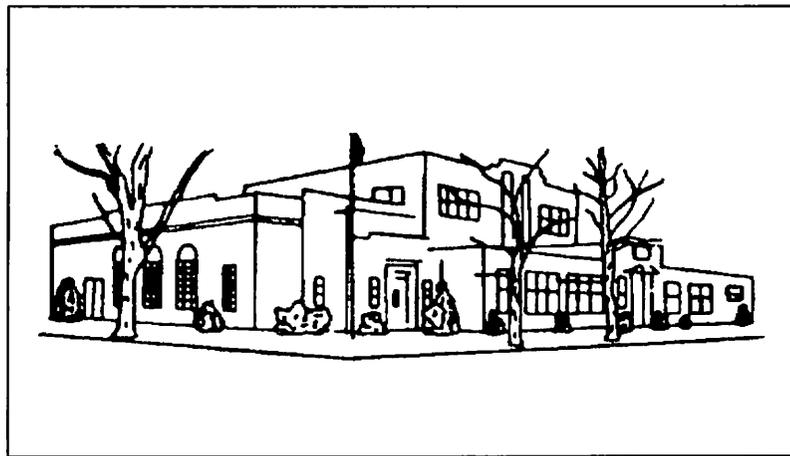


SCHOOL DISTRICT  
OF  
**RIVERTON**



Riverton Board of Education  
Riverton, New Jersey

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2011

**Comprehensive Annual  
Financial Report**

**of the**

**Riverton Board of Education**

**Riverton, New Jersey**

**For the Fiscal Year Ended June 30, 2011**

**Prepared by  
Riverton Board of Education  
Finance Department**

# RIVERTON SCHOOL DISTRICT

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**Introductory Section**

# RIVERTON PUBLIC SCHOOL

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MARY ELLEN ECK  
*Superintendent*

August 4, 2011

Honorable President, Board of Education  
and Riverton Citizens  
Borough of Riverton School District  
Riverton, Burlington County, New Jersey

Dear Citizens:

The comprehensive annual financial report of the Riverton School District for the fiscal year ending June 30, 2011 is hereby submitted. Responsibility for the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the 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 intended to present fairly the financial position and results of operations of the various funds and account groups 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 general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings, and recommendations are included in the single audit section of this report.

**1. REPORTING ENTITY AND ITS SERVICES:** Riverton School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No.3. All funds and account groups of the District are included in this report. The Riverton Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Preschool through eight. This includes programming for students eligible for special education services, students identified as gifted and talented and others identified as at risk in specific academic areas. It also includes a comprehensive physical education, health, fine arts, music, media, computer and spanish instruction. The District completed the 2010/2011 fiscal year with an enrollment of 282 students, which is 11 students more than the previous year's end-of-year enrollment. The budget supports 44 students attending Palmyra High School, our receiving district. The following details the changes in the elementary student enrollment of the District over the last ten years:

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2001-02	265	3.11%
2002-03	260	(1.89%)
2003-04	245	(5.77%)
2004-05	225	(8.16%)
2005-06	229	1.78%
2006-07	241	5.24%
2007-08	253	4.98%
2008-09	259	2.37%
2009-10	271	4.63%
2010-11	282	4.06%

**2. ECONOMIC CONDITION AND OUTLOOK:** The Riverton School district is a one building district, which is located on the Delaware River in close proximity to Philadelphia and considered part of western Burlington County. Riverton School is a preschool through eighth grade district that has an enrollment of approximately 282 students.

The past and most recent changes in the funding formula and the laws pertaining to school budget have made it difficult for The Riverton Board of Education to budget long term. Each year we face the challenge of paying the high mandated special education costs and high school tuition while working to maintain an overall effective school program. With a

mandated limited surplus, it is impossible to meet the unanticipated costs associated with students with special needs or those who have been placed by another agency, moving into our district. In addition, an increase in "homelessness" has added to unanticipated costs.

Currently, we are providing an excellent education where students perform at the top of the county on state mandated tests while maintaining an efficient budget. The taxpayers in Riverton support more than 89% of the current expense budget. The members of our town have passed the school budget including many separate proposal questions for the past fifteen years. Currently, there is redevelopment occurring in the township which may ease the school tax burden in town.

The District also benefits from a Foundation, the Friends of Riverton School, which serves to strictly fund raise for the district. The funds have been used for facility improvements, including playground, and technology initiatives.

We continue to share services whenever possible. We currently share services for transportation, media/technology, related services, food services, insurance services, social worker services and professional development.

Our PTA continues to support the school with contributions to our educational programs through materials and programming. They are most active in helping to rally the community's support and making field trips a reality for all students.

The school strives to serve as a community focal point for many educational and civic activities. The town values the children's education and uses the facility on a regular basis.

**3. Major Initiatives:** Throughout the school, a strong emphasis continues to be placed on a strong academic foundation, reading real literature in a Balanced Literacy program, the integration of subject matter, and the use of computer technology as a tool to enhance learning. Our science and social studies programs are inquiry based and use non-fiction and authentic documents to enrich studies. In math, we combine a traditional approach with the skill mastery with constructivist activities for concept development. The teachers and specialists work cooperatively to provide meaningful educational programs for all students. Each professional shares his/her expertise in planning and implementing effective lessons and programs. Classroom teachers, special education teachers, and specialists meet monthly across grade levels to ensure communication of goals and objectives as well as to brainstorm for creative approaches.

Riverton School District offers a half-day integrated Preschool Program and a full day Kindergarten Program. The instruction of both programs is

thematically based and focuses on academic, social and emotional development. We have found the transition to Kindergarten and grade 1 to be smooth and students are eager for the full day program.

All students in grades K-8 benefit from weekly instruction from the fine arts teacher, the physical education teacher and in grades K-7, from the vocal music teacher. Our media specialist meets with the elementary school students and the middle school students' weekly to provide library skills instruction. The media specialist also coordinates lessons weekly with the computer teacher for research projects in grades 5 - 8.

In our Fine Arts program, all students use a variety of media to create art while learning about art concepts, other cultures, famous artists, and their world. The students benefit from weekly sessions.

In our Music program, students learn songs focusing on social, cultural, and historic values. Programs include a holiday concert, Arbor Day celebration, spring program, Kindergarten graduation, 8th Grade graduation; as well as other performance opportunities as they relate to classroom themes.

Sixth, seventh, and eighth grade students have the opportunity to participate in chorus. The chorus performs at the Burlington County Mall, Moorestown Mall and at school and community events.

Technology Literacy is taught in both the computer lab equipped with 24 personal computers and in the Media Center equipped with 20 computers. Children are taught familiarity with computer hardware, keyboarding, and higher level thinking skills. They are given opportunities to refine their research abilities using a variety of software sources and the Internet. They apply this knowledge when producing projects assigned by classroom and subject teachers. They are also encouraged and given time to enjoy software and activities that address reading, math, and other academic skills. This year we participated in the State recommended Learning.com curriculum. 100% of our students passed the Technology Literacy Assessment in Grade 8.

We also have a world languages program. Students in all grades have weekly lessons in Spanish provided by a certified teacher of Spanish. There is a stronger emphasis in the sixth through eighth grade program where students meet more often.

Riverton students continue to benefit from a departmentalized middle school in grades six through eight with highly qualified teachers in each subject area.

We continued this year with a computer based assessment to better diagnosis students' needs and strengths. Riverton students historically score in the top quartile on all nationally normed tests. Third through eighth grade students must take State-mandated assessments. The Assessment of Skills and

Knowledge (ASK) in Grades 3, 4, 5, 6, 7 and 8 are administered each spring. All grades perform at the top of our county. All students took the MAPS computerized test assessment to determine academic proficiency. Scores were used as part of a rubric to determine eligibility for a Gifted and Talented Program and our Basic Skills Improvement Program.

Extracurricular activities are offered to all students' grades 5 through 8. They consist of kickball, flag football, volleyball, cheerleading, softball and basketball. Clubs include Drama, Newspaper, Student Council, Chess, Technology and Safety Patrol.

In summary, the strong community involvement in our district, our small size, and our quality programming allow active participation in a very positive vein through the school board, the administration, the teaching staff, and a supportive PTA.

**4. INTERNAL ACCOUNTING CONTROLS:** The 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 statements 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, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

**5. BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, 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 either are 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.

**6. ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect GAAP, as promulgated by the GASB. The accounting system of the District is organized based on funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

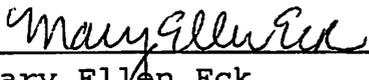
**7. CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute and detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUPDA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

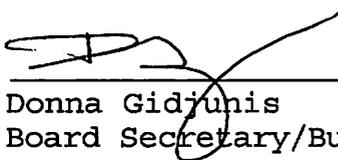
**8. RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

**9. OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Inverso and Stewart, CPA. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act of 1984, the related OMB Circular A-133 and the State Treasury Circular Letter 04-04 OMB. The auditor's report on the general-purpose financial statements, and combining and individual fund statements and schedules, 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.

10. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Riverton School Board for their dedication 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 office staff.

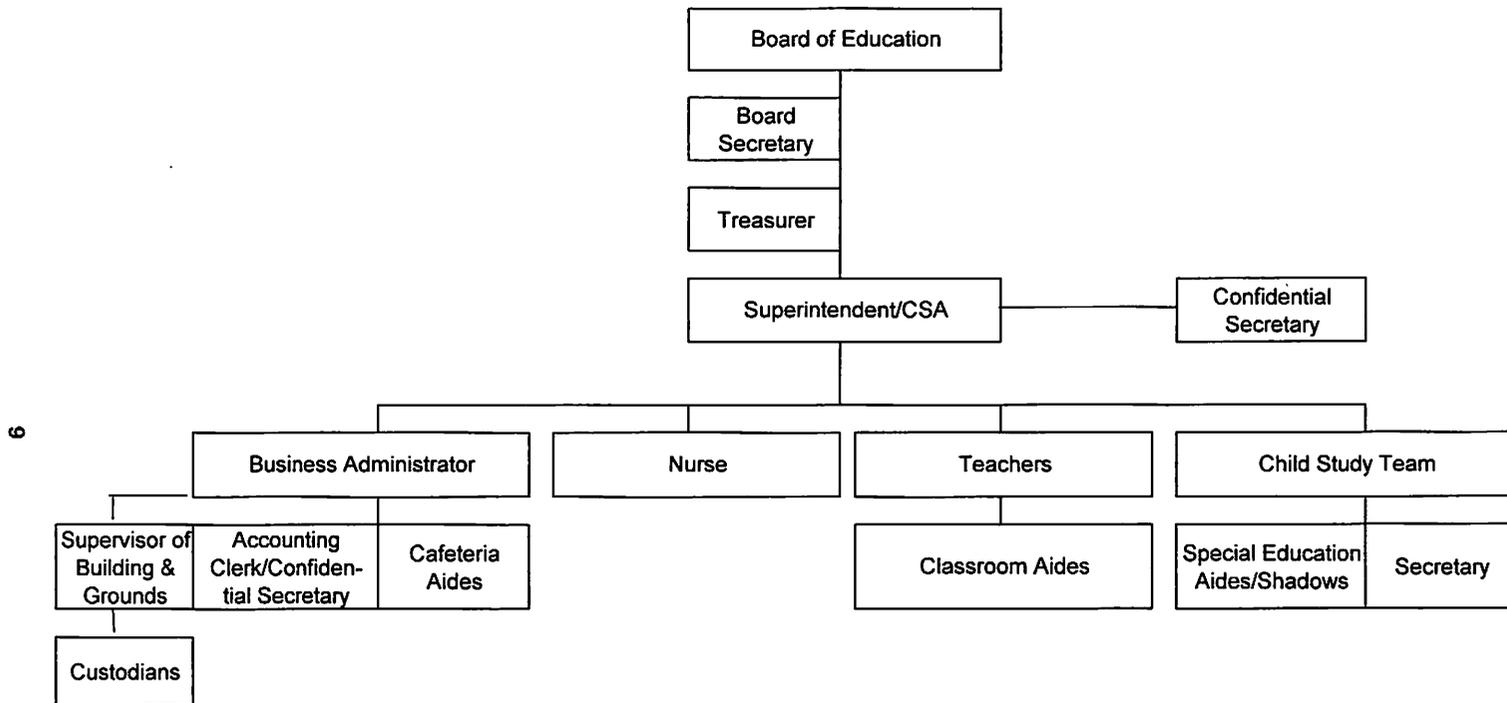
Respectfully submitted,

  
\_\_\_\_\_  
Mary Ellen Eck  
Superintendent

  
\_\_\_\_\_  
Donna Gidjunis  
Board Secretary/Business Administrator

# RIVERTON PUBLIC SCHOOL

## ORGANIZATIONAL CHART



# RIVERTON SCHOOL DISTRICT

## Roster of Officials

June 30, 2011

### Members of the Board of Education:

### Term Expires

Richard Park, President	2012
JoAnn Corbi, Vice President	2014
Helen Mack	2014
Walter Croft	2012
Michael V. Sencindiver	2012
Scott Koste	2013
Mark DiLeo	2013
Joseph VanBernum	2013
Scott Warnock	2014

### Other Officials:

Mary Ellen Eck, Superintendent  
Donna Gidjunis, Business Administrator/Board Secretary  
Thomas Egan, Treasurer  
Stephen Mushinski, Esq. Solicitor

**RIVERTON SCHOOL DISTRICT  
Consultants and Advisors**

**Audit Firm**

Inverso & Stewart, LLC  
12000 Lincoln Drive West, Suite 402  
Marlton, NJ 08053

**Attorney**

Stephen J. Mushinski, Esquire  
Acting for Parker/ McCay  
9000 Midlantic Drive, Suite 300  
PO Box 5054  
Mount Laurel, NJ 08054

**Official Depository**

Beneficial Bank  
530 Walnut Street  
Philadelphia, PA 19106

1st Colonial Bank  
1150 Haddon Avenue, 2nd Floor  
Collingswood, NJ 08108

**Financial Section**

# ***INVERSO & STEWART, LLC***

**Certified Public Accountants  
Registered Municipal Accountants**

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-Member of-  
American Institute of CPAs  
New Jersey Society of CPAs

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and Members  
of the Board of Education  
Riverton School District  
County of Burlington  
Riverton, 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 Riverton School District, in the County of Burlington, State of New Jersey (School District), as of and for the fiscal year ended June 30, 2011, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District'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 *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Riverton School District, in the County of Burlington, State of New Jersey, 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 July 31, 2011 on our consideration of the Riverton School District, in the County of Burlington, State of New Jersey's internal control over financial reporting and 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, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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 Riverton School District's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule 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 financial statements. The combining and individual nonmajor fund financial statements and the schedule 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole. The introductory and statistical sections 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.

Respectfully submitted,

**INVERSO & STEWART, LLC**  
Certified Public Accountants



Robert A. Stewart  
Certified Public Accountant  
Registered Municipal Accountant

Marlton, New Jersey  
July 31, 2011

# ***INVERSO & STEWART, LLC***

**Certified Public Accountants  
Registered Municipal Accountants**

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-Member of-  
American Institute of CPAs  
New Jersey Society of CPAs

## **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**

The Honorable President and Members  
of the Board of Education  
Riverton School District  
County of Burlington  
Riverton, 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 Riverton School District (School District), in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the School District's basic financial statements and have issued our report thereon dated July 31, 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 in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Riverton School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District'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 Riverton School District'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, Department of Education, State of New Jersey.

