

**NORTHVALE BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**Northvale, New Jersey**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Northvale Board of Education**

**Northvale, New Jersey**

**For The Fiscal Year Ended June 30, 2014**

**Prepared by**

**Business Office**

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## **INTRODUCTORY SECTION**

# NORTHVALE PUBLIC SCHOOL DISTRICT

441 TAPPAN ROAD  
NORTHVALE, NEW JERSEY 07647  
201-768-8484 ext. 30230

Mr. Michael Pinajian  
Superintendent

Ms. Deborah Trainor  
Business Administrator/  
Board Secretary

November 14, 2014

The Honorable President and Members  
Of the Board of Education  
Northvale Public School District  
County of Bergen, New Jersey

Dear Board Members:

It is with pleasure that we submit the Comprehensive Annual Financial Report (CAFR) of the Northvale Public School District for the fiscal year ended June 30, 2014. This CAFR includes the district's basic financial statement prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the district. To the best of our knowledge and belief, data presented in this report is accurate in all materials respects and is reported in a manner designed to present fairly the basic financial statements and results of operations 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 as follows:

- The Introductory Section contains a Table of Contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District;
- The Financial Section begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis and the Basic Financial Statements, including the Notes, providing an overview of the school district's financial position and operating results and supplementary schedules providing detailed budgetary information;
- The Statistical Section includes selected financial and demographic information, financial trends, and the fiscal capacity of the school district, generally presented on a multi-year basis;
- The Single Audit Section – The district is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996, as amended, the U.S. Office Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and the State Treasury Circular Letter NJOMB 04-04,

*Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid.* Information related to this single audit, including the independent auditor's reports on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the single audit section of this report.

1) **REPORTING ENTITY AND ITS SERVICES**

The Northvale Public School District is an independent reporting entity within the criteria adopted by the GASB in codification section 2100. All funds of the district are included in this report. The Northvale Board of Education and its schools constitute the district's reporting entity.

The school district is comprised of the Northvale Public School (Grades K-8). The district continues to provide excellent educational opportunities for its students. Northvale offers students rigorous, stimulating, and diverse academic programs, delivered by an experienced and dedicated faculty.

The Northvale Public School District provides a full range of educational services appropriate for grade levels K through 8. These services include regular, as well as special education for handicapped youngsters. The district completed the 2013-2014 fiscal year with a total enrollment of 512 students, which represents an increase of .8% from the previous year's enrollment. The following chart details the changes in the average daily enrollment of the district over the last ten years.

**Average Daily Enrollment**

<b>Fiscal Year</b>	<b>Average Daily Enrollment</b>	<b>Percent Change</b>
2013-2014	525	(2.2%)
2012-2013	537	(5.8%)
2011-2012	570	(3.0%)
2010-2011	587	(4.8%)
2009-2010	617	(1.9%)
2008-2009	629	4.1%
2007-2008	604	2.9%
2006-2007	587	(2.0%)
2005-2006	599	3.5%
2004-2005	579	0.2%

**Source: District Records**

The administrative team for the Northvale Public School District consists of a Superintendent, Principal, and the School Business Administrator/Board Secretary.

School districts in New Jersey are legally classified as Type I or Type II. The Northvale Public School District is a Type II school district and one of sixty-four districts classified by the New

Jersey Department of Education as operating under an organizational structure of Kindergarten through Eighth Grade. Northvale has an elected board of education. Trustees are elected for terms of three years. During its meetings, the board determines district goals and priorities and conducts the business of the board of education. Board meetings are open to the public and begin at 6:30 P.M.

The Northvale Public School houses kindergarten through eighth grade students. Since students begin kindergarten at varying stages of developmental readiness, our primary grades' curriculum stresses listening, speaking, following directions, letters, sounds, sight words and word families, hand writing, and fine and gross motor activities.

The Handwriting Without Tears Program continues to create very positive results at the kindergarten and first grade levels. We utilize the Zaner-Bloser Handwriting Program at grades two and three.

Kindergarten begins an introduction to numbers 1-20, addition, subtraction, shape recognition, money, and time: clocks and calendars. Among many other things, the first year of school is about learning to get along in a group and how to develop the necessary skills for reading, as well as written expression. □□

In the first grade, our Language Arts program is literature-based and focuses on comprehension, decoding skills, and daily writing. Students use manipulatives as they learn basic concepts. Reasoning, problem solving and independence are stressed in all areas. Science and Social Studies focus on the students' immediate world. □□

In second grade, reading comprehension is a major goal. Students learn word analysis using phonetic and structural skills as well as parts of speech, punctuation, spelling and types of sentences. In Math, students learn place value, multiplication and division facts, and liquid and linear measurement. In Social Studies, students examine neighborhoods and communities in the United States. They learn about the world around them by studying maps, globes, and culture. □

In third, fourth, and fifth grade multiplication and division are the focus of Math, and in Science, students study sound, energy, the solar system, simple machines, and the community of living things. In preparation for their transition to middle school, students are called upon to develop increasingly higher organizational skills such as time management, responsibility for work, and respect for people and their community. □

Throughout the elementary journey, students also develop their love for Art, Technology, Music, and Physical Education. They participate in many enriching activities and the Parent Teacher Organization sponsors a variety of assembly programs that reinforce the concepts being taught in all curricular areas.

At the sixth through eighth grade levels students travel to different classrooms for each subject area.

In Math, the students continue to work with decimals, fractions and percentages, as well as expanding on traditional mathematic operations as they prepare for Pre-Algebra and Algebra in the seventh and eighth grades. In Science, they study geology, earth, life, and physical science. Sixth grade students, parents, and teachers take a three-day trip to the Greenkill Outdoor

Education Center for a hands-on approach to outdoor-environmental education.

Students in sixth grade Social Studies begin the year learning about the methods employed by archaeologists to uncover the past. From there, they travel through time examining human development, starting with early humans who were hunter and gatherers, and ending with the age of global encounters and the expansion of empires. Authentic tasks, performances, publications, interdisciplinary activities, and discussions of current events are incorporated throughout the year to extend learning beyond the classroom.

The historical focus of the seventh and eighth grade Social Studies classes is American History. Seventh grade topics include: Three Worlds Meet (Exploration), Colonization and Settlement, the American Revolution, and the Growth of the New Nation. Eighth grade topics include: Westward Expansion, the Antebellum Period, Civil War, Reconstruction, The Emerging 20<sup>th</sup> Century, Overviews of World War I, the Interwar Period, and World War II.

In seventh grade Language Arts, students work towards the mastery of skills introduced in previous years. Continued grammar practice, sophisticated vocabulary units, and study skills strategies will be utilized to enhance student communication in both the public speaking arena and written works.

