 | 11.8 | 1,398.9 | 1,351.3 | 1.69% | 96.60% |

Sources: District records

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

**RIVER VALE BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST NINE FISCAL YEARS
(Unaudited)**

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|-----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <u>District Building</u> | | | | | | | | | |
| <u>Elementary</u> | | | | | | | | | |
| <u>Roberge Elementary</u> | | | | | | | | | |
| Square Feet | 54,817 | 54,817 | 54,817 | 54,817 | 54,817 | 54,817 | 54,817 | 54,817 | 54,817 |
| Capacity (students) | 407 | 407 | 407 | 407 | 407 | 407 | 407 | 407 | 407 |
| Enrollment | | | | | | | | | |
| <u>Woodside Elementary</u> | | | | | | | | | |
| Square Feet | 46,273 | 46,273 | 46,273 | 46,273 | 46,273 | 46,273 | 46,273 | 46,273 | 46,273 |
| Capacity (students) | 454 | 454 | 454 | 454 | 454 | 454 | 454 | 454 | 454 |
| Enrollment ^a | | | | | | | | | |
| <u>Middle School</u> | | | | | | | | | |
| Square Feet | 62,133 | 62,133 | 62,133 | 62,133 | 62,133 | 62,133 | 62,133 | 62,133 | 62,133 |
| Capacity (students) | 363 | 363 | 363 | 363 | 363 | 363 | 363 | 363 | 363 |
| Enrollment | | | | | | | | | |

Number of Schools at June 30, 2011

Elementary = 2

Middle School = 1

Senior High School = None

Other = None

Source: District Records

RIVER VALE BOARD OF EDUCATION
 GENERAL FUND
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 LAST TEN YEARS
 (Unaudited)

| | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| School Facilities | | | | | | | | | | |
| Roberge Elementary School | \$ 82,121 | \$ 47,950 | \$ 59,414 | \$ 49,159 | \$ 99,796 | \$ 74,527 | \$ 77,324 | \$ 63,965 | \$ 79,589 | \$ 138,622 |
| Woodside Elementary School | 71,786 | 40,898 | 68,802 | 60,191 | 66,154 | 93,211 | 85,892 | 73,755 | 123,032 | 53,884 |
| Holdrum Middle School | 91,163 | 52,181 | 52,827 | 58,888 | 81,116 | 71,417 | 72,412 | 64,675 | 108,700 | 91,209 |
| Grand Total | <u>\$ 245,070</u> | <u>\$ 141,029</u> | <u>\$ 181,043</u> | <u>\$ 168,238</u> | <u>\$ 247,066</u> | <u>\$ 239,155</u> | <u>\$ 235,628</u> | <u>\$ 202,395</u> | <u>\$ 311,321</u> | <u>\$ 283,715</u> |

Source: District Records

**RIVER VALE BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2011
(Unaudited)**

| | <u>Coverage</u> | <u>Deductible</u> |
|--|-----------------|-------------------|
| Commercial Package Policy - SELECTIVE INS. CO. | | |
| Property - Blanket Building & Contents | \$ 39,822,122 | \$ 5,000 |
| Comprehensive General Liability | 1,000,000 | |
| Comprehensive Crime Coverage-Employee Dishonesty | 100,000 | |
| EXCESS CRIME | 400,000 | |
| Computers and Scheduled Equipment - SELECTIVE INS. CO. | | |
| Valuable Papers and Records | 5,000,000 | 1,000 |
| Data Processing Equipment | 2,500,000 | 5,000 |
| Umbrella Policy - American Re | 9,000,000 | |
| Fireman's Fund CAP Excess Liability Policy (Shared NESBIG) | 50,000,000 | |
| School Board Legal Liability - ACE | 1,000,000 | 10,000 |
| Employment Practices Liability | | 25,000 |

Source: District's records

SINGLE AUDIT SECTION

LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-1

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208
FAIR LAWN, NJ 07410
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DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA
EDWARD N. KERE, CPA

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

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

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 River Vale Board of Education as of and for the fiscal year ended June 30, 2011, which collectively comprise the River Vale Board of Education's basic financial statements and have issued our report thereon dated October 21, 2011. 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 Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the River Vale Board of Education is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the River Vale Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the River Vale Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the River Vale Board of Education's internal control over financial reporting.

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 River Vale Board of Education's financial statements will not be prevented, or detected and corrected on a timely basis.