This report is intended solely for the information and use of the management, the Board of Education, others within the School District, the Division of Finance, Department of Education, State of New Jersey, and other federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

**INVERSO & STEWART, LLC**  
Certified Public Accountants

Handwritten signature of Robert A. Stewart in black ink.

Robert A. Stewart  
Certified Public Accountant  
Registered Municipal Accountant

Marlton, New Jersey  
July 31, 2011

**Required Supplementary Information - Part I**

**Management's Discussion and Analysis**

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

As management of the Board of Education of the Borough of Riverton, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**Financial Highlights**

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$676,204 (*net assets*).
- Governmental activities have unrestricted net assets of \$57,933. The accounting treatments in the governmental funds for compensated absences payable, and the June state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this minimal amount.
- The total net assets of the School District increased by \$284,336, or a 72.5% increase from the prior fiscal year-end balance. The majority of this increase is attributable to the payment of long-term debt including reduction in the compensated absences balance at year end.
- Fund balance of the School District's governmental funds increased by \$143,730 resulting in an ending fund balance of \$573,610. This was a result of spending approximately 97.36% of the approved budget.
- Business-type activities have unrestricted net assets of \$29,280, which may be used to meet the School District's ongoing obligations of the food service fund.

**Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**District-wide Financial Statements**

The *district-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net assets and the statement of activities.

The *statement of net assets* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net assets of the School District changed during the current fiscal year. Changes in net assets are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the district-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover all or most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities reflect only the Food Service Fund.

### **Fund Financial Statements**

*Fund financial statements* are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

*Governmental funds* account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

*Proprietary funds* are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains one type of proprietary fund - the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the district-wide financial statements, only in more detail.

The School District's one enterprise fund (Food Service Fund) is listed individually and is considered to be a major fund.

*Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the School District's programs.

### **Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

### **District-wide Financial Analysis**

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. The majority of the current assets are the results of the tax levy and state aid collection process.

Capital assets are used in the operations of the School District. These assets are land, buildings, improvements and equipment. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2011. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2011.

The assets of the primary government activities exceeded liabilities by \$646,924 with an unrestricted net asset balance of \$57,933. The net assets of the primary government do not include internal balances.

Net assets of \$331,445 have been restricted as follows:

Restricted for encumbrances	\$ 63,496
Restricted for future maintenance projects	155,066
Restricted for future capital projects	59,383
Restricted for subsequent year's budget	53,500

**Comparative Summary of Net Assets  
As of June 30, 2011 and 2010**

	Governmental Activities		Business-Type Activities		District-Wide	
	2011	2010	2011	2010	2011	2010
<b>Assets:</b>						
Current assets	\$ 607,968	\$ 468,921	\$ 30,475	\$ 32,703	\$ 638,443	\$ 501,624
Capital assets	<u>887,546</u>	<u>890,499</u>	<u>          </u>	<u>          </u>	<u>887,546</u>	<u>890,499</u>
<b>Total assets</b>	<u>1,495,514</u>	<u>1,359,420</u>	<u>30,475</u>	<u>32,703</u>	<u>1,525,989</u>	<u>1,392,123</u>
<b>Liabilities:</b>						
Current Liabilities	149,419	147,995	1,195		150,614	147,995
Noncurrent Liabilities	<u>699,171</u>	<u>852,260</u>	<u>          </u>	<u>          </u>	<u>699,171</u>	<u>852,260</u>
<b>Total liabilities</b>	<u>848,590</u>	<u>1,000,255</u>	<u>1,195</u>	<u>          </u>	<u>849,785</u>	<u>1,000,255</u>
<b>Net assets (Deficit)</b>	<u>\$ 646,924</u>	<u>\$ 359,165</u>	<u>\$ 29,280</u>	<u>\$ 32,703</u>	<u>\$ 676,204</u>	<u>\$ 391,868</u>
<b>Net assets consist of:</b>						
<b>Invested in capital</b>						
Assets	\$ 257,546	\$ 145,499			\$ 257,546	\$ 145,499
Restricted net assets	331,445	214,130			331,445	214,130
Unrestricted net assets	<u>57,933</u>	<u>(464)</u>	<u>\$ 29,280</u>	<u>\$ 32,703</u>	<u>87,213</u>	<u>32,239</u>
<b>Net assets (Deficit)</b>	<u>\$ 646,924</u>	<u>\$ 359,165</u>	<u>\$ 29,280</u>	<u>\$ 32,703</u>	<u>\$ 676,204</u>	<u>\$ 391,868</u>

**Governmental Activities**

Governmental activities increased the net assets of the School District by \$287,759 during the current fiscal year, thereby accounting for almost all the total increase in the net assets of the School District. Key elements of the increase in net assets for governmental activities are as follows:

- Expenditures decreased \$279,541, mostly due to a reduction in salary costs as teachers who retired at the end of June 2010 were not replaced during the 2010-11 fiscal year.

**Business-type Activities**

Business-type activities decreased the School District's net assets by \$3,423. Operations of the food service fund produced a loss for the fiscal year as the district decreased the number of lunches sold.

**Comparative Schedule of Changes in Net Assets  
As of and for the Fiscal Year Ended June 30, 2011 and 2010**

	Governmental Activities		Business-Type Activities		District-Wide	
	2011	2010	2011	2010	2011	2010
<b>Revenues:</b>						
<b>Program Revenues</b>						
Charges for services			\$ 35,408	\$ 40,090	\$ 35,408	\$ 40,090
Operating grants and Contributions	\$ 392,421	\$ 457,823	17,544	14,687	409,965	472,510
<b>General Revenues:</b>						
Property Taxes	4,312,289	4,035,363			4,312,289	4,035,363
Debt Service Tax Levy	147,408	147,193			147,408	147,193
Unrestricted State Aid	425,352	609,285			425,352	609,285
Other Revenues	24,970	14,446			24,970	14,446
<b>Total Revenues</b>	<b>5,302,440</b>	<b>5,264,110</b>	<b>52,952</b>	<b>54,777</b>	<b>5,355,392</b>	<b>5,318,887</b>
<b>Expenses:</b>						
<b>Governmental Activities:</b>						
Instruction	1,547,559	2,221,499			1,547,559	2,221,499
Tuition	1,294,174	1,061,015			1,294,174	1,061,015
Related Services	593,686	670,947			593,686	670,947
Administrative Services	336,026	391,269			336,026	391,269
Operations and Maintenance	382,716	378,883			382,716	378,883
Transportation	106,902	106,684			106,902	106,684
Employee Benefits	716,509	277,047			716,509	277,047
Interest on long-term Debt	31,157	35,997			31,157	35,997
Other	5,952	5,813			5,952	5,813
<b>Business-Type Activities:</b>						
Food Service Operations			56,375	42,335	56,375	42,335
<b>Total Expenses</b>	<b>5,014,681</b>	<b>5,149,154</b>	<b>56,375</b>	<b>42,335</b>	<b>5,071,056</b>	<b>5,191,489</b>
<b>Increase (Decrease) in Net Assets Before transfers</b>	<b>287,759</b>	<b>114,956</b>	<b>(3,423)</b>	<b>12,442</b>	<b>284,336</b>	<b>127,398</b>
<b>Transfers</b>						
<b>Changes in net assets</b>	<b>287,759</b>	<b>114,956</b>	<b>(3,423)</b>	<b>12,442</b>	<b>284,336</b>	<b>127,398</b>
<b>Net assets, July 1,</b>	<b>359,165</b>	<b>244,209</b>	<b>32,703</b>	<b>20,261</b>	<b>391,868</b>	<b>264,470</b>
<b>Net assets, June 30,</b>	<b>\$ 646,924</b>	<b>\$ 359,165</b>	<b>\$ 29,280</b>	<b>\$ 32,703</b>	<b>\$ 676,204</b>	<b>\$ 391,868</b>

## **Financial Analysis of the Governmental Funds**

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

*Governmental Funds* - The focus of the School 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 School District's financing requirements. In particular, unassigned 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 of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$573,610, an increase of \$143,730 in comparison with the prior year.

The School District has an unassigned fund balance for the General Fund of \$242,165. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been assigned, as follows: 1) \$63,496 for year-end encumbrances, 2) \$155,066 restricted for future maintenance costs, 3) \$59,383 restricted for future capital projects and 4) \$53,500 restricted for subsequent year's budget.

The general fund is the chief operating fund of the School District. The balance in the unreserved fund balance is limited primarily, due to the accounting treatment of the June state aid payments and state statutes that prohibit New Jersey school districts from maintaining more than 2% of its adopted budget as unreserved fund balance.

Revenue in the special revenue fund is generally recognized at the time that the outlays are identified; therefore no fund balances are normally generated.

### **General Fund Budgetary Highlights**

The difference between the original budget and the final amended budget was \$1,998, and represents prior year encumbrances carried over to the current year.

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was \$250,000, while total fund balance (budgetary basis) was \$581,444. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$4,755,014. Unassigned fund balance (budgetary basis) represents 5.25% of expenditures while total fund balance (budgetary basis) represents 12.22% of that same amount.

### **Capital Asset and Debt Administration**

The School District's investment in capital assets for its governmental activities as of June 30, 2011, totaled \$887,546 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings and equipment. The total decrease in the District's investment in capital assets for the current fiscal year was \$2,953, or a .33% decrease.

Major capital assets events during the current fiscal year included the following:

- Depreciation expense for the current fiscal year was \$35,934.
- The School District purchased equipment during the year totaling \$32,981.

**Capital Asset (net of accumulated depreciation)  
June 30, 2011 and 2010**

	Governmental Activities		District-Wide	
	2011	2010	2011	2010
Land	\$ 649,600	\$ 649,600	\$ 649,600	\$ 649,600
Buildings and Building Improvements	67,800	76,829	76,829	76,829
Site Improvements	14,489	15,648	15,648	15,648
Equipment	<u>156,657</u>	<u>148,422</u>	<u>148,422</u>	<u>148,422</u>
Net assets	<u>\$ 887,546</u>	<u>\$ 890,499</u>	<u>\$ 890,499</u>	<u>\$ 890,499</u>

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

*Long-term debt* – During the fiscal year ended June 30, 2011, the School District had total bonded debt outstanding of \$630,000 backed by the full faith and credit of the School District. General obligation bonds for the School District decreased during the current fiscal year according to the normal schedule of payments.

The 2011-12 adopted budget has an appropriation of \$120,000 representing the payment of the annual principal. The bonds final maturity date is April 1, 2016.

The School District continues to maintain its AA rating from Standard & Poor's Corporation for its general obligation bond issues.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$8,630,083 and the legal debt margin was \$8,000,083.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 6) of this report.

### **Economic Factors and Next Year's Budgets and Rates**

For the 2011-2012 school year, the School District was able to sustain its budget through the tax levy, federal aid, state aid, and miscellaneous revenue sources. One of the most important factors affecting the School District's budget is the amount of state aid it will receive in comparison to its enrollment. The 2011-2012 budget was adopted based on a 12% increase in aid from the State of New Jersey and a 3.7 cent increase in school property taxes. This increase in state aid represents a fraction of the \$250,000 aid that was reduced in the 2009-2010 budget. The School District continues to examine its costs in an effort to prevent additional burden on the taxpayers of the municipality.

### **Requests for Information**

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Riverton School District Business Administrator, 600 Fifth Street, Riverton, New Jersey, 08077, telephone number (856) 829-0974.

**Basic Financial Statements**

## District-Wide Financial Statements

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business type activities of the District.

**RIVERTON SCHOOL DISTRICT**  
**Statement of Net Assets**  
**June 30, 2011**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 589,055	\$ 29,511	\$ 618,566
Receivables, net			
Intergovernmental	7,123	964	8,087
Deferred charge:			
Bond issuance costs - net	11,790		11,790
Capital assets, net (Note 5)	<u>887,546</u>		<u>887,546</u>
<b>Total Assets</b>	<u>1,495,514</u>	<u>30,475</u>	<u>1,525,989</u>
<b>LIABILITIES:</b>			
Accounts payable	20,427		20,427
Intergovernmental payable	1,741		1,741
Deferred revenue	400	1,195	1,595
Accrued interest	6,851		6,851
Noncurrent liabilities (Note 6):			
Due within one year	120,000		120,000
Due beyond one year	<u>699,171</u>		<u>699,171</u>
<b>Total Liabilities</b>	<u>848,590</u>	<u>1,195</u>	<u>849,785</u>
<b>NET ASSETS:</b>			
Invested in capital assets, net of related debt	257,546		257,546
Restricted for:			
Capital projects	59,383		59,383
Other purposes	272,062		272,062
Unrestricted	<u>57,933</u>	<u>29,280</u>	<u>87,213</u>
<b>Total Net Assets</b>	<u>\$ 646,924</u>	<u>\$ 29,280</u>	<u>\$ 676,204</u>

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

**RIVERTON SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2011**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
Instruction:							
Regular	\$ 1,153,589		\$ 2,907		\$ (1,150,682)		\$ (1,150,682)
Special education	290,751				(290,751)		(290,751)
Other instruction	103,219				(103,219)		(103,219)
Support Services:							
Tuition	1,294,174				(1,294,174)		(1,294,174)
Student & instruction related services	593,686		108,313		(485,373)		(485,373)
General administrative services	336,026				(336,026)		(336,026)
Plant operations and maintenance	382,716				(382,716)		(382,716)
Pupil transportation	106,902				(106,902)		(106,902)
Employee benefits	716,509		281,201		(435,308)		(435,308)
Interest on long-term debt	31,157				(31,157)		(31,157)
Unallocated depreciation and amortization	5,952				(5,952)		(5,952)
<b>Total Governmental Activities</b>	<b>5,014,681</b>		<b>392,421</b>		<b>(4,622,260)</b>		<b>(4,622,260)</b>
<b>Business-Type Activities:</b>							
Food service	56,375	\$ 35,408	17,544			\$ (3,423)	(3,423)
<b>Total Business-Type Activities</b>	<b>56,375</b>	<b>35,408</b>	<b>17,544</b>			<b>(3,423)</b>	<b>(3,423)</b>
<b>Total Primary Government</b>	<b>\$ 5,071,056</b>	<b>\$ 35,408</b>	<b>\$ 409,965</b>	<b>\$ -</b>	<b>(4,622,260)</b>	<b>(3,423)</b>	<b>(4,625,683)</b>
<b>General revenues:</b>							
Taxes:							
Property taxes levied for general purposes, net					4,312,289		4,312,289
Taxes levied for debt service					147,408		147,408
Federal and State aid not restricted					425,352		425,352
Miscellaneous income					24,970		24,970
Transfers							
<b>Total general revenues, special items, extraordinary items and transfers</b>					<b>4,910,019</b>		<b>4,910,019</b>
<b>Change in Net Assets</b>					<b>287,759</b>	<b>(3,423)</b>	<b>284,336</b>
Net Assets - July 1, 2010					359,165	32,703	391,868
<b>Net Assets - June 30, 2011</b>					<b>\$ 646,924</b>	<b>\$ 29,280</b>	<b>\$ 676,204</b>

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

## Fund Financial Statements

The Individual Fund statements and schedules present more detailed information for the Individual Fund in a format that segregates information by fund type.