Eighth grade Language Arts instruction addresses the areas of reading, writing, speaking, listening, and viewing, with an emphasis on inter-disciplinary studies. During their final year in the Northvale Public School, students acquire the skills necessary to succeed in high school and beyond. In order to accomplish these goals, students are guided through the process of choosing a topic in the area of Social Studies, gathering information from a variety of sources to support a thesis, and constructing a polished research paper in MLA format. In addition, complex grammar is introduced, reinforced, and mastered. Public speaking strategies are practiced by all, with an emphasis placed on identifying the difference between formal and informal speech.

Students in seventh and eighth grade Literature classes use short stories, novels, poetry, and mythology to identify the various elements of literature such as, setting, characters, conflict, point-of-view, theme, etc. Furthermore, students are developing and refining their reading comprehension, inferential thinking, vocabulary, and critical thinking skills.

Our Board of Education has approved an annual class trip for students in each of our grade seven and eight classes. Our seventh grade takes a one-day trip to Philadelphia where they visit the Franklin Institute and various historical sites throughout the city. At the eighth grade level, students take a three-day trip to our nation's capital, Washington D.C. where they visit many of our county's national monuments and memorials.

Both students and staff enjoy a facility that is dedicated to the unique needs of middle school students. We have one of the finest gymnasiums in the Northern Valley for Physical Education instruction, as well as both intramural and interscholastic programs. Our Media Center and Technology Lab are state of the art and the district recently purchased 75 iPads for students in kindergarten through eighth grade to use! In addition, our Art, Instrumental, and Vocal Music rooms are bright and spacious.

*Source: Michael Pinajian, Superintendent*

## NORTHERN VALLEY REGIONAL OFFICE OF CURRICULUM AND INSTRUCTION

The Regional Office of Curriculum and Instruction was established in January 1961 because of the interest of school board members and school administrators in the region in improving the articulation of instructional programs among the sending elementary districts and the receiving regional high school district. Over the years, with substantial progress made in the areas of articulation and with the emergence of state mandated Thorough and Efficient requirements, the role of the Office has become increasingly significant in the areas of curriculum improvement, staff development, grant writing, and program assessment. The Office, commonly referred to as the Curriculum Center, provides an effective vehicle for educational planning, curriculum development, in-service/staff development, information services, evaluation services, as well as the administration, coordination, and supervision of regional projects.

The regional office is supported by the following school districts: Closter, Demarest, Harrington Park, Haworth, Northvale, Norwood, Old Tappan, and the Northern Valley Regional High School District. The High School District administers the funds and supervises the Office operations. Personnel of the Office include the Director, Administrative Secretary, Associate Secretary, the Supervisor of the Staff Development Program/Staff Developer, and two part-time Staff Developers.

The eight school districts served by the regional office include fourteen school buildings, fifty-four board members, over 500 professional educators, and more than 6,500 students. These districts have been commended by the New Jersey State Department of Education for their cooperative efforts to strengthen curriculum and instruction, and by NJASCD and NJEA for their work in the area of professional development.

*Source: Northern Valley Regional Curriculum Office Website*

### PARENT/FACULTY ORGANIZATIONS

A very active Parent Teachers Organization provides an extremely valuable source of support for our students. The PTO works well with school personnel and acts as partners in motivating our students and applauding their achievements.

During the 2013-14 school year the Northvale PTO organized and implemented a number of fund-raising activities. The following is a partial list of some of the activities and programs that they sponsored:

- ✓ Cultural Arts Assemblies and Programs for all grade levels
- ✓ Health and Safety Programs
- ✓ Field Day
- ✓ Scholastic Book Fairs
- ✓ Winter and Spring Brunch
- ✓ Daily Lunch Program for all students
- ✓ Kids Holiday Shopping
- ✓ Bingo Night
- ✓ Movie Nights
- ✓ Mother's Day Plant Sale

- ✓ Trunk or Treat
- ✓ Casino Night
- ✓ Ice Cream Social
- ✓ Eight Grade Promotion Awards/Bonds

Besides the aforementioned activities, the PTO membership must be acknowledged for their exemplary volunteer spirit. Each day a dedicated parent work force gathers in the "All Purpose Room" to assist in serving lunch to students. Another generous program the PTO sponsors is the presentation of a \$1,000 certificate of deposit for the incoming kindergarten class.

*Source: District Records*

### **DISTRICT TECHNOLOGY PLAN**

The state mandatory, Three-Year District Technology Plan was approved by the Northvale Board of Education and the Bergen County Coordinating Council. A multifaceted program continues to address the instructional goals of the District Three-Year Technology Plan by focusing on the effective use of the technology tools to enhance student learning and achievement. To that end, the district continues to implement the financial plan started in 2007, which allocates approximately \$50,000 per year for the lease and purchase of computer hardware, software, digital curricula, upgrades and other services including print media that will be needed to achieve the goals of the technology plan. It is expected that the funding for these initiatives will be through local sources and when available, federal and state funds will be sought.

The continued growth of the use of staff email and of our website contributes to our efforts to enhance communication with our community. Website pages support each instructional and non-instructional area of the school. Staff email and phone contact information is also readily available on the site, along with general descriptions of curricula and student expectations, summer reading requirements, Board of Education meeting agendas and minutes, as well as many other important district informational items. The district's Student Information System, *Genesis*, includes a robust parent portal called *Parent Access*. This portal allows parents to login at any time to view their child's attendance, grading, scheduling, and discipline records. The district no longer distributes the traditional report cards, but instead all parents are asked to view grading information via *Parent Access*, which also provides an easy link for parents to download a paper copy of these documents if they desire. Lastly, this parent portal includes a powerful email function allowing district and building administrators to email district parents directly with information on any building or district news and events. The Board of Education employs an approach called "*The Paperless Board Meeting*", whereby all trustees are issued a district laptop, and the traditional mailings were no longer mailed to their homes. Instead, BOE members log in on a secure web site to retrieve all documentation needed for the upcoming meeting. These laptops are used during the meetings as well for quick access to all pertinent agenda related materials.

*Source: District Records*

## **NORTHVALE CHILD STUDY TEAM**

The Northvale School District provides the services of its Child Study Team to assist in the identification, evaluation, determination of eligibility, and development and monitoring of special education programs and placements.

The Child Study Team consists of a school psychologist, a learning disabilities teacher-consultant, a school social worker, and in some cases a speech & language specialist.

- The School Psychologist determines a child's intellectual and emotional functioning.
- The Learning Disabilities Teacher-Consultant assesses a child's academic levels, learning strengths and needs, and helps develop instructional strategies.
- The School Social Worker evaluates a child's developmental history and home environment, and acts as a liaison between the school, the home and the community.
- The Speech & Language Specialist assesses the child's communication abilities and provides services in the appropriate areas.
- Other specialists such as physicians, psychiatrists, neurologists, counselors, occupational therapists, physical therapists, and school nurses can be called upon, as needed, to assist in the evaluation and planning process.

The Child Study Team also provides preventative and support services to non-disabled students. Team members act as consultants to the general education staff regarding techniques, materials, and programs for students experiencing difficulties in learning.