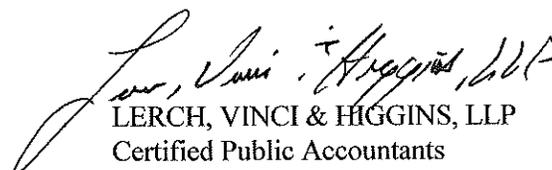
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

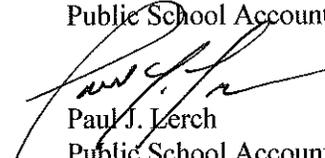
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the River Vale Board of Education's financial statements are free of 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 Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

We noted certain matters that we have reported to management of the River Vale Board of Education in a separate report entitled, "Auditors' Management Report on Administrative Findings – Financial, Compliance and Performance" dated October 21, 2011.

This report is intended solely for the information and use of management, the Board of Trustees, others within the District, the New Jersey State Department of Education and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


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


 Paul J. Lerch
 Public School Accountant
 PSA Number CS01118

Fair Lawn, New Jersey
 October 21, 2011

LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-2

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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EDWARD N. KERE, CPA

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

Independent Auditor's Report

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

Compliance

We have audited the River Vale Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 04-04 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of River Vale Board of Education's major state programs for the fiscal year ended June 30, 2011. River Vale 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. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the River Vale Board of Education's management. Our responsibility is to express an opinion on River Vale Board of Education's compliance based on our audit.

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 Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about River Vale 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. Our audit does not provide a legal determination on River Vale Board of Education's compliance with those requirements.

In our opinion, River Vale Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2011.

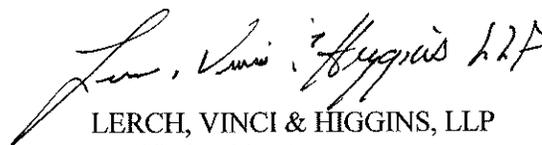
Internal Control Over Compliance

Management of River Vale Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered River Vale Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

A deficiency in internal control over compliance 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 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Trustees, others within the District, the New Jersey State Department of Education and other state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



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



Paul J. Lerch
 Public School Accountant
 PSA Number CS01118

Fair Lawn, New Jersey
 October 21, 2011

RIVER VALE BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| Federal CFDA Number | Grant Period | Award Amount | Balance July 1, 2010 | Carryover Amount | Cash Received | Budgetary Expenditures | Refund of Prior Year's Balances | Balance, June 30, 2011 (Account Receivable) | Deferred Revenue | Due to Grantor | Memo GAAP Receivable | | | | | | | | | | | | | | |
|--|-----------------|-----------------|-------------------------|---------------------|------------------|---------------------------|---------------------------------------|---|---------------------|-------------------|----------------------------|------------------------------------|--------------|------------|------------|--------------|------------|--------------|-------|--------------|------------|------------|--------------|------------|--------------|
| U.S. Department of Education | | | | | | | | | | | | | | | | | | | | | | | | | |
| Passed-through State Department of Education | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10.556 | 7/1/10-6/30/11 | \$ 11,028 | \$ (992) | - | \$ 11,028 | \$ 11,028 | - | - | - | - | - | | | | | | | | | | | | | | |
| 10.556 | 7/1/09-6/30/10 | 11,168 | (992) | - | 992 | - | - | - | - | - | - | | | | | | | | | | | | | | |
| Total U.S. Department of Agriculture | | | | | | | | | | | | | | | | | | | | | | | | | |
| U.S. Department of Education | | | | | | | | | | | | | | | | | | | | | | | | | |
| Passed-through State Department of Education | | | | | | | | | | | | | | | | | | | | | | | | | |
| 84.027A | 9/1/10-8/31/11 | 253,708 | (203,804) | - | 106,370 | 121,604 | - | \$ (147,338) | \$ 132,104 | - | \$ (15,234) | | | | | | | | | | | | | | |
| 84.027A | 9/1/09-8/31/10 | 246,935 | - | - | 203,804 | - | - | - | - | - | - | | | | | | | | | | | | | | |
| 84.173A | 9/1/10-8/31/11 | 13,508 | - | - | 13,508 | 13,508 | - | - | - | - | - | | | | | | | | | | | | | | |
| 84.173A | 9/1/09-8/31/10 | 13,033 | (21,338) | - | 21,338 | - | - | - | - | - | - | | | | | | | | | | | | | | |
| 84.391 | 9/1/09-8/31/11 | 278,736 | (34,391) | - | 11,535 | 49,825 | - | (260,257) | 187,576 | - | (72,681) | | | | | | | | | | | | | | |
| 84.392 | 9/1/09-8/31/11 | 10,091 | (10,091) | - | 10,091 | - | - | - | - | - | - | | | | | | | | | | | | | | |
| 84.367A | 9/1/10-8/31/11 | 23,870 | (23,887) | - | 9,698 | 23,870 | - | (14,172) | - | - | (14,172) | | | | | | | | | | | | | | |
| 84.367A | 9/1/09-8/31/10 | 23,887 | (23,887) | - | 23,887 | - | - | - | - | - | - | | | | | | | | | | | | | | |
| 84.365A | 9/1/09-8/31/10 | 10,850 | (18,152) | - | 18,152 | - | - | - | - | - | - | | | | | | | | | | | | | | |
| 84.186 | 9/1/09-8/31/10 | 1,983 | (1,983) | - | 1,983 | - | - | - | - | - | - | | | | | | | | | | | | | | |
| Total U.S. Department of Education | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="0" style="width:100%"> <tr> <td style="width:100%">Total U.S. Department of Education</td> <td style="text-align:right">\$ (313,646)</td> <td style="text-align:right">\$ 420,366</td> <td style="text-align:right">\$ 208,807</td> <td style="text-align:right">\$ (421,767)</td> <td style="text-align:right">\$ 319,680</td> <td style="text-align:right">\$ (102,087)</td> </tr> <tr> <td>Total</td> <td style="text-align:right">\$ (314,638)</td> <td style="text-align:right">\$ 432,386</td> <td style="text-align:right">\$ 219,835</td> <td style="text-align:right">\$ (421,767)</td> <td style="text-align:right">\$ 319,680</td> <td style="text-align:right">\$ (102,087)</td> </tr> </table> | | | | | | | | | | | | Total U.S. Department of Education | \$ (313,646) | \$ 420,366 | \$ 208,807 | \$ (421,767) | \$ 319,680 | \$ (102,087) | Total | \$ (314,638) | \$ 432,386 | \$ 219,835 | \$ (421,767) | \$ 319,680 | \$ (102,087) |
| Total U.S. Department of Education | \$ (313,646) | \$ 420,366 | \$ 208,807 | \$ (421,767) | \$ 319,680 | \$ (102,087) | | | | | | | | | | | | | | | | | | | |
| Total | \$ (314,638) | \$ 432,386 | \$ 219,835 | \$ (421,767) | \$ 319,680 | \$ (102,087) | | | | | | | | | | | | | | | | | | | |