**RIVERTON SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2011**

<b>ASSETS</b>	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 589,055				\$ 589,055
Receivables:					
Intergovernmental	2,263	\$ 4,860			7,123
Interfund	3,119				3,119
<b>Total Assets</b>	<b>594,437</b>	<b>4,860</b>	<b>-</b>	<b>-</b>	<b>599,297</b>
 <b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	20,427				20,427
Intergovernmental payable:					
State		\$ 1,741			1,741
Interfund		3,119			3,119
Deferred revenue	400				400
<b>Total Liabilities</b>	<b>20,827</b>	<b>4,860</b>			<b>25,687</b>
Fund Balances:					
Restricted for:					
Capital reserve	59,383				59,383
Maintenance reserve	155,066				155,066
Assigned to:					
Year-end encumbrances	63,496				63,496
Subsequent year's budget	53,500				53,500
Unassigned	242,165				242,165
<b>Total Fund Balances</b>	<b>573,610</b>				<b>573,610</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 594,437</b>	<b>\$ 4,860</b>	<b>\$ -</b>	<b>\$ -</b>	

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 \$2,341,355 and the accumulated depreciation is \$1,453,809. 887,546

Bond issuance costs are amortized over the life of the bonds on the statement of net assets. 11,790

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:

General Obligation Bonds	\$ (630,000)	
Accrued Interest Payable	(6,851)	
Compensated Absences Payable	(189,171)	
		(826,022)

**Net Assets of Governmental Activities** **\$ 646,924**

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

**RIVERTON SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2011**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 4,312,289			\$ 147,408	\$ 4,459,697
Miscellaneous	24,970				24,970
Total local sources	4,337,259			147,408	4,484,667
State sources	706,553	\$ 3,907			710,460
Federal sources		107,313			107,313
Total Revenues	<u>5,043,812</u>	<u>111,220</u>		<u>147,408</u>	<u>5,302,440</u>
<b>EXPENDITURES:</b>					
Current expense:					
Regular instruction	1,158,617	2,907			1,161,524
Special education instruction	290,751				290,751
Other instruction	103,219				103,219
Support services and undistributed costs:					
Tuition	1,294,174				1,294,174
Student & instruction related services	485,373	108,313			593,686
General administrative services	332,433				332,433
Plant operations and maintenance	393,282				393,282
Pupil transportation	106,902				106,902
Personal services - employee benefits	716,509				716,509
Capital outlay	18,822				18,822
Debt service:					
Principal				115,000	115,000
Interest and other charges				32,408	32,408
Total Expenditures	<u>4,900,082</u>	<u>111,220</u>		<u>147,408</u>	<u>5,158,710</u>
Excess (deficiency) of revenues over (under) expenditures	143,730				143,730
Fund Balances - July 1, 2010	<u>429,880</u>				<u>429,880</u>
Fund Balances - June 30, 2011	<u>\$ 573,610</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 573,610</u>

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

**RIVERTON SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2011**

Total net change in fund balances - governmental funds (from B-2) \$ 143,730

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Governmental Funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Depreciation expense	\$ (35,934)	
Fixed assets additions	<u>32,981</u>	(2,953)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 115,000

Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences. (2,358)

Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt. 1,251

In the statement of activities, certain operating expenses, (e.g. compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+) 33,089

Change in Net Assets of Governmental Activities \$ 287,759

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

**RIVERTON SCHOOL DISTRICT**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2011**

	<u>Food Service Fund</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and cash equivalents	\$ 29,511
Intergovernmental receivables:	
State	42
Federal	922
	<hr/>
Total current assets	<u>30,475</u>
Non-current assets:	
Machinery and equipment (net of accumulated depreciation)	<hr/>
Total non-current assets	<hr/>
Total assets	<u>30,475</u>
<b>LIABILITIES:</b>	
Current liabilities:	
Deferred revenues	<u>1,195</u>
Total Current liabilities	<u>1,195</u>
<b>NET ASSETS:</b>	
Invested in capital assets	
Unrestricted	<u>29,280</u>
Total net assets	<u>\$ 29,280</u>

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

**RIVERTON SCHOOL DISTRICT**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Food Service Fund</u>
<b>Operating Revenues:</b>	
Charges for services:	
Daily sales:	
Reimbursable programs	\$ 29,241
Non-reimbursable programs	6,167
	<hr/>
Total operating revenue	<u>35,408</u>
<b>Operating Expenses:</b>	
Supplies and materials	11,269
Cost of sales	39,760
Direct expenses	5,346
	<hr/>
Total operating expenses	<u>56,375</u>
Operating income (loss)	<u>(20,967)</u>
<b>Non-Operating Revenues (Expenses):</b>	
State sources:	
State school lunch program	740
Federal sources:	
National school lunch program	16,804
	<hr/>
Total non-operating revenues	<u>17,544</u>
Income (loss) before contributions and transfers	(3,423)
Operating transfer In	<hr/>
Changes in net assets	(3,423)
Net Assets - July 1, 2010	<u>32,703</u>
Net Assets - June 30, 2011	<u><u>\$ 29,280</u></u>

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

**RIVERTON SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Food Service Fund</u>
<b>Cash Flows from Operating Activities:</b>	
Cash receipts from customers	\$ 36,603
Cash payments to suppliers for goods and services	<u>(56,375)</u>
Net cash used by operating activities	<u>(19,772)</u>
<b>Cash Flows from Non-capital Financing Activities:</b>	
Cash received from state sources	757
Cash received from federal sources	16,776
Cash received from operating transfer	<u>          </u>
Net cash provided by non-capital financing activities	<u>17,533</u>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Purchase of capital assets	<u>          </u>
<b>Cash Flow From Investing Activities:</b>	
Interest on cash equivalents	<u>          </u>
Net increase (decrease) in cash and cash equivalents	(2,239)
Cash and cash equivalents - July 1, 2010	<u>31,750</u>
Cash and cash equivalents - June 30, 2011	<u>\$ 29,511</u>
<b>Reconciliation of Operating Income (Loss)</b>	
<b>to Net Cash Provided (used) by Operating Activities:</b>	
Operating Income (Loss)	\$ (20,967)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Depreciation	
(Increase) decrease in inventories	
Increase (decrease) in deferred revenues	<u>1,195</u>
Net cash provided by (used for) operating activities	<u>\$ (19,772)</u>
<b>Noncash Noncapital Financing Activities:</b>	
During the year the District did not receive any food commodities from the U.S. Department of Agriculture.	

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

**RIVERTON SCHOOL DISTRICT**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2011**

	<u>Trust Funds</u>	
	<u>Unemployment Compensation Trust</u>	<u>Agency Funds</u>
<b>ASSETS:</b>		
Cash and cash equivalents	<u>\$ 57,982</u>	<u>\$ 34,733</u>
 Total Assets	 <u>57,982</u>	 <u>34,733</u>
 <b>LIABILITIES:</b>		
Payroll deductions and withholdings		14,363
Due to student groups		20,370
 Total Liabilities		 <u>\$ 34,733</u>
 <b>NET ASSETS:</b>		
Held in trust for unemployment claims	<u>\$ 57,982</u>	

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

**RIVERTON SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Unemployment Compensation Trust</u>
<b>ADDITIONS:</b>	
Contributions:	
Employee	\$ 4,816
Total Contributions	<u>4,816</u>
Investment earnings:	
Interest	<u>391</u>
Total Additions	<u>5,207</u>
<b>DEDUCTIONS:</b>	
Unemployment claims	36,320
Total Deductions	<u>36,320</u>
Change in Net Assets	(31,113)
Net Assets - July 1, 2010	<u>89,095</u>
Net Assets - June 30, 2011	<u><u>\$ 57,982</u></u>

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

**Riverton School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity** - The Borough of Riverton School District ("School District") is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board of Education is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to provide educational services for resident students in grades K through 8. The Riverton School District has an approximate enrollment at June 30, 2011 of 279 students.

Criteria for determining if other entities are potential component units which should be reported within the School District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600. The application of these criteria provides for identification of any entities for which the School District is financially accountable and other organizations that the nature and significance of their relationship with the School District are such that exclusion would cause the School District's basic financial statements to be misleading or incomplete.

Based on the application of these criteria, there were no organizations that are considered to be component units.

**Basis of Presentation**

The basic financial statements of the Riverton School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989 to its governmental and business-type activities and to its proprietary funds, provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

The School District's basic financial statements consists of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

**Government-wide Statements** - The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net assets presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

**Fund Financial Statements** - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

**Riverton School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Governmental Funds** - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

**General Fund** - The general fund is the general operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

**Special Revenue Fund** - The special revenue fund is used to account for the proceeds of specific revenues from the state and federal governments, other than major capital projects, debt service, or the enterprise funds, and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**Debt Service Fund** - The debt service fund is used to account for the accumulation of resources for, and the payment of, general-long-term debt principal, interest and related costs.

**Proprietary Funds** - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those in the private sector.

**Enterprise Funds** - The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the School District is that all costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the School District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The School District's enterprise funds are:

**Food Service Fund** - This fund accounts for the financial transactions related to the food service operations of the School District.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net assets) is segregated into investment in capital assets, net of related debt, and unrestricted net assets, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

**Riverton School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

**Fiduciary Funds** - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has three fiduciary funds; an unemployment compensation trust fund, a student activity fund, and a payroll fund.

**Measurement Focus**

**Government-wide Financial Statements** - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets.

**Fund Financial Statements** - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e. revenues) and decreases (i.e. expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

**Revenues - Exchange and Non-exchange Transactions** - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within thirty days of fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

**Riverton School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenues - Exchange and Non-exchange Transactions (Continued)** - With the exception of restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end; tuition, grants, fees, and rentals.

**Expenses/Expenditures** - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year, if any, is reported in the operating statement as an expense. Unused donated commodities are reported as deferred revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**Budgets/Budgetary Control** - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts 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. 6:23A-16.2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal 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 the one or more June state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the budgetary basis. The budgetary basis differs from GAAP in that the 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 budget, as detailed on Exhibit C-1, Exhibit C-2 and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances – governmental funds. Note that the School District does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the one or more June state aid payments.

**Encumbrances** - 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 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.

Open encumbrances in the special revenue fund, for which the School District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**Riverton School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institution collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

**Tuition Receivable** - Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

**Tuition Payable** - Tuition charges for the fiscal years ended June 30, 2011 and 2010 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

**Inventories** - The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed, and is not recorded since any amounts are considered immaterial to the basic financial statements.

The proprietary fund type does not maintain any inventories as the School District has contracted with another governmental entity to purchase all food and supplies.

**Prepaid Expenses** - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2011.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required. This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

**Deferred Expenditures** - Deferred expenditures are disbursements that are made in one period, but are more accurately reflected as an expenditure/expense in the next fiscal period. Unlike prepaid expenses, deferred expenditures are not regularly recurring cost of operations.

**Short-Term Interfund Receivables / Payables** - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and/or interfunds payable.

**Capital Assets** - General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and the proprietary fund statement of net assets. .

**Riverton School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Capital Assets (Continued)** - All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000.00. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal repairs and maintenance that do not add to the value of the asset or materially extend asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Land Improvements	10-20 years
Buildings and Improvements	10-50 years
Furniture and Equipment	5-20 years
Vehicles	5-10 years

**Accrued Salaries and Wages** - Certain School District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2011, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

**Compensated Absences** - Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

**Deferred Revenue** - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

**Accrued Liabilities and Long-Term Obligations** - All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

**Net Assets** - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Riverton School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Equity** – In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

*Restricted fund balance* – This classification reflects constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balances* – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the School District – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Education removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned fund balance* – This classification reflects the amounts constrained by the School District's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board of Education and the Chief School Administrator have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are classified as nonspendable and are neither restricted nor committed.

*Unassigned fund balance* – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted fund balances are available for use, it is the School District's policy to use externally restricted fund balances first, then unrestricted fund balance – committed, assigned, and unassigned – in order as needed.

**Operating and Non-Operating Revenues and Expenses** - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program and tuition for the before and after school program. Non-operating revenues principally consist of interest income earned on various interest bearing accounts and federal and state subsidy reimbursements for the food service program.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. There are no non-operating expenses

**Interfund Activity** - Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Riverton School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011**

**2. CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** – With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the School District’s deposits may not be returned to it. Although the School District does not have a formal policy regarding custodial credit risk, state statutes requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit. Banks that qualify as public depositories under New Jersey statutes hold cash deposits, with bank balances totaling \$888,831.02 at June 30, 2011. All deposits are insured by federal depository insurance and/or collateralized with securities held in New Jersey’s multiple financial institution collateral pool as required by N.J.S.A. 17.9-41 et seq.

**3. CAPITAL RESERVE ACCOUNT**

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

Funds placed in the capital reserve account are restricted to capital projects in the School District’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the New Jersey Department of Education, a school 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 fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school 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 account 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 July 1, 2010 to June 30, 2011 fiscal year is as follows:

Balance – July 1, 2010		\$	33,587
Increased by:			
Interest earned	\$		796
Board resolution	<u>25,000</u>		<u>25,796</u>
			59,383
Decreased by:			
Budget withdrawal			<u>          </u>
Balance – June 30, 2011		\$	<u>59,383</u>

The June 30, 2011 LRFP balance of local support costs of uncompleted projects is \$324,600.00. The withdrawals from the capital reserve were for use in a DOE approved facilities projects, consistent with the School District’s LRFP.

**4. ACCOUNTS RECEIVABLES**

Accounts receivables at June 30, 2011 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Accounts receivable at June 30, 2011 for the School District’s individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Proprietary Funds	Total
Intergovernmental	\$ 2,263	\$ 4,860	\$ 964	\$ 8,087
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Accounts Receivable	<u>\$ 2,263</u>	<u>\$ 4,860</u>	<u>\$ 964</u>	<u>\$ 8,087</u>

**Riverton School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011**

**5. CAPITAL ASSETS**

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

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>
<b>Governmental Activities:</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 649,600			\$ 649,600
Construction in progress				
Total capital assets, not being Depreciated	<u>649,600</u>			<u>649,600</u>
<i>Capital Assets, being depreciated:</i>				
Site Improvements	36,632			36,632
Building and Building Improvements	1,143,065			1,143,065
Equipment	479,077	\$ 32,981		512,058
Totals at historical cost	<u>1,658,774</u>	<u>32,981</u>		<u>1,691,755</u>
<i>Less Accumulated Depreciation:</i>				
Site Improvements	(20,984)	(1,159)		(22,143)
Building and Building Improvements	(1,066,236)	(10,029)		(1,076,265)
Equipment	(330,655)	(24,746)		(355,401)
Totals accumulated depreciation	<u>(1,417,875)</u>	<u>(35,934)</u>		<u>(1,453,809)</u>
Total Capital Assets, being depreciated, net	<u>240,899</u>	<u>(2,953)</u>		<u>237,946</u>
Governmental Activities Capital Assets, Net	<u>\$ 890,499</u>	<u>\$ (2,953)</u>		<u>\$ 887,546</u>

Depreciation expense in the amount of \$35,934 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 25,154
Plant Operations and Maintenance	3,593
General Administration	3,593
Unallocated	<u>3,594</u>
Total depreciation expense	<u>\$ 35,934</u>

**6. LONG-TERM OBLIGATIONS**

During the fiscal year ended June 30, 2011, the following changes occurred in long-term obligations:

	<u>Principal Outstanding July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2011</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Compensated Absences	\$ 222,260		\$ 33,089	\$ 189,171	
General Obligation Bonds	<u>745,000</u>		<u>115,000</u>	<u>630,000</u>	<u>\$ 120,000</u>
	<u>\$ 967,260</u>	<u>\$ 0</u>	<u>\$ 148,089</u>	<u>\$ 819,171</u>	<u>\$ 120,000</u>

**Riverton School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

**6. LONG-TERM OBLIGATIONS (Continued)**

**Bonds Payable** - Bonds and loans are authorized in accordance with State law by the voters of the School District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the School District are as follows:

2001 General Obligation Bonds dated April 1, 2001 in the amount of \$630,000 due in annual installments through April 1, 2016, bearing interest rate of 4.35%

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 120,000	\$ 27,405	\$ 147,405
2013	125,000	22,185	147,185
2014	125,000	16,747	141,747
2015	130,000	11,310	141,310
2016	130,000	5,655	135,655
	<hr/>	<hr/>	<hr/>
	<u>\$ 630,000</u>	<u>\$ 83,302</u>	<u>\$ 713,302</u>

As of June 30, 2011 the School District had no authorizations to issue additional bonded debt.