A Child Study Team member is designated and serves as the case manager for each student with a disability. The case manager is knowledgeable regarding the student's educational needs and program. He/She coordinates the development, monitoring and evaluation of the effectiveness of the Individualized Education Program. The case manager helps facilitate communication between home and school and coordinates the annual review and reevaluation process.

Currently, the Northvale Child Study Team is comprised of the following professionals: Learning Disabilities Teacher-Consultant, School Psychologist, School Social Worker, and Speech-Language Specialist.

*Source: District Records*

## **NORTHERN VALLEY REGIONAL OFFICE OF SPECIAL EDUCATION REGION III**

Bergen County is comprised of 70 municipalities. Most of the districts are unable to provide all of their various students who have special needs with a comprehensive educational program.

Responding to this the Bergen County Superintendents Council almost 25 years ago, divided and reorganized the county into seven regions for special education. Bergen County Region III is comprised of nine participating districts: Alpine, Closter, Demarest, Harrington Park, Haworth, Northern Valley Regional High School District, Northvale, Norwood, and Old Tappan.

Working jointly, the nine districts are pledged to develop and maintain high quality special education programs and classes, provide articulation among professionals, and deliver skilled consultation services through their Acting Region III Director. The Northern Valley Regional High School District serves as the legal educational agency for the Council.

Over 1000 students with various learning disabilities are provided with special education programs located within the nine participating school districts, other public school districts outside the Region, county-administered programs, and state approved private schools, both day and residential.

Each student receives a specific program as outlined in his/her Individual Education Plan (IEP). Students are placed in the least restrictive environment, which means the special education class or service that is most closely associated with the student's local, peer group.

In carrying out the functions of the Office of Special Education, Region III, the Director meets regularly with several organized groups: the Region III Superintendents Council, the Child Study Team Chairpersons, the Principals, the Region III Parent Advisory Group, and the Bergen County Regional Directors.

At these meetings common concerns, needs, regional projects, and other special education related matters are discussed and recommendations are made for approval. The Region also provides an articulated curriculum to maintain continuity in programs.

In response to state and federal laws, the Region maintains a committee whose function is to provide comprehensive personnel development for staff members who instruct and come in contact with handicapped students. The planning committee is comprised of teachers, both regular and special education, administrators, guidance counselors, parents of handicapped students, and community representatives.

*Source: Northern Valley Office of Special Education Region III Website*

## **2) ECONOMIC CONDITION AND OUTLOOK**

After recent years of mostly meager results, New Jersey's economic recovery gained considerable momentum during 2013 and the first half of 2014.

Hiring picked up, home sales and apartment leasing increased, and the state's unemployment rate fell steadily. That's according to a new Well Fargo NJ Economic Outlook report, which also suggests the recent improvement in labor market conditions may prove hard to sustain.

The state's unemployment rate has fallen 0.9 percentage points over the past year to 8.7 percent. Repairs and rebuilding efforts following Superstorm Sandy are clearly adding to recent gains, creating jobs in construction, building products and miscellaneous services. Sandy has forced

residents to consume more and rebuild at a time when consumption and construction likely would have been more modest.

There is unquestionably good news in the report. New Jersey is also seeing more fundamental improvements. Vital sectors, including the state's large healthcare, life sciences and logistics industries are growing again. Manufacturing activity is also firming up, and the most recent data from the New York and Philadelphia Federal Reserve Bank surveys suggest that activity will pick up further in coming months.

Overall economic growth remains below trend in both the nation and New Jersey. Below trend growth is evident in most key economic measures, including real Gross Domestic Product (GDP) by state, which rose just 1.3 percent in New Jersey during 2012, following a 1.2 percent gain in 2011. The U.S. GDP by state rose 2.5 percent in 2012, following a 1.6 percent rise the prior year.

### **3) MAJOR INITIATIVES**

As in years past, a number of building maintenance projects was completed during the year. In general, the district buildings are well maintained. A program of preventive maintenance is in place. The comprehensive maintenance plan (CMP), which is approved by the Board each year, identifies a number of priority facility projects. Funding for these projects is included in the annual budget.

The district is very concerned about maintaining a safe and hazard free working environment for students and staff. Annual safety workshops were held for custodial and maintenance employees. This is part of the district's membership in North East Bergen Insurance Group in conjunction with Selective Insurance Co. In addition, all of the required annual and semi-annual health reports, inspections and public press releases, such as AHERA, Right to Know, Medical Waste Disposal, Fire Inspections, Life Hazard Registry, have been updated, completed and filed promptly. Arrangements have been made for administering blood borne pathogen injections to new staff in accordance with district policy. All required health and safety certificates and employee notices are on file in each building.

### **4) INTERNAL ACCOUNTING CONTROLS**

Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the district are protected from loss, theft, or misuse. In addition, district administration must 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 system 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 awards, the district also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control including that portion related to major federal and state financial award

programs, as well as to determine that the district has complied with applicable laws and regulations, contracts and grants.

## **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, special revenue, and the debt service funds. Project length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section.

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

## **6) ACCOUNTING SYSTEMS AND REPORTS**

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds are explained in "Notes to the Financial Statements".

## **7) CASH MANAGEMENT**

The investment policy of the district is guided in large part by state statute as detailed in "Notes to the Financial Statements". 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). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

## **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.

The Board is a member of the Northeast Bergen County School Board Insurance Group, ("NESBIG"). The NESBIG is a risk-sharing public entity risk fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to its members. Additional information on the NESBIG is included in the Notes to the Financial Statements.

**9) OTHER INFORMATION**

State of New Jersey statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci and Higgins, LLP, was selected by the Board to perform the audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996, as amended, and the related Federal OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organization* and New Jersey OMB's Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and specific, required supplementary information 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) ACKNOWLEDGMENTS**

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

Respectfully submitted,

*Michael Pinajian*

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Mr. Michael Pinajian  
Superintendent