Note: Not subject to Federal Single Audit

RIVER VALE BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| State Grantor/Program Title | Grant or State Project Number | Grant Period | Award Amount | Balance, July 1, 2010 | | | Cash Received | Budgetary Expenditures | Refund of Prior Year's Balances | Balance, June 30, 2011 | | Memo |
|---|-------------------------------|----------------|--------------|-----------------------|------------------|----------------|---------------|------------------------|---------------------------------|------------------------|------------------|--------------|
| | | | | (Accounts Receivable) | Deferred Revenue | Due to Grantor | | | | (Accounts Receivable) | Deferred Revenue | |
| State Department of Education | | | | | | | | | | | | |
| General Fund | | | | | | | | | | | | |
| Transportation Aid | 10-495-034-5120-014 | 7/1/09-6/30/10 | \$ 85,705 | \$ (13,187) | \$ | \$ 13,187 | | | | | | |
| Special Education Aid | 10-495-034-5120-089 | 7/1/09-6/30/10 | 267,846 | (41,211) | | 41,211 | | | | | | |
| Security Aid | 10-495-034-5120-084 | 7/1/09-6/30/10 | 68,047 | (10,470) | | 10,470 | | | | | | |
| Extraordinary Aid | 11-100-034-5120-473 | 7/1/10-6/30/11 | 240,069 | | | | \$ 240,069 | | \$ (240,069) | | \$ 240,069 | |
| Extraordinary Aid | 10-100-034-5120-473 | 7/1/09-6/30/10 | 221,784 | (221,784) | | 221,784 | | | | | | |
| Nonpublic School Transportation Aid | N/A | 7/1/10-6/30/11 | 6,264 | | | | 6,264 | | (6,264) | | (6,264) | 6,264 |
| Nonpublic School Transportation Aid | N/A | 7/1/09-6/30/10 | 5,453 | (5,453) | | 5,453 | | | | | | |
| On-Behalf TPAF Social Security Aid | 11-495-034-5095-002 | 7/1/10-6/30/11 | 717,419 | | | 681,625 | 717,419 | | (35,794) | | (35,794) | 717,419 |
| On-Behalf TPAF Social Security Aid | 10-495-034-5095-002 | 7/1/09-6/30/10 | 702,651 | (34,884) | | 34,884 | | | | | | |
| On-Behalf TPAF Pension | | | 27,003 | | | 27,003 | | | | | | 27,003 |
| Contributions-NCCI | 11-495-034-5095-007 | 7/1/10-6/30/11 | | | | | 27,003 | | | | | |
| On-Behalf TPAF Post-Retirement Medical Contributions | 11-100-034-5095-001 | 7/1/10-6/30/11 | 573,544 | | | 573,544 | | | | | | 573,544 |
| Total General Fund | | | | (326,989) | | 1,609,161 | 1,564,299 | | (282,127) | | (42,058) | 1,564,299 |
| Capital Project Fund | | | | | | | | | | | | |
| Educational Facilities Construction and Financing Act of 2000 | 4430-060-01-0393/0394/0395-00 | N/A | 6,115,052 | (275,000) | \$ 122,350 | | | | (275,000) | \$ 122,350 | (275,000) | 5,870,352 |
| School Facility Grant Financing Act of 2000 | 4430-060-10-1001 | N/A | 104,000 | (104,000) | 104,000 | | 3,800 | | (104,000) | 100,200 | (104,000) | 3,800 |
| State Financial Assistance | | | | (379,000) | 226,350 | | 3,800 | | (379,000) | 222,550 | (379,000) | 5,874,152 |
| Not Subject to Single Audit Determination | | | | | | | | | | | | |
| General Fund | | | | | | | | | | | | |
| On-Behalf TPAF Pension-NCCI | 11-495-034-5095-007 | 7/1/10-6/30/11 | 27,003 | | | (27,003) | | | | | | (27,003) |
| On-Behalf TPAF Post-Retirement Medical | 11-100-034-5095-001 | 7/1/10-6/30/11 | 573,544 | | | (573,544) | | | | | | (573,544) |
| Total State Financial Assistance Subject to Single Audit | | | | (705,989) | 226,350 | \$ 1,008,614 | \$ 967,552 | | (661,127) | \$ 222,550 | \$ (421,058) | \$ 6,837,904 |