**Compensated Absences** - Compensated absences will be paid from the fund from which the employees' salaries are paid.

**7. OPERATING LEASES**

The School District has various non-cancelable operating lease agreements for copiers. Total costs for such leases were approximately \$15,997 for the fiscal year ended June 30, 2011. The future minimum lease payments for these leases are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2012	\$ 15,455
2013	4,939
2014	4,939
2015	3,293
	<hr/>
Total future minimum lease payments	<u>\$ 28,626</u>

**8. PENSION PLANS**

**Description of Plans** – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). The TPAF and PERS are defined benefit pension plans while the DCRP is a defined contribution pension plan. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

**Riverton School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011**

**8. PENSION PLANS (Continued)**

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

The Teachers' Pension and Annuity Fund is a cost-sharing contributory defined benefit pension plan which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over the several preceding fiscal years.

***Public Employees' Retirement System (PERS)***

The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

The School District is billed annually for its normal contribution plus any accrued liability.

The School District's contributions to the PERS, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Total Liability Paid by District</u>
2011	\$ 12,053	\$ 19,206	\$ 2,374	\$ 33,633
2010	10,095	12,971	3,199	26,265
2009	10,018	11,587	2,686	24,291

***Defined Contribution Retirement Program (DCRP)***

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists. In addition, to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

**Riverton School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011**

**8. PENSION PLANS (Continued)**

The School District's contributions to the DCRP were as follows:

<u>Year</u>	<u>Total Liability</u>	<u>Employee Contribution</u>	<u>Paid by School District</u>
2011	\$ 825	\$ 534	\$ 291
2010	0	0	0
2009	0	0	0

**Related Party Investments** – The Division of Pensions and Benefits does not invest in securities issued by the School District.

**9. POST-RETIREMENT BENEFITS**

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2010 there were 87,288 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the state in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State's contribution rate is based on the annual required contribution (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 made post-retirement (PRM) contributions of \$592.7 million for TPAF and \$224.3 million for PERS in Fiscal Year 2009.

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 Alternate Benefit Program who retired from a board of education or county college 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.

**10. ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2011, the School District has recognized as revenues and expenditures on-behalf payments made by the State of New Jersey for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement were \$6,523 and \$138,545, respectively. In addition, the State of New Jersey reimbursed the School District \$136,133 during the fiscal 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 has also been included as a revenue and expenditure in the basic financial statements, and the combining and individual fund statements and schedules in accordance with GASB 24.

**11. DEFERRED COMPENSATION**

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, available to all permanent School District employees, permit them to defer a portion of their current salary to all future years. Participation in the plans is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and therefore are not reflected on the financial statements of the School District.

**Riverton School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011**

**12. RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters.

**Property and Liability Insurance** - The School District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**Joint Insurance Pool** - The School District is a member of the School Alliance Insurance Fund. Insurance coverage as provided by the Fund can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

The Fund publishes its own financial report which can be obtained by writing to: School Alliance Insurance Fund, c/o PEGAS, 51 Everett Drive, Lawrenceville, New Jersey, 08648.

**New Jersey Unemployment Compensation Insurance** - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School 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 School District is billed quarterly for amounts due to the State.

The following is a summary of School District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two fiscal years:

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010-2011	\$ 391	\$ 4,816	\$ 36,320	\$ 57,982
2009-2010	642	3,994	0	89,095
2008-2009	785	3,606	0	84,459

**13. COMPENSATED ABSENCES**

The School District accounts for compensated absences (e.g. unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

School District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policy. Upon termination, employees are paid for accrued vacation. The School District's policy permits employees to accumulated unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the School District for the unused sick leave in accordance with the School District's agreements with the various employee unions.

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2011, the liability for compensated absences in the governmental activities and proprietary fund types was \$189,171 and \$0, respectively.

**Riverton School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011**

**14. INTERFUND RECEIVABLES/PAYABLES**

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2012. The following interfund receivables/payables were recorded on the various balance sheets as of June 30, 2011:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 3,119	
Special Revenue	<u>                    </u>	<u>\$ 3,119</u>
	<u>\$ 2,020</u>	<u>\$ 2,020</u>

**15. CONTINGENCIES**

The School District 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 School District may be required to reimburse the grantor government.

At June 30, 2011, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, deferred revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

**16. FUND BALANCES**

The School District has classified its fund balances with the following hierarchy:

*Nonspendable* – The School District does not have any nonspendable funds.

*Spendable* – The School District has classified the spendable fund balances as *Restricted*, *Assigned* and *Unassigned* and considered each to have been spent when expenditures are incurred. The School District currently has no funds classified as *Committed*.

*Restricted Items:*

**Capital Reserve** – As of June 30, 2011, the balance in the capital reserve account is \$59,383. All of this amount is restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan.

**Maintenance Reserve Account** – As of June 30, 2011, the balance in the maintenance reserve account is \$155,066. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

*Assigned:*

**Year-end Encumbrances** – At June 30, 2011 a total of \$63,496 is assigned to meet contractual obligations. The School District has purchase orders outstanding with vendors in this amount and expects the vendors to deliver the goods and services in the upcoming year.

**Designated for Subsequent Year's Expenditures** – The School District has assigned a total of \$53,500 for appropriation of existing unassigned fund balance at year-end to eliminate a deficit in the upcoming 2011-2012 budget. All of this amount is in the General Fund.

**Riverton School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011**

**16. FUND BALANCES (Continued)**

*Unassigned items* - Represents the remainder of the School District's equity in governmental fund type balances. The balance at June 30, 2011 is \$250,000 and is all in the General Fund.

**Required Supplementary Information - Part II**

**Budgetary Comparison Schedules**

**RIVERTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local Tax Levy	\$ 4,312,289		\$ 4,312,289	\$ 4,312,289	
Tuition	14,850		14,850	15,400	\$ 550
Interest on capital reserve	300		300	490	190
Unrestricted misc. revenues	5,000		5,000	9,080	4,080
<b>Total local sources</b>	<b>4,332,439</b>		<b>4,332,439</b>	<b>4,337,259</b>	<b>4,820</b>
State sources:					
Categorical special education aid	121,113		121,113	173,219	52,106
Equalization aid	277,824		277,824	225,718	(52,106)
On-behalf TPAF pension contrib.. (non-budgeted)				145,068	145,068
Reimbursed TPAF social security contribution (non-budgeted)				136,133	136,133
<b>Total state sources</b>	<b>398,937</b>		<b>398,937</b>	<b>680,138</b>	<b>281,201</b>
<b>TOTAL REVENUES</b>	<b>4,731,376</b>		<b>4,731,376</b>	<b>5,017,397</b>	<b>286,021</b>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of teachers					
Preschool	15,428	\$ 513	15,941	15,461	480
Kindergarten	130,895	1,419	132,314	127,925	4,389
Grades 1-5	669,494	11,187	680,681	659,467	21,214
Grades 6-8	265,653	7,147	272,800	262,876	9,924
Regular Programs - Home Instruction:					
Salaries of teachers		280	280	280	
Regular Programs - Undistributed Instruction:					
Purchased professional - educational services	15,580	(12,340)	3,240	3,108	132
Purchased technical services	3,125		3,125	2,496	629
Other purchased services	8,764	(1,488)	7,276	6,583	693
General supplies	39,000	11,645	50,645	50,645	
Textbooks	8,000	20,640	28,640	28,590	50
Other objects	2,260	(780)	1,480	1,186	294
<b>Total - Regular Programs - Instruction</b>	<b>1,158,199</b>	<b>38,223</b>	<b>1,196,422</b>	<b>1,158,617</b>	<b>37,805</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

**RIVERTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2011**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Special Education Instruction:</b>					
Resource room/resource center:					
Salaries of teachers	\$ 206,639	\$ 5,040	\$ 211,679	\$ 205,748	\$ 5,931
Other salaries for instruction	63,592	(7,814)	55,778	54,754	1,024
General supplies	3,000	450	3,450	3,403	47
Textbooks	300	(300)			
<b>Total resource room/resource center</b>	<b>273,531</b>	<b>(2,624)</b>	<b>270,907</b>	<b>263,905</b>	<b>7,002</b>
Autism:					
Purchased Professional-Educational Services	450	(450)			
<b>Total autsim</b>	<b>450</b>	<b>(450)</b>			
Preschool disabilities - Part time:					
Salaries of teachers	10,659	(442)	10,217	9,923	294
Other salaries for instruction	6,052	1,806	7,858	6,948	910
General supplies	1,000	(177)	823	512	311
<b>Total preschool disabilities - part time</b>	<b>17,711</b>	<b>1,187</b>	<b>18,898</b>	<b>17,383</b>	<b>1,515</b>
Home Instruction:					
Salaries of teachers		2,140	2,140	2,140	
Purchased professional-educational services	2,000	6,000	8,000	7,323	677
<b>Total home instruction</b>	<b>2,000</b>	<b>8,140</b>	<b>10,140</b>	<b>9,463</b>	<b>677</b>
<b>Total Special Education - Instruction</b>	<b>293,692</b>	<b>6,253</b>	<b>299,945</b>	<b>290,751</b>	<b>9,194</b>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of teachers	62,010	(15,503)	46,507	44,502	2,005
General supplies	800	(800)			
<b>Total basic skills/remedial - instruction</b>	<b>62,810</b>	<b>(16,303)</b>	<b>46,507</b>	<b>44,502</b>	<b>2,005</b>
<b>School-Sponsored Cocurricular Act - Instruction:</b>					
Salaries	39,200	10,000	49,200	47,240	1,960
Purchased services	1,664		1,664	1,417	247
Supplies and materials	4,000		4,000	3,200	800
<b>Total school-sponsored cocurr. act. - instruct.</b>	<b>44,864</b>	<b>10,000</b>	<b>54,864</b>	<b>51,857</b>	<b>3,007</b>
<b>Before and After School - Instruction:</b>					
Salaries		5,000	5,000	4,340	660
<b>Total before and after school - instruction</b>		<b>5,000</b>	<b>5,000</b>	<b>4,340</b>	<b>660</b>
<b>Summer School - Instruction:</b>					
Salaries	4,320		4,320	2,520	1,800
Purchased professional-technical services	1,150	(1,150)			
<b>Total summer school - instruction</b>	<b>5,470</b>	<b>(1,150)</b>	<b>4,320</b>	<b>2,520</b>	<b>1,800</b>
<b>Total Instruction</b>	<b>1,565,035</b>	<b>42,023</b>	<b>1,607,058</b>	<b>1,552,587</b>	<b>54,471</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

**RIVERTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2011**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undistributed Expenditures - Instruction</b>					
Tuition to other LEAs within the state - reg.	\$ 512,732	\$ 19,516	\$ 532,248	\$ 528,851	\$ 3,397
Tuition to other LEAs within the state - spec	189,032	22,866	211,898	211,798	100
Tuition to county vocational school - reg	12,500	5,000	17,500	17,500	
Tuition to county vocational school - special	5,000	(2,500)	2,500	2,500	
Tuition to CSSD & Reg. Day schools	279,836	(29,932)	249,904	249,904	
Tuition to priv. sch. for the disabled in state	309,839	(26,217)	283,622	283,621	1
<b>Total undistributed expenditures - instruction</b>	<b>1,308,939</b>	<b>(11,267)</b>	<b>1,297,672</b>	<b>1,294,174</b>	<b>3,498</b>
<b>Attendance and Social Work Services:</b>					
Salaries	5,250	(1,902)	3,348	3,250	98
Purchased professional and technical services	300		300	300	
Supplies and materials	850	2,826	3,676	3,672	4
<b>Total Attendance and Social Work Services</b>	<b>6,400</b>	<b>924</b>	<b>7,324</b>	<b>7,222</b>	<b>102</b>
<b>Health Services:</b>					
Salaries	71,363	(19,334)	52,029	51,757	272
Purchased professional and technical services	500	80	580	580	
Other purchased services	300	74	374	374	
Supplies and materials	300	2,828	3,128	3,128	
<b>Total health services</b>	<b>72,463</b>	<b>(16,352)</b>	<b>56,111</b>	<b>55,839</b>	<b>272</b>
<b>Speech, OT, PT &amp; Related Services</b>					
Salaries	84,726		84,726	82,582	2,144
Purchased professional - educational services	23,700	(3,300)	20,400	19,240	1,160
Supplies and materials	650	(558)	92	92	
<b>Total speech, ot, pt, &amp; related services</b>	<b>109,076</b>	<b>(3,858)</b>	<b>105,218</b>	<b>101,914</b>	<b>3,304</b>
<b>Other Support Services Student - Extraordinary:</b>					
Salaries	16,167	(16,167)			
<b>Total other support services student - extra</b>	<b>16,167</b>	<b>(16,167)</b>			
<b>Guidance:</b>					
Other Objects	2,925	239	3,164	3,164	
<b>Total guidance</b>	<b>2,925</b>	<b>239</b>	<b>3,164</b>	<b>3,164</b>	
<b>Child Study Teams:</b>					
Salaries of other professional staff	176,601	6,192	182,793	175,461	7,332
Salaries of secretarial and clerical assistants	32,534	1,792	34,326	33,326	1,000
Purchased professional - educational services	8,000	28,270	36,270	35,821	449
Misc. purchased services	2,800	(21)	2,779	2,344	435
Supplies and materials	3,000	(199)	2,801	1,808	993
<b>Total child study teams</b>	<b>222,935</b>	<b>36,034</b>	<b>258,969</b>	<b>248,760</b>	<b>10,209</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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**RIVERTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2011**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Improvement of Instructional Services:</b>					
Salaries of other professional staff	\$ 4,000	\$ 10,400	\$ 14,400	\$ 13,530	\$ 870
Salaries of secretarial and clerical assistants	540		540		540
Purchased professional - educational services	<u>2,500</u>		<u>2,500</u>	<u>2,500</u>	
<b>Total improvement of instructional services</b>	<u>7,040</u>	<u>10,400</u>	<u>17,440</u>	<u>16,030</u>	<u>1,410</u>
<b>Educational Media Services/School Library:</b>					
Salaries	33,898	3,367	37,265	36,227	1,038
Purchased professional and technical services	2,000	(330)	1,670	1,670	
Other purchased services (400-500 series)	1,000	29	1,029	1,029	
Supplies and materials	<u>3,300</u>	<u>3,851</u>	<u>7,151</u>	<u>6,929</u>	<u>222</u>
<b>Total educational media services/school library</b>	<u>40,198</u>	<u>6,917</u>	<u>47,115</u>	<u>45,855</u>	<u>1,260</u>
<b>Instructional Staff Training Services:</b>					
Purchased professional - educational services	6,000	(1,005)	4,995	4,995	
Other purchased services	<u>1,500</u>	<u>605</u>	<u>2,105</u>	<u>1,594</u>	<u>511</u>
<b>Total instructional staff training services</b>	<u>7,500</u>	<u>(400)</u>	<u>7,100</u>	<u>6,589</u>	<u>511</u>
<b>Support Services - General Administration:</b>					
Salaries	191,193	(15,629)	175,564	173,392	2,172
Legal services	12,000	(4,508)	7,492	7,492	
Audit Fees	21,500	(852)	20,648	20,000	648
Other purchased professional services	2,020		2,020	1,196	824
Communications / telephone	14,040		14,040	13,056	984
Miscellaneous purchased services	9,400	515	9,915	8,744	1,171
General supplies	4,000	(836)	3,164	3,143	21
Miscellaneous expenditures	<u>11,000</u>	<u>1,581</u>	<u>12,581</u>	<u>12,363</u>	<u>218</u>
<b>Total support services - general administration</b>	<u>265,153</u>	<u>(19,729)</u>	<u>245,424</u>	<u>239,386</u>	<u>6,038</u>
<b>Central Services</b>					
Salaries	81,765	(2,202)	79,563	78,240	1,323
Purchased professional services	9,375	500	9,875	9,825	50
Miscellaneous purchased services	1,500	(500)	1,000	799	201
General supplies	1,300	666	1,966	1,881	85
Miscellaneous expenditures	<u>790</u>	<u>1,536</u>	<u>2,326</u>	<u>2,302</u>	<u>24</u>
<b>Total Central Services</b>	<u>94,730</u>	<u>1,536</u>	<u>94,730</u>	<u>93,047</u>	<u>1,683</u>
<b>Required Maintenance School Facilities:</b>					
Cleaning, repair and maintenance services	59,000	41,566	100,566	96,213	4,353
General supplies	<u>1,000</u>		<u>1,000</u>	<u>978</u>	<u>22</u>
<b>Total required maintenance school facilities</b>	<u>60,000</u>	<u>41,566</u>	<u>101,566</u>	<u>97,191</u>	<u>4,375</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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**RIVERTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2011**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Custodial Services:</b>					
Salaries	\$ 113,868	\$ 2,385	\$ 116,253	\$ 110,715	\$ 5,538
Purchased prof. and technical services	32,600	(2,250)	30,350	29,216	1,134
Cleaning, repair and maintenance services	1,500		1,500	931	569
Rental of land & bldg. other than lease purch.	1,320	(1,320)			
Other purchased property services	2,500	(1,180)	1,320	1,320	
Insurance	42,400	(39,900)	2,500	2,257	243
Misc. purchased services	200	41,063	41,263	41,263	
General Supplies	16,750	889	17,639	17,639	
Energy (Electricity)	79,000	(57,186)	21,814	18,554	3,260
Energy (Heat)	20,000	54,192	74,192	73,912	280
Energy (Gasoline)	250	34	284	284	
<b>Total custodial services</b>	<b>310,388</b>	<b>(3,273)</b>	<b>307,115</b>	<b>296,091</b>	<b>11,024</b>
<b>Total operation &amp; maint. of plant services</b>	<b>370,388</b>	<b>38,293</b>	<b>408,681</b>	<b>393,282</b>	<b>15,399</b>
<b>Student Transportation Services:</b>					
Contr. serv. (between home & sch) - Joint	8,644	2,956	11,600	11,215	385
Contr. Serv. (Spl. Ed. Students) - joint agree.	107,140	(8,956)	98,184	95,687	2,497
<b>Total student transportation services</b>	<b>115,784</b>	<b>(6,000)</b>	<b>109,784</b>	<b>106,902</b>	<b>2,882</b>
<b>Allocated Benefits - Employee Benefits:</b>					
<b>Regular Programs - Instruction:</b>					
Social security contributions	4,364		4,364	3,924	440
Health benefits	274,509	(39,784)	234,725	196,525	38,200
Tuition reimbursement	6,000		6,000	2,854	3,146
<b>Total regular programs - instruction</b>	<b>284,873</b>	<b>(39,784)</b>	<b>245,089</b>	<b>203,303</b>	<b>41,786</b>
<b>Special Programs - Instruction</b>					
Social security contributions	5,858	1,000	6,858	6,702	156
Other retirement contri. - PERS	8,003	1,414	9,417	9,417	
Other retirement contri. - regular		380	380	323	57
Health benefits	91,687	(27,878)	63,809	51,850	11,959
<b>Total special programs - instruction</b>	<b>105,548</b>	<b>(25,084)</b>	<b>80,464</b>	<b>68,292</b>	<b>12,172</b>
<b>Other Instructional Programs - Instruction:</b>					
Social security contributions	4,309		4,309	3,738	571
<b>Total other instructional programs - instruction</b>	<b>4,309</b>		<b>4,309</b>	<b>3,738</b>	<b>571</b>
<b>Attendance &amp; Social Work Services:</b>					
Social security contributions	412	(98)	314	245	69
Other retirement contri. - PERS	433	240	673	673	
Health benefits	871	1,760	2,631	1,931	700
<b>Total attendance &amp; social work services</b>	<b>1,716</b>	<b>1,902</b>	<b>3,618</b>	<b>2,849</b>	<b>769</b>
<b>Health Services:</b>					
Social security contributions	106	311	417	408	9
Health benefits	8,707		8,707	6,459	2,248
<b>Total health services</b>	<b>8,813</b>	<b>311</b>	<b>9,124</b>	<b>6,867</b>	<b>2,257</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

**RIVERTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2011**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Allocated Benefits - Employee Benefits:</b>					
<b>Speech, OT, PT, &amp; Related Services:</b>					
Social security contributions	\$ 281		\$ 281	\$ 212	\$ 69
Health benefits	2,537		2,537	2,040	497
<b>Total speech, ot, pt, &amp; related services</b>	<b>2,818</b>		<b>2,818</b>	<b>2,252</b>	<b>566</b>
<b>Other Support Services Student - Extraordinary:</b>					
Social security contributions	1,368		1,368		1,368
Other retirement contri. - PERS	4,142	\$ (1,115)	3,027	3,027	
Health benefits	2,537		2,537		2,537
<b>Total other support serv. Student - extra.</b>	<b>8,047</b>	<b>(1,115)</b>	<b>6,932</b>	<b>3,027</b>	<b>3,905</b>
<b>Child Study Teams:</b>					
Social security contributions	3,882	8	3,890	3,814	76
Other retirement contri. - PERS	2,685	678	3,363	3,363	
Health benefits	61,235	(1,000)	60,235	46,463	13,772
<b>Total child study teams</b>	<b>67,802</b>	<b>(314)</b>	<b>67,488</b>	<b>53,640</b>	<b>13,848</b>
<b>Improvement of Instruction Services</b>					
Social security contributions	347	688	1,035	1,035	
<b>Total improvement of instruction serv.</b>	<b>347</b>	<b>688</b>	<b>1,035</b>	<b>1,035</b>	
<b>Educational Media Services/School Library:</b>					
Social security contributions	82	10	92	88	4
Health benefits	8,707	(3,539)	5,168	4,638	530
<b>Total educ. media serv./school library</b>	<b>8,789</b>	<b>(3,529)</b>	<b>5,260</b>	<b>4,726</b>	<b>534</b>
<b>General Administration:</b>					
Social security contributions	4,493		4,493	2,936	1,557
Other retirement contri. - PERS	4,547	834	5,381	5,381	
Health benefits	32,261	8,295	40,556	38,023	2,533
Other employee benefits	2,370		2,370	539	1,831
<b>Total general administration</b>	<b>43,671</b>	<b>9,129</b>	<b>52,800</b>	<b>46,879</b>	<b>5,921</b>
<b>Central Services:</b>					
Social security contributions	1,576		1,576	990	586
Other retirement contri. - PERS	1,440	242	1,682	1,682	
Health benefits	2,537	(242)	2,295	2,040	255
<b>Total central services</b>	<b>5,553</b>		<b>5,553</b>	<b>4,712</b>	<b>841</b>
<b>Operation and Maint. of Plant Services:</b>					
Social security contributions	8,943	37	8,980	8,632	348
Other retirement contri. - PERS	8,564	1,526	10,090	10,090	
Health benefits	17,413	(1,526)	15,887	14,373	1,514
Other employee benefits	1,209		1,209	893	316
<b>Total operation &amp; maint. of plant services</b>	<b>36,129</b>	<b>37</b>	<b>36,166</b>	<b>33,988</b>	<b>2,178</b>
<b>Total Allocated Benefits</b>	<b>578,415</b>	<b>(57,759)</b>	<b>520,656</b>	<b>435,308</b>	<b>85,348</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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**RIVERTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2011**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Total Personal Services - Employee Benefits	\$ 578,415	\$ (57,759)	\$ 520,656	\$ 435,308	\$ 85,348
On-behalf TPAF pension contr. (non-budgeted)				145,068	(145,068)
Reimbursed TPAF social security contr. (non-budgeted)				136,133	(136,133)
Total Undistributed Expenditures	3,218,113	(38,725)	3,179,388	3,328,673	(149,285)
Total General Current Expense	4,783,148	3,298	4,786,446	4,881,260	(94,814)
<b>CAPITAL OUTLAY:</b>					
Interest Deposit to Capital Reserve	300		300		300
Equipment:					
Undist. expend. - instruction	10,000	(1,300)	8,700	5,637	3,063
Undist. expend. - custodial services	3,000		3,000	2,344	656
Total Equipment	13,000	(1,300)	11,700	7,981	3,719
Facilities Acquisition and Construction Services					
Other objects	10,841		10,841	10,841	
Total Equipment	10,841		10,841	10,841	
Total Capital Outlay	24,141	(1,300)	22,841	18,822	4,019
<b>TOTAL EXPENDITURES</b>	<b>4,807,289</b>	<b>1,998</b>	<b>4,809,287</b>	<b>4,900,082</b>	<b>(90,795)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(75,913)	(1,998)	(77,911)	117,315	195,226
Fund Balance - July 1, 2010	464,130		464,130	464,130	
Fund Balance - June 30, 2011	<u>\$ 388,217</u>	<u>\$ (1,998)</u>	<u>\$ 386,219</u>	<u>\$ 581,445</u>	<u>\$ 195,226</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital reserve				\$ 59,383	
Maintenance reserve				155,066	
Assigned Fund Balance:					
Year-end encumbrances				63,496	
Designated for subsequent year's expenditures				53,500	
Unassigned Fund Balance				<u>250,000</u>	
				581,445	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(7,835)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 573,610</u>	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

**RIVERTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**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>
<b>REVENUES:</b>					
State sources	\$ 5,648		\$ 5,648	\$ 3,907	\$ 1,741
Federal sources	<u>107,741</u>		<u>107,741</u>	<u>107,313</u>	<u>428</u>
Total Revenues	<u>113,389</u>		<u>113,389</u>	<u>111,220</u>	<u>2,169</u>
<b>EXPENDITURES:</b>					
Instruction:					
Other salaries for instruction	2,736		2,736	2,736	
Textbooks	<u>171</u>		<u>171</u>	<u>171</u>	
Total instruction	<u>2,907</u>		<u>2,907</u>	<u>2,907</u>	
Support services:					
Purchased professional - educ. services	83,988		83,988	81,819	2,169
Purchased professional - tech. services	11,345		11,345	11,345	
Other purchased services	<u>15,149</u>		<u>15,149</u>	<u>15,149</u>	
Total support services	<u>110,482</u>		<u>110,482</u>	<u>108,313</u>	<u>2,169</u>
Facilities acquisition and construction services:					
Instructional equipment					
Total facilities acq. and const. services					
Total Expenditures	<u>113,389</u>		<u>113,389</u>	<u>111,220</u>	<u>2,169</u>
Total outflows	<u>113,389</u>		<u>113,389</u>	<u>111,220</u>	<u>2,169</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>

**RIVERTON SCHOOL DISTRICT**  
**Notes to Required Supplementary Information**  
**Budgetary Comparison**  
**For the Fiscal Year Ended June 30, 2011**

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP  
Revenues and Expenditures**

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 5,017,397	\$ 111,220
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	34,250	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(7,835)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 5,043,812</u>	<u>\$ 111,220</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 4,900,082	\$ 111,220
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 4,900,082</u>	<u>\$ 111,220</u>

Other Supplementary Information

**Special Revenue Fund  
Detail Statements**

The Special Revenue Fund is used to account for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted for specific purposes.



**Capital Projects Fund  
Detail Statements**

The Capital Projects Fund is used to account for the acquisition, construction and/or renovation of major facilities and equipment purchases other than those financed by Proprietary Funds.

The District does not maintain any Capital Projects Fund.

## Proprietary Funds Detail Statements

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District's Board is that the costs of providing goods or services be financed through user fees.

Food Service Fund - This fund provides for the operation of food services in all schools within the school district.