*Deborah Trainor*

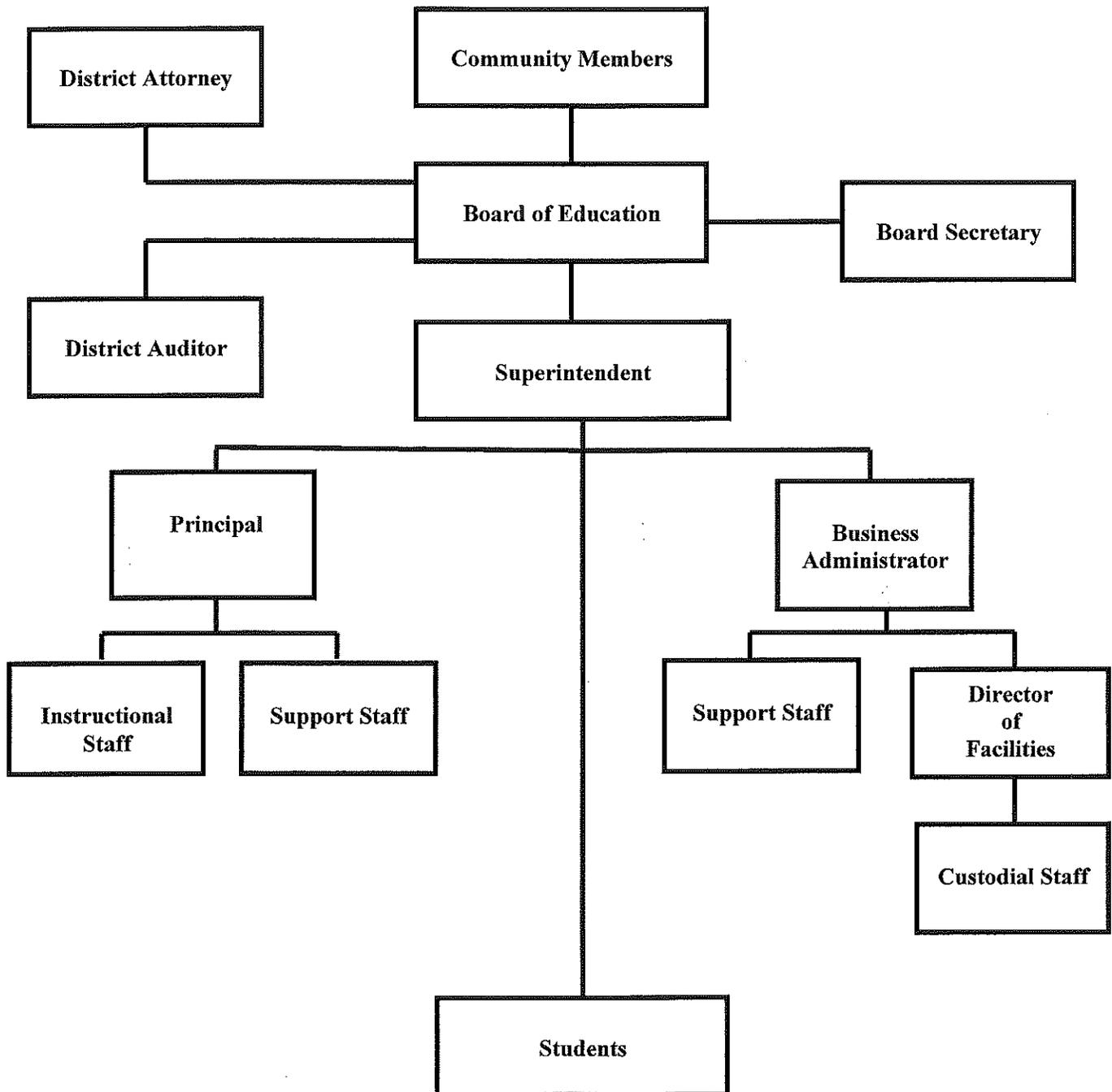
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Ms. Deborah Trainor  
Business Administrator/Board Secretary

**NORTHVALE BOARD OF EDUCATION**

**ORGANIZATIONAL CHART**

**(UNIT CONTROL)**



**NORTHVALE BOARD OF EDUCATION  
NORTHVALE, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2014**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires January</u></b>
Mr. Joseph E. McGuire, President	2015
Mrs. Johanna Bargisen, Vice President	2016
Mr. Robert Bargna	2016
Mrs. Gina Corrado	2015
Mrs. Margaret DeGennaro	2017

**Other Officials**

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Mr. Paul Stabile, Business Administrator/Board Secretary

Ms. Deborah Trainor, Business Administrator/Board Secretary (effective July 1, 2014)

Mr. Steven Linzenbold, Principal

Mrs. Suzanne Burroughs, Treasurer of School Monies

Mr. Stephen R. Fogarty, Attorney

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**FINANCIAL SECTION**



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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Northvale Board of Education, as of and for the fiscal year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

## *Opinions*

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Northvale Board of Education as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

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

### *Other Information*

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

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

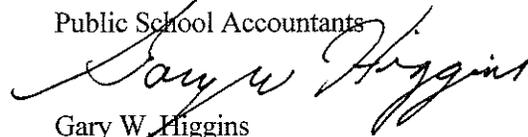
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated November 14, 2014 on our consideration of the Northvale Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Northvale Board of Education's internal control over financial reporting and compliance.



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



Gary W. Higgins  
Public School Accountant  
PSA Number CS00814

Fair Lawn, New Jersey  
November 14, 2014

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**NORTHVALE BOARD OF EDUCATION  
NORTHVALE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

The discussion and analysis of Northvale Board of Education's financial performance provides an overall review of the school district's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the school district's financial performance as a whole; readers should also review the notes to the financial statements and financial statements which comprise the basic financial statements to enhance their understanding of the school district's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current year (2013-2014) and the prior year (2012-2013) is required to be presented in the MD&A.

**Financial Highlights**

Key financial highlights for 2014 are as follows:

- ◆ General revenues accounted for \$8,679,172 in revenue or 84% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,625,527 or 16% of total revenues of \$10,304,699.
- ◆ The school district had \$9,386,127 in expenses; only \$1,625,527 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$8,679,172 were adequate to provide for these programs.
- ◆ The General Fund had \$9,664,940 in revenues and \$9,530,646 in expenditures. The General Fund's fund balance increased \$134,294 or 4% over the fiscal year ended June 30, 2013.

**Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Northvale Board of Education as a financial whole; an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole school district, presenting both an aggregate view of the school district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Northvale Board of Education, the General Fund is by far the most significant fund.

## **Reporting the School District as a Whole**

### **Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the school district to provide programs and activities, the view of the school district as a whole looks at all financial transactions and asks the question, "How did we do financially during the fiscal year ending June 30, 2014?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets, liabilities and deferred outflows/inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the school district's net position and changes in net position. This change in net position is important because it tells the reader that, for the school district as a whole, if the financial position of the school district has improved or diminished. The cause of this change may be the result of many factors, some financial, and some not. Non-financial factors include the school district's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the school district is divided into two distinct kinds of activities:

- ◆ Governmental Activities – All of the school district's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ◆ Business-Type Activities – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business-type activity.

## **Reporting the School District's Most Significant Funds**

### **Fund Financial Statements**

Fund financial reports provide detailed information about the school district's major funds. The school district uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the school district's most significant funds. The school district's major governmental funds are the General, Special Revenue, Capital Projects and Debt Service Funds.

### **Governmental Funds**

The school district's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the school district's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**Reporting the School District's Most Significant Funds (Continued)**

**Enterprise Fund**

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the school district as a whole.

Table 1 provides a summary of the school district's net position as of June 30, 2014 and 2013.