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$46,583 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

| | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|----------------------------|----------------|------------------|------------------|
| General Fund | | \$ 1,610,882 | \$ 1,610,882 |
| Special Revenue Fund | \$ 208,807 | | 208,807 |
| Capital Projects Fund | | 3,800 | 3,800 |
| Food Service Fund | 11,028 | - | 11,028 |
| | <u>219,835</u> | <u>1,614,682</u> | <u>1,834,517</u> |
| Total Financial Assistance | \$ 219,835 | \$ 1,614,682 | \$ 1,834,517 |

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

TPAF Social Security contributions in the amount of \$717,419 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2011. The amount reported as TPAF Pension System Contributions in the amount of \$27,003 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$573,544 represents the amount paid by the State on behalf of the District for the year ended June 30, 2011.

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

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

**RIVER VALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Part I – Summary of Auditor’s Results

Financial Statement Section

- A) Type of auditors' report issued: Unqualified
- B) Internal control over financial reporting:
- 1) Material weakness(es) identified? yes X no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses? yes X none
- C) Noncompliance material to basic financial statements noted? yes X no

Federal Awards Section - Not Applicable

Internal Control over compliance:

- 1) Material weakness(es) identified? yes no
- 2) Were significant deficiencies identified not considered to be material weaknesses? yes none reported

Type of auditor's report issued on compliance for major programs

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? yes no

Identification of major federal programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|---|
| Not Applicable | |
| | |
| | |
| | |

Dollar threshold used to distinguish between Type A and Type B programs:

Auditee qualified as low-risk auditee? yes no

RIVER VALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Part I – Summary of Auditor’s Results

State Awards Section

Internal Control over compliance:

- 1) Material weakness(es) identified? _____ yes no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses? _____ yes none

Type of auditors' report on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04, as amended? _____ yes no

Identification of major programs:

| <u>State Grant/Project Number</u> | <u>Name of State Program</u> |
|-----------------------------------|---------------------------------|
| <u>11-495-034-5095-002</u> | <u>TPAF Social Security Aid</u> |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

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

Auditee qualified as low-risk auditee? yes _____ no

**RIVER VALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Part 2 - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

There are none.

**RIVER VALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Part 3 - Schedule of Federal and State Award Findings and Questioned Costs

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

CURRENT YEAR FEDERAL AWARDS

Not applicable.

**RIVER VALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Part 3 - Schedule of Federal and State Award Findings and Questioned Costs

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

CURRENT YEAR STATE AWARDS

There are none.

**RIVER VALE BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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.