**RIVERTON SCHOOL DISTRICT**  
**Enterprise Funds**  
**Combining Statement of Net Assets**  
**June 30, 2011**

	<u>Food Service Fund</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and cash equivalents	\$ 29,511
Accounts receivable:	
State	42
Federal	922
	<hr/>
Total current assets	<u>30,475</u>
Noncurrent Assets:	
Equipment	
Accumulated depreciation	
	<hr/>
Total noncurrent assets	<hr/>
Total Assets	<u>30,475</u>
<b>LIABILITIES:</b>	
Current liabilities:	
Deferred revenue	<u>1,195</u>
Total current liabilities	<u>1,195</u>
<b>NET ASSETS:</b>	
Invested in capital assets	
Unrestricted	<u>29,280</u>
Total Net Assets	<u><u>\$ 29,280</u></u>

**RIVERTON SCHOOL DISTRICT**  
**Enterprise Funds**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Fund Net Assets**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Food Service Fund</u>
<b>OPERATING REVENUES:</b>	
Charges for services:	
Daily sales reimbursable programs	\$ 29,241
Daily sales non-reimbursable programs:	
Adult and a la carte sales	6,167
	<hr/>
Total Operating Revenue	35,408
	<hr/>
<b>OPERATING EXPENSES:</b>	
Supplies and materials	11,269
Cost of sales	39,760
Other expenses	5,346
	<hr/>
Total Operating Expenses	56,375
	<hr/>
Operating Income (Loss)	(20,967)
	<hr/>
<b>Non-Operating Revenues:</b>	
State sources:	
State school lunch program	740
Federal sources:	
National school lunch program	16,804
	<hr/>
Total Non-Operating Revenues	17,544
	<hr/>
Income (Loss) before Contributions and Transfers	(3,423)
	<hr/>
Operating Transfer In	
	<hr/>
Changes in Net Assets	(3,423)
Net Assets - July 1, 2010	32,703
	<hr/>
Net Assets - June 30, 2011	<u>\$ 29,280</u>

**RIVERTON SCHOOL DISTRICT**  
**Enterprise Funds**  
**Combining Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2010**

	<u>Food Service Fund</u>
<b>Cash Flows from Operating Activities:</b>	
Cash receipts from customers	\$ 36,603
Cash payments to suppliers for goods and services	<u>(56,375)</u>
Net cash used by operating activities	<u>(19,772)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>	
Cash received from state sources	757
Cash received from federal sources	16,776
Cash received from operating transfer	<u>          </u>
Net cash provided by noncapital financing activities	<u>17,533</u>
<b>Cash Flows Used by Capital and Related Financing Activities:</b>	
Purchase of equipment	<u>          </u>
<b>Cash Flow Provided by Investing Activities:</b>	
Interest on cash equivalents	<u>          </u>
Net increase (decrease) in cash and cash equivalents	(2,239)
Cash and cash equivalents - July 1, 2010	<u>31,750</u>
Cash and cash equivalents - June 30, 2011	<u>\$ 29,511</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>	
Operating income (loss)	\$ (20,967)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:	
Change in Assets and Liabilities:	
(Increase) decrease in inventories	
Increase (decrease) in deferred revenue	<u>1,195</u>
Net cash provided by (used for) operating activities	<u>\$ (19,772)</u>
<b>Noncash Noncapital Financing Activities:</b>	
During the year the District did not receive any food commodities from the U.S. Department of Agriculture.	

## Fiduciary Funds Detail Statements

Fiduciary Funds are used to account for funds received by the district for a specific purpose.

Unemployment Compensation Insurance Fund - This fiduciary fund is used to pay unemployment compensation claims.

Agency Funds are used to account for assets held by the district as an agent for individuals, private organizations, or other governments and/or other funds.

Payroll Fund - This agency fund is used to account for the payroll transactions of the district.

Student Activity Fund - This agency fund is used to account for the funds held by the district to be used for student related projects.

**RIVERTON SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Fiduciary Net Assets**  
**June 30, 2011**

	<u>Trust Funds</u>	<u>Agency Funds</u>		
	<u>Unemployment Compensation</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>Totals</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 57,982	\$ 20,370	\$ 14,363	\$ 92,715
	<u>57,982</u>	<u>20,370</u>	<u>14,363</u>	<u>92,715</u>
Total Assets	<u>57,982</u>	<u>20,370</u>	<u>14,363</u>	<u>92,715</u>
 <b>LIABILITIES:</b>				
Payroll deductions payable			\$ 14,363	14,363
Due to student groups		\$ 20,370		20,370
		<u>20,370</u>	<u>14,363</u>	<u>34,733</u>
Total Liabilities		<u>20,370</u>	<u>14,363</u>	<u>34,733</u>
 <b>NET ASSETS:</b>				
Held in Trust for Unemployment Claims	57,982			57,982
	<u>57,982</u>			<u>57,982</u>
Total Net Assets	<u>57,982</u>			<u>57,982</u>

**RIVERTON SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Unemployment Compensation Insurance Trust Fund</u>
<b>ADDITIONS:</b>	
Contributions:	
Employee	\$ 4,816
Total Contributions	<u>4,816</u>
Investment earnings:	
Interest earned	<u>391</u>
Total Additions	<u>5,207</u>
<b>DEDUCTIONS:</b>	
Unemployment claims	36,320
Total Deductions	<u>36,320</u>
Change in Net Assets	(31,113)
Net Assets - July 1, 2010	<u>89,095</u>
Net Assets - June 30, 2011	<u>\$ 57,982</u>

**RIVERTON SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Student Activity Agency Fund Schedule of Receipts and Disbursements**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Balance July 1, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Interfund Payable</u>	<u>Balance June 30, 2011</u>
Elementary / Junior High	\$ 22,411	\$ 30,391	\$ 33,176		\$ 19,626
Julian DeAngelis Fund		31			31
Friends of Riverton	<u>20,608</u>	<u>105</u>	<u>20,000</u>		<u>713</u>
	<u>\$ 43,019</u>	<u>\$ 30,527</u>	<u>\$ 53,176</u>	<u>\$ -</u>	<u>\$ 20,370</u>

**RIVERTON SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Payroll Agency Fund Schedule of Receipts and Disbursements**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 18	\$ 2,439,934	\$ 2,425,589	\$ 14,363
Total Assets	<u>\$ 18</u>	<u>\$ 2,439,934</u>	<u>\$ 2,425,589</u>	<u>\$ 14,363</u>
 <b>LIABILITIES:</b>				
Net payroll		\$ 1,435,364	\$ 1,435,364	
Payroll deductions and withholdings	\$ 18	<u>1,004,570</u>	<u>990,225</u>	<u>\$ 14,363</u>
Total Liabilities	<u>\$ 18</u>	<u>\$ 2,439,934</u>	<u>\$ 2,425,589</u>	<u>\$ 14,363</u>

## Long-Term Debt Schedules

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

**RIVERTON SCHOOL DISTRICT**  
**Statement 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</u>		<u>Interest Rate</u>	<u>Balance July 1, 2010</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2011</u>
			<u>Date</u>	<u>Amount</u>					
School Renovations	04/01/00	\$ 1,500,000	04/01/12	\$120,000	4.35%	\$ 745,000		\$ 115,000	\$ 630,000
			04/01/13	125,000					
			04/01/14	125,000					
			04/01/15	130,000					
			04/01/16	130,000					
						<u>\$ 745,000</u>	<u>\$ -</u>	<u>\$ 115,000</u>	<u>\$ 630,000</u>

**RIVERTON SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 Debt Service Fund  
 For the Fiscal Year Ended June 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 147,408		\$ 147,408	\$ 147,408	
<b>Total Revenues</b>	<b>147,408</b>		<b>147,408</b>	<b>147,408</b>	
<b>EXPENDITURES:</b>					
Regular debt service:					
Interest	32,408		32,408	32,408	
Redemption of principal	115,000		115,000	115,000	
<b>Total Expenditures</b>	<b>147,408</b>		<b>147,408</b>	<b>147,408</b>	
Excess (Deficiency) of revenues over (under) expenditures					
Fund Balance - July 1, 2010					
Fund Balance - June 30, 2011	---	---	---	---	---
Recapitulation of Excess (Deficiency) or revenues over (under) expenditures					
Budgeted Fund Balance	---	---	---	---	---

**Statistical Section**

**Riverton School District  
Net Assets by Component,  
Last Eight Fiscal Years  
(accrual basis of accounting)**

J-1

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:								
Invested in capital assets, net of related debt	\$ (428,671)	\$ (367,949)	\$ (265,491)	\$ (118,798)	\$ (51,197)	\$ 48,264	\$ 145,499	\$ 257,546
Restricted for:								
Capital projects							33,587	59,383
Other purposes	118,374	251,311	87,845	144,090	166,906	206,250	180,543	272,062
Unrestricted	(58,929)	35,314	(81,431)	110,691	99,343	(10,575)	(464)	57,933
Total governmental activities net assets	<u>\$ (369,226)</u>	<u>\$ (81,324)</u>	<u>\$ (259,077)</u>	<u>\$ 135,983</u>	<u>\$ 215,052</u>	<u>\$ 243,939</u>	<u>\$ 359,165</u>	<u>\$ 646,924</u>
Business-type activities:								
Invested in capital assets, net of related debt	-	-	-	-	-	-	-	-
Unrestricted	\$ 1,443	\$ 2,612	\$ 2,236	\$ 19,475	\$ 28,798	\$ 20,261	\$ 32,703	\$ 29,280
Total business-type activities net assets	<u>\$ 1,443</u>	<u>\$ 2,612</u>	<u>\$ 2,236</u>	<u>\$ 19,475</u>	<u>\$ 28,798</u>	<u>\$ 20,261</u>	<u>\$ 32,703</u>	<u>\$ 29,280</u>
District-wide:								
Invested in capital assets, net of related debt	\$ (428,671)	\$ (367,949)	\$ (265,491)	\$ (118,798)	\$ (51,197)	\$ 48,264	\$ 145,499	\$ 257,546
Restricted for:								
Capital projects							33,587	59,383
Other purposes	118,374	251,311	87,845	144,090	166,906	206,250	180,543	272,062
Unrestricted	(57,486)	37,926	(79,195)	130,166	128,141	9,686	32,239	87,213
Total district net assets	<u>\$ (367,783)</u>	<u>\$ (78,712)</u>	<u>\$ (256,841)</u>	<u>\$ 155,458</u>	<u>\$ 243,850</u>	<u>\$ 264,200</u>	<u>\$ 391,868</u>	<u>\$ 676,204</u>

Note - District was not required to follow GASB 34 reporting format until fiscal year 2004.

**Riverton School District**  
**Changes in Net Assets, Last Eight Fiscal Years**  
*(accrual basis of accounting)*

		Fiscal Year Ending June 30,							
		2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses:</b>									
Governmental activities:									
Instruction:									
Regular		\$ 1,483,478	\$ 1,378,190	\$ 1,565,315	\$ 1,240,434	\$ 1,392,211	\$ 1,567,239	\$ 1,687,246	\$ 1,153,589
Special education		283,080	287,708	224,255	290,553	286,610	285,487	413,805	290,751
Other instruction		68,149	85,134	65,654	75,806	92,949	114,013	120,448	103,219
Support Services:									
Tuition		928,623	1,176,266	1,116,718	969,709	1,100,107	1,085,070	1,061,015	1,294,174
Student & instruction related services		408,096	448,386	400,668	417,704	459,221	461,401	670,947	593,686
General and business administrative services		295,758	255,860	223,514	217,994	334,008	331,645	391,269	336,026
Plant operations and maintenance		317,426	315,135	485,709	366,757	367,043	351,201	378,883	382,716
Pupil transportation		73,465	61,213	61,847	59,767	84,746	91,112	106,684	106,902
Business and other support services		144,396	95,560	87,733	74,601	775			
Unallocated employee benefits				652,116	822,037	914,395	786,892	277,047	716,509
Interest on long-term debt		59,595	69,872	48,231	52,744	44,642	40,454	35,997	31,157
Unallocated depreciation		2,579	2,579	2,579	2,577	3,298	3,345	5,813	5,952
Total governmental activities expenses		<u>4,064,645</u>	<u>4,175,903</u>	<u>4,934,339</u>	<u>4,590,683</u>	<u>5,080,005</u>	<u>5,117,859</u>	<u>5,149,154</u>	<u>5,014,681</u>
Business-type activities:									
Food service		37,708	22,186	22,201	25,885	30,601	58,641	42,335	56,375
Total business-type activities expense		<u>37,708</u>	<u>22,186</u>	<u>22,201</u>	<u>25,885</u>	<u>30,601</u>	<u>58,641</u>	<u>42,335</u>	<u>56,375</u>
Total district expenses		<u>\$ 4,102,353</u>	<u>\$ 4,198,089</u>	<u>\$4,956,540.00</u>	<u>\$4,616,568.00</u>	<u>\$ 5,110,606.00</u>	<u>\$ 5,176,500.00</u>	<u>\$ 5,191,489.00</u>	<u>\$5,071,056.00</u>
<b>Program Revenues:</b>									
Governmental activities:									
Operating grants and contributions		\$ 396,506	\$ 352,445	\$ 138,194	\$ 114,864	\$ 123,059	\$ 225,177	\$ 457,823	\$ 392,421
Total governmental activities program revenues		<u>396,506</u>	<u>352,445</u>	<u>138,194</u>	<u>114,864</u>	<u>123,059</u>	<u>225,177</u>	<u>457,823</u>	<u>392,421</u>

(Continued)

**Riverton School District**  
**Changes in Net Assets, Last Eight Fiscal Years**  
*(accrual basis of accounting)*

J-2

		Fiscal Year Ending June 30,							
		2004	2005	2006	2007	2008	2009	2010	2011
<b>Business-type activities:</b>									
Charges for services:									
Food service		\$ 19,459	\$ 14,622	\$ 17,435	\$ 28,337	\$ 30,914	\$ 38,123	\$ 40,090	\$ 35,408
Operating grants and contributions		9,253	4,733	4,390	6,787	9,010	11,981	14,687	17,544
Capital grants and contributions									
Total business type activities program revenues		<u>28,712</u>	<u>19,355</u>	<u>21,825</u>	<u>35,124</u>	<u>39,924</u>	<u>50,104</u>	<u>54,777</u>	<u>52,952</u>
Total district program revenues		<u>\$ 425,218</u>	<u>\$ 371,800</u>	<u>\$ 160,019</u>	<u>\$ 149,988</u>	<u>\$ 162,983</u>	<u>\$ 275,281</u>	<u>\$ 512,600</u>	<u>\$ 445,373</u>
<b>Net (Expense)/Revenue:</b>									
Governmental activities		\$ (3,668,139)	\$ (3,823,458)	\$ (4,796,145)	\$ (4,475,819)	\$ (4,956,946)	\$ (4,892,682)	\$ (4,691,331)	\$ (4,622,260)
Business-type activities		(8,996)	(2,831)	(376)	9,239	9,323	(8,537)	12,442	(3,423)
Total district-wide net expense		<u>\$ (3,677,135)</u>	<u>\$ (3,826,289)</u>	<u>\$ (4,796,521)</u>	<u>\$ (4,466,580)</u>	<u>\$ (4,947,623)</u>	<u>\$ (4,901,219)</u>	<u>\$ (4,678,889)</u>	<u>\$ (4,625,683)</u>
<b>General Revenues and Other Changes in Net Assets:</b>									
Governmental activities:									
Property taxes levied for general purposes, net		\$ 3,024,035	\$ 3,355,015	\$ 3,557,982	\$ 3,666,729	\$ 3,794,184	\$ 3,949,811	\$ 4,035,363	\$ 4,312,289
Taxes levied for debt service		129,595	98,138	138,288	139,590	140,675	141,543	147,193	147,408
Unrestricted grants and contributions		614,236	606,190	871,199	1,001,172	1,033,025	765,278	609,285	425,352
Miscellaneous income		3,266	56,017	50,923	71,388	68,131	65,207	14,446	24,970
Transfers		(14,700)	(4,000)		(8,000)				
Total governmental activities		<u>3,756,432</u>	<u>4,111,360</u>	<u>4,618,392</u>	<u>4,870,879</u>	<u>5,036,015</u>	<u>4,921,839</u>	<u>4,806,287</u>	<u>4,910,019</u>
Business-type activities:									
Investment earnings		-	-	-	-	-	-	-	-
Transfers		14,700	4,000		8,000				
Total business-type activities		<u>14,700</u>	<u>4,000</u>	<u>-</u>	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district-wide		<u>\$ 3,771,132</u>	<u>\$ 4,115,360</u>	<u>\$ 4,618,392</u>	<u>\$ 4,878,879</u>	<u>\$ 5,036,015</u>	<u>\$ 4,921,839</u>	<u>\$ 4,806,287</u>	<u>\$ 4,910,019</u>
<b>Change in Net Assets:</b>									
Governmental activities		\$ 88,293	\$ 287,902	\$ (177,753)	\$ 395,060	\$ 79,069	\$ 29,157	\$ 114,956	\$ 287,759
Business-type activities		5,704	1,169	(376)	17,239	9,323	(8,537)	12,442	(3,423)
Total district-wide		<u>\$ 93,997</u>	<u>\$ 289,071</u>	<u>\$ (178,129)</u>	<u>\$ 412,299</u>	<u>\$ 88,392</u>	<u>\$ 20,620</u>	<u>\$ 127,398</u>	<u>\$ 284,336</u>

Note - District was not required to follow GASB 34 reporting format until fiscal year 2004.