**Table 1  
Net Position**

	<b>Governmental Types</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>Assets</b>						
Current and other assets	\$ 3,908,283	\$ 3,909,248	\$ 2,096	\$ 9,139	\$ 3,910,379	\$ 3,918,387
Capital assets, net	8,910,680	8,555,301	1,847	2,155	8,912,527	8,557,456
Total Assets	12,818,963	12,464,549	3,943	11,294	12,822,906	12,475,843
<b>Deferred Outflows of Resources</b>						
Deferred Charge on Refunding of Debt	56,551	73,775	-	-	56,551	73,775
Total Deferred Outflows of Resources	56,551	73,775	-	-	56,551	73,775
Total Assets and Deferred Outflows of Resources	12,875,514	12,538,324	3,943	11,294	12,879,457	12,549,618
<b>Liabilities</b>						
Long-term liabilities	3,485,504	3,930,642			3,485,504	3,930,642
Other liabilities	295,719	437,854	-	1,460	295,719	439,314
Total Liabilities	3,781,223	4,368,496	-	1,460	3,781,223	4,369,956
<b>Net Position</b>						
Net Investment in Capital Assets	5,570,485	4,801,419	1,847	2,155	5,572,332	4,803,574
Restricted	1,594,000	801,923			1,594,000	801,923
Unrestricted	1,929,806	2,566,486	2,096	7,679	1,931,902	2,574,165
Total Net Position	\$ 9,094,291	\$ 8,169,828	\$ 3,943	\$ 9,834	\$ 9,098,234	\$ 8,179,662

**The School District as a Whole (Continued)**

Table 2 shows the changes in net position for fiscal years ended June 30, 2014 and 2013.

**Table 2  
Changes in Net Position**

	<u>Governmental Types</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Revenues and Transfers</b>						
<b>Program revenues</b>						
Charges for services	\$ 455,635	\$ 398,345	\$ 8,346	\$ 9,402	\$ 463,981	\$ 407,747
Operating grants and contributions	1,157,235	1,415,300			1,157,235	1,415,300
Capital grants and contributions	4,311	71,512			4,311	71,512
<b>General revenues</b>						
Property Taxes	8,610,255	8,436,310			8,610,255	8,436,310
Grants and entitlements	49,989	51,505			49,989	51,505
Other revenues	18,892	198,868	36	54	18,928	198,922
Total revenues	<u>10,296,317</u>	<u>10,571,840</u>	<u>8,382</u>	<u>9,456</u>	<u>10,304,699</u>	<u>10,581,296</u>
<b>Program Expenses</b>						
Instruction	6,130,457	6,218,757			6,130,457	6,218,757
<b>Support services</b>						
Student and Instruction Related Svcs.	1,217,559	1,207,546			1,217,559	1,207,546
General administration, school administration, business/central services	1,008,964	1,021,625			1,008,964	1,021,625
Plant operation and Maintenance	787,089	714,891			787,089	714,891
Pupil Transportation	88,222	95,510			88,222	95,510
Interest and Other charges	139,563	151,528			139,563	151,528
Food service	-	-	14,273	8,095	14,273	8,095
Total expenses	<u>9,371,854</u>	<u>9,409,857</u>	<u>14,273</u>	<u>8,095</u>	<u>9,386,127</u>	<u>9,417,952</u>
Change in net position	<u>\$ 924,463</u>	<u>\$ 1,161,983</u>	<u>\$ (5,891)</u>	<u>\$ 1,361</u>	<u>\$ 918,572</u>	<u>\$ 1,163,344</u>

**Governmental Activities**

The district's total revenues were \$10,296,317 and \$10,571,840 for the fiscal years ended June 30, 2014 and 2013, respectively. Property taxes made up 84% and 80% of revenues for governmental activities for the Northvale School District for fiscal years ended June 30, 2014 and 2013, respectively. Federal, state and local grants and aid accounted for another 12% and 15% for fiscal years ended June 30, 2014 and 2013, respectively.

The total cost of all program and services were \$9,371,854 and \$9,409,857, respectively. Instruction comprised 65% and 66% of total district expenses for the fiscal years ended June 30, 2014 and 2013, respectively.

## The School District as a Whole (Continued)

### **Business-Type Activities**

Revenues for the district's business-type activities (food service program) were comprised of charges for services.

- ◆ Food service expenses exceeded revenues by \$5,891.
- ◆ Charges for services represent \$8,346 of revenue, which are amounts paid by patrons for daily food services.

### **Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for the fiscal years ended June 30, 2014 and 2013. The net cost shows the financial burden that was placed on the district's taxpayers by each of these functions.

**Table 3**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Instruction	\$ 6,130,457	\$ 6,218,757	\$ 4,547,534	\$ 4,445,515
Support services				
Student and Instruction Related Svcs.	1,217,559	1,207,546	1,199,480	1,184,147
General administration, school administration, business/central services	1,008,964	1,021,625	1,008,964	1,020,128
Plant operation and Maintenance	787,089	714,891	779,819	635,565
Pupil Transportation	88,222	95,510	79,313	87,817
Interest and Other charges	<u>139,563</u>	<u>151,528</u>	<u>139,563</u>	<u>151,528</u>
Total Expenses	<u>\$ 9,371,854</u>	<u>\$ 9,409,857</u>	<u>\$ 7,754,673</u>	<u>\$ 7,524,700</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Student and instruction related services include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business/central services include expenses associated with administrative and financial supervision of the district.

Plant operation and maintenance activities involve keeping the school grounds, buildings and equipment in an effective working condition.

## The School District as a Whole (Continued)

### Governmental Activities (Continued)

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Interest and other charges involve the transactions associated with the payment of interest and other related charges to debt of the school district.

### The School District's Funds

These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general, special revenue, capital projects and debt service funds presented in the fund-based statements) had total revenues of \$10,296,317 and \$10,425,340 and expenditures of \$10,162,023 and \$9,877,926 for the fiscal years ended June 30, 2014 and 2013, respectively. The net change in all fund balances for the year was an increase of \$134,294. The revenue decrease of \$129,023 is the net result of an increase in property taxes and a decrease in federal and state aid. Expenditures increased \$284,097 mainly due to an increase in capital outlay.

As demonstrated by the various statements and schedules included in the financial section of this report, the district continues to meet its responsibility for sound financial management. The following schedule presents a summary of the governmental funds revenues for the fiscal years ended June 30, 2014 and 2013.

	Year Ended <u>June 30, 2014</u>	Year Ended <u>June 30, 2013</u>	Amount of <u>Decrease</u>	Percent Increase (Decrease)
Local Sources	\$ 9,084,782	\$ 8,887,360	\$ 197,422	2.22%
State Sources	1,099,781	1,400,582	(300,801)	-21.48%
Federal Sources	<u>111,754</u>	<u>137,398</u>	<u>(25,644)</u>	-18.66%
Total Revenues	<u>\$ 10,296,317</u>	<u>\$ 10,425,340</u>	<u>\$ (129,023)</u>	-1.24%

The following schedule presents a summary of the governmental funds expenditures for the fiscal years ended June 30, 2014 and 2013.

	Year Ended <u>June 30, 2014</u>	Year Ended <u>June 30, 2013</u>	Amount of <u>Decrease</u>	Percent Increase (Decrease)
Current:				
Instruction	\$ 5,884,226	\$ 5,990,018	\$ (105,792)	-1.77%
Support Services and Undistributed Costs	3,011,470	2,956,537	54,933	1.86%
Capital Outlay	706,201	333,018	373,183	112.06%
Debt Service:				
Principal	401,719	433,643	(31,924)	-7.36%
Interest and Other Charges	<u>158,407</u>	<u>164,710</u>	<u>(6,303)</u>	-3.83%
Total Expenditures	<u>\$ 10,162,023</u>	<u>\$ 9,877,926</u>	<u>\$ 284,097</u>	2.88%

## General Fund Budgeting Highlights

The school district's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year ended June 30, 2014, the school district amended its General Fund budget as needed. The school district uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

## Capital Assets

As of June 30, 2014 and 2013, the governmental activities of the school district had \$14,123,431 and \$13,417,230, respectively; invested in land, construction in progress, land improvements, building and building improvements, and machinery and equipment. Table 4 shows fiscal 2014 balances compared to 2013 net of depreciation.

**Table 4**  
**Capital Assets**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Land	\$ 474,330	\$ 474,330
Construction In Progress		56,886
Land Improvements	373,080	373,080
Buildings and Building Improvement	12,164,482	11,513,874
Machinery and Equipment	<u>1,111,539</u>	<u>999,060</u>
	14,123,431	13,417,230
Less Accumulated Depreciation	<u>(5,212,751)</u>	<u>(4,861,929)</u>
Total	<u>\$ 8,910,680</u>	<u>\$ 8,555,301</u>

Overall capital assets, net of depreciation increased \$355,379 from fiscal year 2013 to fiscal year 2014 as a result of current year capital acquisitions exceeding depreciation.

## Debt Administration

At June 30, 2014 and 2013, the school district had \$3,485,504 and \$3,930,642 as outstanding liabilities, respectively. Of this amount \$88,758 and \$102,985 is for compensated absences and \$3,319,607 and \$3,713,799 for bonds plus unamortized original issue premiums for school construction and \$77,139 and \$113,858 is for capital leases.

At June 30, 2014, the school district's overall legal debt margin was \$27,963,693 and the unutilized debt margin was \$24,744,693. Following is a listing of the bond issues for which the district is currently paying debt service.

## Debt Administration (Continued)

	Date of <u>Issue</u>	Amount of <u>Original Issue</u>	Balance, <u>June 30, 2013</u>	Balance, <u>June 30, 2014</u>
Renovations & Additions to Nathan Hale and Thomas Jefferson Schools	4-15-06	\$ 1,534,000	\$ 979,000	\$ 874,000
Refunding School Bonds	5-14-10	3,140,000	<u>2,605,000</u>	<u>2,345,000</u>
			<u>\$ 3,584,000</u>	<u>\$ 3,219,000</u>

## FACTORS BEARING ON THE DISTRICT'S ECONOMIC FUTURE

The board and the administration have had discussions on how existing circumstances could affect the future financial health of the school district. The following examples may have an impact and affect the financial operation in the future:

1. The slow economic recovery in our state has generated concern in the educational community for public school funding.
2. Future challenges for the financial planning to continue the expansion and renovation of the Northvale School District to meet enrollment and curriculum demands.

### Contacting the District's Financial Management

This financial report is designed to provide the district's citizens, taxpayers, customers, and investors and creditors with a general overview of the district's finances and to demonstrate the district's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Northvale Board of Education Office located at 441 Tappan Road, Northvale, New Jersey.

**BASIC FINANCIAL STATEMENTS**

**NORTHVALE BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2014**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,255,611	\$ 2,096	\$ 3,257,707
Receivables, net			
Receivables from Other Governments	651,431		651,431
Other	1,241		1,241
Capital Assets, net			
Not Being Depreciated	474,330		474,330
Being Depreciated	8,436,350	1,847	8,438,197
Total Assets	<u>12,818,963</u>	<u>3,943</u>	<u>12,822,906</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charge on Refunding of Debt	56,551	-	56,551
Total Deferred Outflows of Resources	<u>56,551</u>	<u>-</u>	<u>56,551</u>
Total Assets and Deferred Outflows of Resources	<u>12,875,514</u>	<u>3,943</u>	<u>12,879,457</u>
<b>LIABILITIES</b>			
Accounts Payable	27,790		27,790
Accrued Interest Payable	39,412		39,412
Unearned Revenue	228,517		228,517
Noncurrent Liabilities			
Due Within One Year	417,939		417,939
Due Beyond One Year	3,067,565	-	3,067,565
Total Liabilities	<u>3,781,223</u>	<u>-</u>	<u>3,781,223</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	5,570,485	1,847	5,572,332
Restricted for			
Capital Projects	1,468,237		1,468,237
Other Purposes	125,763		125,763
Unrestricted	1,929,806	2,096	1,931,902
Total Net Position	<u>\$ 9,094,291</u>	<u>\$ 3,943</u>	<u>\$ 9,098,234</u>

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

**NORTHVALE BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 4,139,635	\$ 330,991	\$ 569,308		\$ (3,239,336)		\$ (3,239,336)
Special Education	1,589,085	124,644	495,860		(968,581)		(968,581)
Other Instruction	305,141		45,071	4,311	(255,759)		(255,759)
School Sponsored Activities and Athletics	96,596		12,738		(83,858)		(83,858)
Support Services							
Student and Instruction Related Services	1,217,559		18,079		(1,199,480)		(1,199,480)
General Administration Services	409,064				(409,064)		(409,064)
School Administration Services	198,796				(198,796)		(198,796)
Business/Central Services	401,104				(401,104)		(401,104)
Plant Operations and Maintenance	787,089		7,270		(779,819)		(779,819)
Pupil Transportation	88,222		8,909		(79,313)		(79,313)
Interest and Other Charges	139,563	-	-	-	(139,563)	-	(139,563)
<b>Total Governmental Activities</b>	<b>9,371,854</b>	<b>455,635</b>	<b>1,157,235</b>	<b>4,311</b>	<b>(7,754,673)</b>	<b>-</b>	<b>(7,754,673)</b>
<b>Business-Type Activities</b>							
Food Service	14,273	8,346	-	-	-	\$ (5,927)	(5,927)
<b>Total Business-Type Activities</b>	<b>14,273</b>	<b>8,346</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,927)</b>	<b>(5,927)</b>
<b>Total Primary Government</b>	<b>\$ 9,386,127</b>	<b>\$ 463,981</b>	<b>\$ 1,157,235</b>	<b>\$ 4,311</b>	<b>(7,754,673)</b>	<b>(5,927)</b>	<b>(7,760,600)</b>
<b>General Revenues</b>							
Property Taxes:							
Levied for General Purposes					8,140,620		8,140,620
Levied for Debt Service					469,635		469,635
Investment Earnings					13,125	36	13,161
State Aid - Unrestricted					49,989		49,989
Miscellaneous Income					5,767	-	5,767
<b>Total General Revenues</b>					<b>8,679,136</b>	<b>36</b>	<b>8,679,172</b>
<b>Change in Net Position</b>					<b>924,463</b>	<b>(5,891)</b>	<b>918,572</b>
<b>Net Position, Beginning of Year</b>					<b>8,169,828</b>	<b>9,834</b>	<b>8,179,662</b>
<b>Net Position, End of Year</b>					<b>\$ 9,094,291</b>	<b>\$ 3,943</b>	<b>\$ 9,098,234</b>