**Riverton School District**  
**Fund Balances, Governmental Funds,**  
**Last Eight Fiscal Years**  
*(modified accrual basis of accounting)*

		Fiscal Year Ending June 30,							
		2004	2005	2006	2007	2008	2009	2010	2011
General Fund:									
Restricted for:									
	Capital reserve						\$ 33,587	\$ 33,892	\$ 59,383
	Future tuition payments		\$ 26,892			\$ 21,413	\$ 21,413	\$ 21,413	
	Maintenance					60,000	93,588	102,327	155,066
	Excess surplus			\$ 20,800					
Assigned for:									
	Year-end Encumbrances	\$ 84,962	224,419	66,409	\$ 123,290	31,493	3,432	1,998	63,496
	Subsequent year's budget				20,800	54,000	54,500	54,500	53,500
08	Unrestricted	(15,644)	71,052	71,970	233,161	231,272	210,824	215,750	242,165
	<b>Total general fund</b>	<u>\$ 69,318</u>	<u>\$ 322,363</u>	<u>\$ 159,179</u>	<u>\$ 377,251</u>	<u>\$ 398,178</u>	<u>\$ 417,344</u>	<u>\$ 429,880</u>	<u>\$ 573,610</u>
All Other Governmental Funds									
Reserved:									
	Encumbrances			\$ 636					
Unreserved, reported in:									
	Special revenue fund	\$ (478)	\$ (478)	(478)	\$ (478)	\$ (478)			
	Debt service fund	33,412							
	<b>Total all other governmental funds</b>	<u>\$ 32,934</u>	<u>\$ (478)</u>	<u>\$ 158</u>	<u>\$ (478)</u>	<u>\$ (478)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note - District was not required to follow GASB 34 reporting format until fiscal year 2004.

**Riverton School District**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

03

	Fiscal Year Ending June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>										
Tax levy	\$ 2,896,480	\$ 2,954,597	\$ 3,153,630	\$ 3,453,153	\$ 3,696,270	\$ 3,808,319	\$ 3,934,859	\$ 4,091,354	\$ 4,182,556	\$ 4,459,697
Tuition charges	37,111									
Miscellaneous	29,391	3,989	3,266	56,017	50,923	71,388	68,131	65,207	14,446	24,970
State sources	666,850	849,878	888,340	835,214	884,757	1,010,730	1,053,704	887,767	836,125	710,460
Federal sources	106,577	116,645	122,402	123,421	124,636	105,306	102,380	102,688	230,983	107,313
<b>Total revenue</b>	<b>3,736,409</b>	<b>3,925,109</b>	<b>4,167,638</b>	<b>4,467,805</b>	<b>4,756,586</b>	<b>4,993,743</b>	<b>5,159,074</b>	<b>5,147,016</b>	<b>5,264,110</b>	<b>5,302,440</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular instruction	1,117,201	1,072,503	1,130,226	1,069,098	1,435,713	1,267,761	1,358,094	1,451,261	1,669,416	1,161,524
Special education instruction	173,125	178,773	215,313	223,868	224,255	290,553	286,610	285,487	413,805	290,751
Other special instruction	99,944	92,938	51,900	66,475	65,654	75,806	92,949	114,013	120,448	103,219
Other instruction	28,424	33,612								
<b>Support Services:</b>										
Tuition	796,999	930,889	928,623	1,176,266	1,116,718	969,709	1,100,107	1,085,070	1,061,015	1,294,174
Student & instruction related services	337,564	318,685	326,646	362,118	400,668	417,704	459,221	461,401	670,948	593,686
General and business admin. services	369,630	341,597	356,619	290,044	310,362	291,716	332,592	329,343	387,815	332,433
Plant operations and maintenance	273,145	252,892	266,765	266,356	332,535	313,221	328,948	344,993	375,430	393,282
Pupil transportation	50,635	77,253	73,465	58,518	61,847	59,767	84,746	91,112	106,684	106,902
Employee benefits	371,322	613,945	599,988	566,089	652,116	822,037	914,395	786,892	277,047	716,509
Capital outlay	223,606	86,330	83,242	33,790	180,978	120,443	39,810	36,257	21,773	18,822
<b>Debt service:</b>										
Principal	65,000	65,000	70,000	75,000	85,000	90,000	95,000	100,000	110,000	115,000
Interest and other charges	65,250	62,422	59,595	56,550	53,288	49,590	45,675	41,543	37,193	32,408
<b>Total expenditures</b>	<b>3,971,845</b>	<b>4,126,839</b>	<b>4,162,382</b>	<b>4,244,172</b>	<b>4,919,134</b>	<b>4,768,307</b>	<b>5,138,147</b>	<b>5,127,372</b>	<b>5,251,574</b>	<b>5,158,710</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>(235,436)</b>	<b>(201,730)</b>	<b>5,256</b>	<b>223,633</b>	<b>(162,548)</b>	<b>225,436</b>	<b>20,927</b>	<b>19,644</b>	<b>12,536</b>	<b>143,730</b>
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing										
Transfers out	(16,000)		(14,700)	(4,000)		(8,000)				
<b>Total other financing sources (uses)</b>	<b>(16,000)</b>	<b>-</b>	<b>(14,700)</b>	<b>(4,000)</b>	<b>-</b>	<b>(8,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (251,436)</b>	<b>\$ (201,730)</b>	<b>\$ (9,444)</b>	<b>\$ 219,633</b>	<b>\$ (162,548)</b>	<b>\$ 217,436</b>	<b>\$ 20,927</b>	<b>\$ 19,644</b>	<b>\$ 12,536</b>	<b>\$ 143,730</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>3.47%</b>	<b>3.15%</b>	<b>3.18%</b>	<b>3.12%</b>	<b>2.92%</b>	<b>3.00%</b>	<b>2.76%</b>	<b>2.78%</b>	<b>2.81%</b>	<b>2.87%</b>

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Riverton School District  
 General Fund - Other Local Revenue by Source  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

J-5

<u>Fiscal Year Ending June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Donations</u>	<u>Prior Year Refunds</u>	<u>Miscellaneous</u>	<u>Total</u>
2002	\$ 16,195	\$ 37,111	\$ 9,000		\$ 4,196	\$ 66,502
2003	3,217				772	3,989
2004	2,443			\$ 132	691	3,266
2005	7,891			48,126		56,017
2006	27,147			23,776		50,923
2007	26,786			44,528	74	71,388
2008	17,402	6,700		44,029		68,131
2009	7,187	13,500		44,520		65,207
2010	5,072	7,475		1,790	109	14,446
2011	5,951	15,400		3,457	162	24,970
	<u>\$ 119,291</u>	<u>\$ 80,186</u>	<u>\$ 9,000</u>	<u>\$ 210,358</u>	<u>\$ 6,004</u>	<u>\$ 424,839</u>

Source: District records

**Riverton School District  
Assessed Value and Actual Value of Taxable Property,  
Last Ten Fiscal Years**

88

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2002	\$ 874,000	\$ 117,718,600	\$ 7,666,700	\$ 932,000	\$ 3,373,800	\$ 130,565,100	\$ 206,830	\$ 130,771,930	\$ 18,229,700	\$ 2.259	\$ 152,871,490
2003	940,400	117,909,700	7,669,800	932,000	3,373,800	130,825,700	184,621	131,010,321	18,229,700	2.407	164,280,734
2004	940,400	118,101,600	7,597,100	932,000	3,373,800	130,944,900	163,548	131,108,448	18,358,400	2.634	182,370,176
2005	855,300	118,077,400	7,728,000	932,000	3,373,800	130,966,500	139,926	131,106,426	18,493,400	2.820	200,714,647
2006	753,300	118,543,400	7,728,000	932,000	3,373,800	131,330,500	108,637	131,439,137	18,604,700	2.896	233,698,872
2007	2,007,000	118,569,400	6,448,900	932,000	3,373,800	131,331,100	107,991	131,439,091	18,604,700	2.994	253,354,380
2008	1,460,700	119,219,500	7,885,900	932,000	3,373,800	132,871,900	110,236	132,982,136	18,534,900	3.077	275,092,506
2009	R 1,659,600	255,357,300	17,030,700	1,600,300	7,261,100	282,909,000	248,007	283,157,007	30,144,600	1.477	278,840,930
2010	978,200	256,017,200	17,879,900	1,600,300	7,261,100	283,736,700	231,522	283,968,222	29,600,100	1.570	301,535,156
2011	1,258,400	255,935,000	17,405,800	1,600,300	7,261,100	283,460,600	207,789	283,668,389	29,326,200	1.607	N/A

**Source:**  
Municipal Tax Assessor

**Note:**  
Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100 of assessed valuation.

R Revaluation

**Riverton School District  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years  
(rate per \$100 of assessed value)**

J-7

Fiscal Year Ended June 30,	Riverton School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Borough of Riverton	Burlington County	
2001	\$ 2.160	\$ 0.099	\$ 2.259	\$ 0.974	\$ 0.628	\$ 3.861
2003	2.310	0.097	2.407	1.068	0.639	4.114
2004	2.536	0.098	2.634	1.199	0.653	4.486
2005	2.745	0.075	2.820	1.280	0.700	4.800
2006	2.885	0.011	2.896	1.337	0.786	5.019
2007	2.983	0.011	2.994	1.385	0.811	5.190
2008	2.971	0.106	3.077	1.345	0.804	5.226
2009	1.427	0.050	1.477	0.599	0.375	2.451
2010	1.520	0.050	1.570	0.598	0.404	2.572
2011	1.557	0.050	1.607	0.598	0.385	2.590

Source: Municipal Tax Collector

**Riverton School District  
Principal Property Tax Payers,  
Current Year and Nine Years Ago**

J-8

8

Taxpayer	2010-2011		Taxpayer	2000-2001	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
The Shops at Riverton, LLC	\$ 3,740,600	1.32%	SSJ Holding, LP Shopping Center	\$ 1,214,100	0.93%
National Casein	1,778,900	0.63%	Chas. Cook, Glue Factory	1,007,900	0.77%
Cedar Lane Manor	1,656,000	0.58%	NJ Properties	947,700	0.72%
Moccia Properties	1,449,300	0.51%	D & P Goffredo	935,200	0.72%
Riverton Country Club	1,381,600	0.49%	Moccia Properties	867,350	0.66%
Goffredo, Phyllis	1,374,000	0.48%	Cedar Lane Manor, Apt. Complex	740,000	0.57%
DiLeo, Mark and Paula	1,279,300	0.45%	Thomas Dolecky	621,300	0.48%
Dolecky, Thomas	1,270,000	0.45%	Riverton Country Club	647,000	0.49%
Goffredo, Daniel	1,198,000	0.42%	Wayne Bromley	488,800	0.37%
Riverton Square, LLC	1,074,100	0.38%	Lawrence & Lisa Antonucci	488,580	0.37%
<b>Total</b>	<b>\$ 16,201,800</b>	<b>5.71%</b>		<b>\$ 7,957,930</b>	<b>6.09%</b>

Source: Municipal Tax Assessor

**Riverton School District  
Property Tax Levies and Collections,  
Last Ten Fiscal Years**

J-9

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Calendar Year</u>	<u>Collected within the Fiscal Year of the Levy<sup>a</sup></u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2001	\$ 2,896,480	\$ 2,896,480	100.00%	-
2003	2,954,597	2,954,597	100.00%	-
2004	3,153,630	3,153,630	100.00%	-
2005	3,453,153	3,453,153	100.00%	-
2006	3,696,270	3,696,270	100.00%	-
2007	3,806,319	3,806,319	100.00%	-
2008	3,934,859	3,934,859	100.00%	-
2009	4,091,354	4,091,354	100.00%	-
2010	4,182,556	4,182,556	100.00%	-
2011	4,459,697	4,459,697	100.00%	-

**Source: District records including the Certificate and Report of School Taxes (A4F form)**

a School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statutes, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Riverton School District  
 Ratios of Outstanding Debt by Type  
 Last Ten Fiscal Years

J-10

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Percentage of Personal Income <sup>b</sup>	Per Capita <sup>c</sup>
	General Obligation Bonda <sup>a</sup>	Capital Leases	Capital Leases	Total District		
2002	\$ 1,435,000	\$ -	\$ -	\$ 1,435,000	1.42%	\$ 522
2003	1,370,000	-	-	1,370,000	1.34%	499
2004	1,300,000	-	-	1,300,000	1.25%	475
2005	1,225,000	-	-	1,225,000	1.13%	451
2006	1,140,000	-	-	1,140,000	1.03%	422
2007	1,050,000	-	-	1,050,000	0.89%	395
2008	955,000	-	-	955,000	0.79%	362
2009	855,000	-	-	855,000	0.69%	325
2010	745,000	-	-	745,000	0.61%	283
2011	630,000	-	-	630,000	Unavailable	240

Sources:

- a District Records
- b Personal Income has been estimated based upon the municipal population and per capita personal income.
- c Per Capita Personal Income Data provided by the NJ Dept. of Labor and Workforce.

**Riverton School District  
 Ratios of Net General Bonded Debt Outstanding  
 Last Ten Fiscal Years**

J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable <sup>b</sup>	Per Capita <sup>c</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding <sup>a</sup>		
2002	\$ 1,435,000	\$ -	1,435,000	1.10%	\$ 522
2003	1,370,000	-	1,370,000	1.05%	499
2004	1,300,000	-	1,300,000	0.99%	475
2005	1,225,000	-	1,225,000	0.93%	451
2006	1,140,000	-	1,140,000	0.87%	422
2007	1,050,000	-	1,050,000	0.80%	395
2008	955,000	-	955,000	0.72%	362
2009	855,000	-	855,000	0.30%	325
2010	745,000	-	745,000	0.26%	283
2011	630,000	-	630,000	0.22%	240

**Sources:**

- a District Records
- b Net Assessed Valuation provided by Anstract of Ratables, County Board of Taxation
- c Per Capita Personal Inome Data provided by the NJ Dept. of Labor and Workforce.

**Riverton School District  
Ratios of Overlapping Governmental Activities Debt  
As of December 31, 2010**

**J-12**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Borough of Riverton (1)	\$ 1,658,358	100.000%	\$ 1,658,358
Burlington County General Obligation Debt (1)	379,858,498	0.702% (2)	2,666,607
			<hr/>
Subtotal, overlapping debt			4,324,965
Riverton School District Direct Debt			<hr/> 630,000
<b>Total direct and overlapping debt</b>			<hr/> <b>\$ 4,954,965</b> <hr/>

**Sources:**

- (1) Entity's Audit Report
- (2) The County percentage is based upon a calculation reflecting the Borough's share of the 2010 Equalized Valuation. The source for this computation was the 2010 County Abstract of Ratables, provided by the County Board of Taxation.

Legal Debt Margin Calculation for Fiscal Year 2011

Equalized valuation basis	
2008	\$ 275,896,802
2009	299,787,009
2010	287,324,524
	<u>\$ 863,008,335</u>

Average equalized valuation of taxable property \$ 287,669,445

Debt limit (3% of average equalized valuation) (2) 8,630,083  
 Net bonded school debt 630,000  
 Legal debt margin \$ 8,000,083

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 4,387,169	\$ 4,605,314	\$ 4,973,220	\$ 5,449,533	\$ 6,141,023	\$ 6,852,304	\$ 7,563,950	\$ 7,998,344	\$ 8,469,170	\$ 8,630,083
Total net debt applicable to limit (3)	<u>1,435,000</u>	<u>1,370,000</u>	<u>1,300,000</u>	<u>1,225,000</u>	<u>1,140,000</u>	<u>1,050,000</u>	<u>955,000</u>	<u>855,000</u>	<u>745,000</u>	<u>630,000</u>
Legal debt margin	<u>\$ 2,952,169</u>	<u>\$ 3,235,314</u>	<u>\$ 3,673,220</u>	<u>\$ 4,224,533</u>	<u>\$ 5,001,023</u>	<u>\$ 5,802,304</u>	<u>\$ 6,608,950</u>	<u>\$ 7,143,344</u>	<u>\$ 7,724,170</u>	<u>\$ 8,000,083</u>
Total net debt applicable to the limit as a percentage of debt limit	32.71%	29.75%	26.14%	22.48%	18.56%	15.32%	12.63%	10.69%	8.80%	7.30%

Sources:

- (1) Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 8 district.
- (3) District Records

**Riverton School District  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

J-14

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2001	2,742	\$ 101,212,704	\$ 36,912	1.2%
2002	2,748	102,497,652	37,299	1.8%
2003	2,744	104,222,608	37,982	1.8%
2004	2,738	108,441,228	39,606	1.7%
2005	2,718	110,880,810	40,795	2.2%
2006	2,700	117,587,700	43,551	2.4%
2007	2,657	120,795,191	45,463	2.1%
2008	2,636	123,807,648	46,968	2.9%
2009	2,629	122,290,564	46,516	5.2%
2010	2,629	e	e	5.5%

**Source:**

- <sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development
- <sup>b</sup> Personal income has been established based upon the municipal population and per capita personal income presented.
- <sup>c</sup> Per Capita personal income provided by the NJ Dept. of Labor and Workforce Development.
- <sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development
- <sup>e</sup> Information not available

**Riverton School District  
Full-time Equivalent District Employees by Function/Program,  
Last Ten Fiscal Years**

J-16

<b>Function/Program</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Instruction</b>										
Regular	20	19	19	18	17	19	20	20	20	19
Special education	3	3	3	3	3	3	3	3	3	3
<b>Support Services:</b>										
Student & instruction related services	5	4	4	5	4	3	3	3	3	3
General and business administrative services	3	3	3	3	3	3	3	3	3	3
Plant operations and maintenance	3	3	3	3	3	2	2	2	2	2
Business and other support services	2	2	2	2	2	2	2	2	2	2
<b>Total</b>	<b>34</b>	<b>33</b>	<b>34</b>	<b>34</b>	<b>32</b>	<b>32</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>32</b>

97 **Source:**  
District Personnel Records

Riverton School District  
 Operating Statistics,  
 Last Ten Fiscal Years

J-17

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
2002	265	\$ 3,617,989	\$ 13,652.79	1.20%	22	1:10	259.0	249.0	1.97%	96.14%
2003	265	3,913,087	14,766.37	8.16%	20	1:10	255.0	243.0	-1.54%	95.29%
2004	245	3,949,545	16,120.59	9.17%	22	1:10	249.0	238.0	-2.35%	95.58%
2005	225	4,078,832	18,128.14	12.45%	21	1:10	222.0	213.0	-10.84%	95.95%
2006	229	4,599,868	20,086.76	10.80%	20	1:11	229.0	221.0	3.15%	96.51%
2007	243	4,508,274	18,552.57	-7.64%	22	1:11	243.5	234.5	6.33%	96.30%
2008	254	4,957,662	19,518.35	5.21%	23	1:11	255.7	246.8	5.01%	96.52%
2009	263	4,949,572	18,819.67	-3.58%	23	1:11	260.2	249.8	1.76%	96.00%
2010	265	5,082,608	19,179.65	1.91%	23	1:11	269.4	258.9	3.54%	96.10%
2011	279	4,992,480	17,894.19	-6.70%	22	1:12	279.2	268.8	3.64%	96.28%

Sources: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**Riverton School District  
School Building Information  
Last Ten Fiscal Years**

J-18

	<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>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Riverton Elementary (1910)										
Square Feet	42,240	42,240	42,240	42,240	42,240	42,240	42,240	42,240	42,240	42,240
Capacity (students)	322	322	322	322	322	322	322	322	322	322
Enrollment	265	265	245	225	229	243	254	263	265	279

Number of Schools at June 30, 2011  
 Elementary = 1  
 Middle School = 0  
 Senior High School = 0  
 Other = 0

86 Source: District Facilities Office

Riverton School District  
 Schedule of Required Maintenance  
 Last Ten Fiscal Years

J-19

UNDISTRIBUTED EXPENDITURES - REQUIRED  
 MAINTENANCE FOR SCHOOL FACILITIES  
 11-000-261-xxx

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Total
* School Facilities											
Riverton Public School	\$ -	\$ 7,417	\$ 34,015	\$ 23,735	\$ 67,993	\$ 39,222	\$ 55,543	\$ 55,543	\$ 49,345	\$ 97,192	\$ 430,005
Project # (s)											
Total School Facilities	<u>\$ -</u>	<u>\$ 7,417</u>	<u>\$ 34,015</u>	<u>\$ 23,735</u>	<u>\$ 67,993</u>	<u>\$ 39,222</u>	<u>\$ 55,543</u>	<u>\$ 55,543</u>	<u>\$ 49,345</u>	<u>\$ 97,192</u>	<u>\$ 430,005</u>

100

\* School facilities as defined under EFCFA.  
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

**Riverton School District  
Insurance Schedule  
June 30, 2011**

J-20

	<u>Coverage</u>	<u>Self-insured Retention</u>	<u>Deductible</u>
School Package Policy (1)			
Building and Contents, Boiler & Machinery, Extra Expense, Valuable Papers, EDP Equipment			
Limits of liability per occurrence	\$ 250,000,000		
General liability	5,000,000		
Automobile liability	5,000,000		
Aggregate Excess Liability	5,000,000	\$ 100,000	
Environmental liability	1,000,000		\$ 10,000
Workers' compensation	Statutory		
Crime and fidelity	100,000		1,000
Errors and Omissions (2)	1,000,000		5,000
Excess School Leaders Errors and Omissions (2)	5,000,000	\$ 10,000	
Surety Bonds (3)			
Treasurer	175,000		
Board Secretary	80,000		

- (1) School Alliance Insurance Fund
- (2) New Jersey School Boards Insurance Group
- (3) Selective Insurance Company

Source: District records

**Single Audit Section**

# ***INVERSO & STEWART, LLC***

**Certified Public Accountants  
Registered Municipal Accountants**

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American Institute of CPAs  
New Jersey Society of CPAs

## **INDEPENDENT AUDITOR'S 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 NEW JERSEY OMB CIRCULAR 04-04**

The Honorable President and Members  
of the Board of Education  
Riverton School District  
County of Burlington  
Riverton, New Jersey

### **Compliance**

We have audited Riverton School District (School District), in the County of Burlington, State of New Jersey's compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2011. The School District'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 requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District'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, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the School District'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 the School District's compliance with those requirements.

In our opinion, the Riverton School District, in the County of Burlington, State of New Jersey, 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 the Riverton School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the School District's internal control over compliance with the 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 New Jersey OMB's 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 School District's internal control over compliance.

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

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 the management, the Board of Education, others within the School District, the Division of Finance, Department of Education, State of New Jersey, and other federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

**INVERSO & STEWART, LLC**  
Certified Public Accountants

A handwritten signature in black ink, appearing to read 'Robert A. Stewart', written in a cursive style.

Robert A. Stewart  
Public School Accountant

Marlton, New Jersey  
July 31, 2011

RIVERTON SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2010			Carryover (Walkover)	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2011		
					(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
<b>U.S. Department of Education</b>														
<b>Passed-through State Department of Education:</b>														
Special Revenue Fund:														
Title I:														
Fiscal Year 2011	84.010	NCLB446011	\$ 14,947	9/1/10 - 8/31/11				\$ 10,547	\$ (14,947)		\$ (4,400)			
Title II A:														
Fiscal Year 2011	84.367	NCLB446011	11,345	9/1/10 - 8/31/11				11,345	(11,345)					
I.D.E.A. Part B - Basic:														
Fiscal Year 2011	84.027	IDEA446011	78,688	9/1/10 - 8/31/11				77,800	(78,260)		(888)	\$ 428		
Fiscal Year 2010	84.027	IDEA446010	76,689	9/1/09 - 8/31/10	\$ (456)	\$ 25		456	(25)					
I.D.E.A. Part B - Preschool:														
Fiscal Year 2011	84.173	IDEA446011	2,736	9/1/10 - 8/31/11				2,736	(2,736)					
Total U.S. Department of Education					(456)	25		102,884	(107,313)		(5,288)	428		
<b>U.S. Department of Agriculture</b>														
<b>Passed-through State Department of Education:</b>														
Enterprise Fund														
National School Lunch Program														
Fiscal Year 2011	10.555	N/A	16,804	7/1/10 - 6/30/11				15,882	(16,804)		(922)			
Fiscal Year 2010	10.555	N/A	13,758	7/1/09 - 6/30/10	(894)			894						
Total U.S. Department of Agriculture					(894)			16,776	(16,804)		(922)			
Total Federal Awards					\$ (1,350)	\$25	\$ -	\$ -	\$ 119,660	\$ (124,117)	\$ -	\$ (6,210)	\$ 428	\$ -

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The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

**RIVERTON SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Assistance**  
**For the Fiscal Year Ended June 30, 2011**

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State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2010			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2011		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor				(Accounts Receivable)	Deferred Revenue	Due to Grantor
<b>State Department of Education</b>												
General Fund:												
Equalization Aid	10-495-034-5120-078	\$ 291,945	7/1/09- 6/30/10	\$ (34,250)			\$ 34,250					
Equalization Aid	11-495-034-5120-078	225,718	7/1/10- 6/30/11				217,883	\$ (225,718)		\$ (7,835)		
Special Education Categorical Aid	11-495-034-5120-089	173,219	7/1/10- 6/30/11				173,219	(173,219)				
On behalf TPAF Pension Contribution	11-495-034-5095-006	145,068	7/1/10- 6/30/11				145,068	(145,068)				
Reimbursed TPAF Social Security Contr.	11-495-034-5095-002	136,133	7/1/10- 6/30/11				136,133	(136,133)				
<b>Total General Fund</b>				<u>(34,250)</u>			<u>706,553</u>	<u>(680,138)</u>		<u>(7,835)</u>		
Special Revenue Fund:												
Nonpublic:												
Textbook	11-100-034-5120-064	171	7/1/10- 6/30/11				171	(171)				
Nursing	11-100-034-5120-070	202	7/1/10- 6/30/11				202	(202)				
Handicapped Services:												
Supplemental Instruction	10-100-034-5120-066	3,982	7/1/09- 6/30/10			\$ 1,911			\$ (1,911)			
Supplemental Instruction	11-100-034-5120-066	2,084	7/1/10- 6/30/11				2,084	(1,459)			\$ 625	
Examination & Classification	10-100-034-5120-066	7,680	7/1/09- 6/30/10			6,581			(6,581)			
Examination & Classification	11-100-034-5120-066	3,191	7/1/10- 6/30/11				3,191	(2,075)				1,116
Corrective Speech	10-100-034-5120-066	897	7/1/09- 6/30/10			897			(897)			
<b>Total Special Revenue Fund</b>						<u>9,389</u>	<u>5,648</u>	<u>(3,907)</u>		<u>(9,389)</u>		<u>1,741</u>
<b>State Department of Agriculture</b>												
National School Lunch Program (State Share)												
Fiscal Year 2011	11-100-010-3350-023	740	7/1/10- 6/30/11				698	(740)		(42)		
Fiscal Year 2010	10-100-010-3360-067	929	7/1/09- 6/30/10	(59)			59					
<b>Total Enterprise Fund</b>				<u>(59)</u>			<u>757</u>	<u>(740)</u>		<u>(42)</u>		
<b>Total State Financial Assistance</b>				<u>\$ (34,309)</u>	<u>\$ -</u>	<u>\$ 9,389</u>	<u>\$ 712,956</u>	<u>\$ (684,785)</u>	<u>\$ (9,389)</u>	<u>\$ (7,877)</u>	<u>\$ -</u>	<u>\$ 1,741</u>

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

**Riverton School District  
Notes to Schedules of Expenditures  
of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2011**

**I. GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Riverton School District. The Board of Education is defined in Note I to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

**2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on 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 Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**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 the expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$26,415 for the general fund and \$0 for the special revenue fund. See Exhibit C-3, 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 follows:

	<b>Federal</b>	<b>State</b>	<b>Total</b>
<b>General Fund</b>		\$ 706,553	\$ 706,553
<b>Special Revenue Fund</b>	\$ 107,313	3,907	111,220
<b>Capital Projects Fund</b>			0
<b>Debt Service Fund</b>			0
<b>Food Service Fund</b>	16,804	740	17,544
<b>Total Awards &amp; Financial Assistance</b>	\$ 124,117	\$ 711,200	\$ 835,317

**Riverton School District  
Notes to the Schedules of Expenditures  
of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2011  
(Continued)**

**4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**5. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2011. TPAF Social Security Contributions 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.

**6. MAJOR PROGRAMS**

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.





**RIVERTON SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

***Section 2 -- Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraph 5.18 through 5.20 of *Government Auditing Standards* and with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

No findings identified.

**RIVERTON SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

***Section 3 -- Schedule of Federal Awards and State Financial Assistance  
Findings and Questioned Costs***

This section identifies the audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular 04-04.

**FEDERAL AWARDS**

A Federal single audit was not required.

**STATE AWARDS**

No findings and/or questioned costs identified.

**RIVERTON SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENED 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*, USOMB Circular A-133 and State of NJOMB Circular 04-04.

**FINANCIAL STATEMENT FINDINGS**

There were no prior year audit findings.

**FEDERAL AWARDS**

A Federal single audit was not required.

**STATE AWARDS**

There were no prior year audit findings.