**FUND FINANCIAL STATEMENTS**

**NORTHVALE BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2014**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 3,255,003	\$ 184	\$ 424		\$ 3,255,611
Due from Other Funds	59,600				59,600
Receivables					
Intergovernmental	19,924		631,507		651,431
Other	-	-	-	\$ -	-
<b>Total Assets</b>	<u>\$ 3,334,527</u>	<u>\$ 184</u>	<u>\$ 631,931</u>	<u>\$ -</u>	<u>\$ 3,966,642</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 27,790				\$ 27,790
Due to Other Funds	-		\$ 58,359		58,359
Unearned Revenue	-	\$ 184	228,333	\$ -	228,517
<b>Total Liabilities</b>	<u>27,790</u>	<u>184</u>	<u>286,692</u>	<u>-</u>	<u>314,666</u>
<b>Fund Balances</b>					
<b>Restricted Fund Balance</b>					
Capital Reserve	1,122,998				1,122,998
Emergency Reserve	250,000				250,000
Maintenance Reserve	125,763				125,763
Excess Surplus	883,694				883,694
Excess Surplus - Designated for Subsequent Years Expenditures	670,000				670,000
Capital Projects			345,239		345,239
<b>Committed</b>					
Year-End Encumbrances	21,600				21,600
<b>Assigned</b>					
Year-End Encumbrances	1,469				1,469
<b>Unassigned</b>					
General Fund	231,213	-	-	-	231,213
<b>Total Fund Balances</b>	<u>3,306,737</u>	<u>-</u>	<u>345,239</u>	<u>-</u>	<u>3,651,976</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,334,527</u>	<u>\$ 184</u>	<u>\$ 631,931</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$14,123,431 and the accumulated depreciation is \$5,212,751. 8,910,680

The District has financed capital assets through the issuance of serial bonds. The interest accrual at year end is: (39,412)

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt. 56,551

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

Bonds Payable, Including Original Issue Premium	\$ 3,319,607	
Capital Leases	77,139	
Compensated Absences	88,758	
		<u>(3,485,504)</u>

Net Position of Governmental Activities \$ 9,094,291

**NORTHVALE BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 8,140,620			\$ 469,635	\$ 8,610,255
Tuition	455,635				455,635
Interest	13,125				13,125
Miscellaneous	5,767	\$ -	-	-	5,767
Total - Local Sources	<u>8,615,147</u>	<u>-</u>	<u>-</u>	<u>469,635</u>	<u>9,084,782</u>
State Sources	1,049,793			49,988	1,099,781
Federal Sources	-	111,754	-	-	111,754
Total Revenues	<u>9,664,940</u>	<u>111,754</u>	<u>-</u>	<u>519,623</u>	<u>10,296,317</u>
<b>EXPENDITURES</b>					
Current					
Regular Instruction	3,955,871				3,955,871
Special Education Instruction	1,456,568	88,123			1,544,691
Other Instruction	289,897	1,241			291,138
School-Sponsored Activities and Athletics	92,526				92,526
Support Services					
Student and Instruction Related Services	1,162,382	18,079			1,180,461
General Administration Services	394,135				394,135
School Administration Services	192,809				192,809
Business/Central Services	385,701				385,701
Plant Operations and Maintenance	771,814				771,814
Pupil Transportation	86,550				86,550
Debt Service					
Principal	36,719			365,000	401,719
Interest and Other Charges	3,784			154,623	158,407
Capital Outlay	701,890	4,311	-	-	706,201
Total Expenditures	<u>9,530,646</u>	<u>111,754</u>	<u>-</u>	<u>519,623</u>	<u>10,162,023</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>134,294</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>134,294</u>
Net Change in Fund Balances	134,294	-	-	-	134,294
Fund Balance, Beginning of Year	<u>3,172,443</u>	<u>-</u>	<u>345,239</u>	<u>-</u>	<u>3,517,682</u>
Fund Balance, End of Year	<u>\$ 3,306,737</u>	<u>\$ -</u>	<u>\$ 345,239</u>	<u>\$ -</u>	<u>\$ 3,651,976</u>

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

**NORTHVALE BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**Total net change in fund balances - governmental funds (Exhibit B-2)** **\$ 134,294**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.

Capital Outlay	\$	706,201	
Depreciation Expense		<u>(350,822)</u>	
			355,379

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

Decrease in Compensated Absences			14,227
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The Issuance of Long Term Debt (e.g. bonds, leases) provides current financial resources to governmental funds while the repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities. Additionally, governmental funds report the premiums, discounts and similar items when the debt is issued, whereas these amounts are deferred and amortized in the statement of activities:

Principal Repayments			
Bonds Payable		365,000	
Capital Leases Paid		<u>36,719</u>	
			401,719

Governmental Funds report the effect of costs pertaining to bonds issued when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Deferred Amount on Refunding			(17,224)
Original Issuance Premium			29,192

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

Decrease in accrued interest			<u>6,876</u>
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**Change in net position of governmental activities (Exhibit A-2)** **\$ 924,463**

**NORTHVALE BOARD OF EDUCATION**  
**PROPRIETARY FUND**  
**ENTERPRISE FUND**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2014**

	<b>Non-Major Enterprise Fund <u>Totals</u></b>
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ <u>2,096</u>
Total Current Assets	<u>2,096</u>
Capital Assets	
Equipment	3,078
Less: Accumulated Depreciation	<u>(1,231)</u>
Total Capital Assets	<u>1,847</u>
Total Assets	<u>3,943</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	1,847
Unrestricted	<u>2,096</u>
Total Net Position	<u>\$ 3,943</u>

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

**NORTHVALE BOARD OF EDUCATION**  
**PROPRIETARY FUND**  
**ENTERPRISE FUND**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<b>Non-Major Enterprise Fund <u>Totals</u></b>
<b>OPERATING REVENUES</b>	
Charges for Services	
Daily Sales	\$ <u>8,346</u>
Total Operating Revenues	<u>8,346</u>
<b>OPERATING EXPENSES</b>	
Salaries and Wages	5,000
Cost of Sales	8,965
Depreciation	<u>308</u>
Total Operating Expenses	<u>14,273</u>
Operating Loss	<u>(5,927)</u>
<b>NONOPERATING REVENUES</b>	
Interest Income	<u>36</u>
Total Nonoperating Revenues	<u>36</u>
Change in Net Position	(5,891)
Net Position, Beginning of Year	<u>9,834</u>
Net Position, End of Year	<u>\$ 3,943</u>

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

**NORTHVALE BOARD OF EDUCATION  
 PROPRIETARY FUND  
 ENTERPRISE FUND  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<b>Non-Major Enterprise Fund Totals</b>
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$ 8,346
Cash Payments to Suppliers for Goods and Services	(10,425)
Cash Payments for Salaries and Benefits	<u>(5,000)</u>
Net Cash Used by Operating Activities	<u>(7,079)</u>
<b>Cash Flows from Investing Activities</b>	
Interest on Deposits	<u>36</u>
Net Cash Provided by Investing Activities	<u>36</u>
Net decrease in Cash and Cash Equivalents	(7,043)
Cash and Cash Equivalents, Beginning of Year	<u>9,139</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,096</u>
<b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</b>	
Operating Loss	<u>\$ (5,927)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Changes in Assets and Liabilities	
Depreciation	308
Decrease in Accounts Payable	<u>(1,460)</u>
Total Adjustments	<u>(1,152)</u>
Net Cash Used by Operating Activities	<u>\$ (7,079)</u>

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

NORTHVALE BOARD OF EDUCATION  
 FIDUCIARY FUNDS  
 STATEMENT OF FIDUCIARY NET POSITION  
 AS OF JUNE 30, 2014

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ <u>140,518</u>
Total Assets	\$ <u>140,518</u>
<b>LIABILITIES</b>	
Accrued Salaries	92,732
Payroll Deductions and Withholdings	431
Due to Other Funds	1,241
Due to Student Groups	<u>46,114</u>
Total Liabilities	\$ <u>140,518</u>

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

**NORTHVALE BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOT APPLICABLE**

**NOTES TO THE FINANCIAL STATEMENTS**

**NORTHVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Northvale Board of Education (the "Board" or the "District") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of five elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Northvale Board of Education this includes general operations, food service and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

**B. New Accounting Standards**

During fiscal year 2014, the District adopted the following GASB statement:

- GASB 66, *Technical Corrections – 2012, an Amendment of GASB Statements 10 and 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

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

- GASB 68, *Accounting and financial Reporting for Pensions*, will be effective beginning with the fiscal year ending June 30, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.

**NORTHVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

**B. New Accounting Standards (Continued)**

- GASB 69, *Government Combinations and Disposals of Government Operations* will be effective beginning with the fiscal year ending June 30, 2015. The objective of this Statement is to establish accounting and financial reporting standards for mergers, acquisitions, and transfers of operations (i.e., government combinations). The Statement also provides guidance on how to determine the gain or loss on a disposal of government operations. This Statement applies to all state and local governmental entities. The District does not expect this statement to impact its financial statements.

**C. Basis of Presentation - Financial Statements**

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

**District-Wide Financial Statements**

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

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

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

**Fund Financial Statements**

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

**NORTHVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.

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

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

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

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

Additionally, the government reports the following fund type:

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

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

**D. Measurement Focus and Basis of Accounting**

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

**NORTHVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

**D. Measurement Focus and Basis of Accounting (Continued)**

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

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

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**E. Assets, Liabilities, Deferred Outflows of Resources, and Net Position/Fund Balance**

***1. Cash, Cash Equivalents and Investments***

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

***2. Receivables***

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

**NORTHVALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

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

**3. *Capital Assets***

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

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

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

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

**4. *Deferred Outflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred amounts on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. A deferred charge on debt refunding results from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**5. *Compensated Absences***

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

NORTHVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. *Long-Term Obligations*

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Gains resulting from debt refundings are classified as deferred inflows of resources and losses are reported as deferred outflows or resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

7. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

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

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

*Emergency Reserve* – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education.

NORTHVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2014 audited excess surplus that is required to be appropriated in the 2015/2016 original budget certified for taxes.

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

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

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

Year-End Encumbrances – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustees for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

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

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

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

**NORTHVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

**F. Revenues and Expenditures/Expenses**

***1. Program Revenues***

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

***2. Property Taxes***

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

***3. Tuition Revenues and Expenditures***

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

Tuition Expenditures - Tuition charges for the fiscal years 2012-2013 and 2013-2014 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

***4. Proprietary Funds, Operating and Non-Operating Revenues and Expenses***

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

**NORTHVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On May 21, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2013/2014. Also, during 2013/2014 the Board increased the original budget by \$890,584. The increase was funded by additional surplus appropriated, grant awards and the reappropriation of prior year general fund encumbrances.

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

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

**B. Capital Reserve**

A capital reserve account was established by the District on January 28, 2008. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

**NORTHVALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**B. Capital Reserve (Continued)**

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

The activity of the capital reserve for the fiscal year ended June 30, 2014 is as follows:

Beginning balance		\$ 356,071
Increased by		
Interest Earned	\$ 200	
Deposits Approved in District Budget	691,727	
Deposits Approved by Board Resolution	<u>75,000</u>	
Total Increases		<u>766,927</u>
Ending balance		<u>\$ 1,122,998</u>

The June 30, 2014 LRFP balance of local support costs of uncompleted capital projects is \$1,617,600.

**C. Transfers to Capital Outlay**

During the 2013/2014 school year, the district transferred \$43,110 to the non-equipment capital outlay accounts. The transfer was made by appropriations prior year unrestricted state aid that was approved by resolution of the Board of Trustees to supplement a capital project previously approved by the voters in the budget certified for taxes pursuant to N.J.A.C. 6A:23-8.4.

**D. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2014 is \$1,553,694. Of this amount, \$670,000 was designated and appropriated in the 2014/2015 original budget certified for taxes and the remaining amount of \$883,694 will be appropriated in the 2015/2016 original budget certified for taxes.

**NORTHVALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2014, the book value of the Board's deposits were \$3,398,225 and bank and brokerage firm balances of the Board's deposits amounted to \$3,541,270. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ <u>3,541,270</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2014 none of the Board's bank balances were exposed to custodial credit risk.

**Investments**

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

As of June 30, 2014, the Board had no outstanding investments.

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

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

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

**NORTHVALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**B. Receivables**

Receivables as of June 30, 2014 for the district's individual major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
Receivables:			
Intergovernmental	\$ 19,924	\$ 631,507	\$ 651,431
Gross Receivables	19,924	631,507	651,431
Less: Allowance for Uncollectibles	-	-	-
Net Total Receivables	<u>\$ 19,924</u>	<u>\$ 631,507</u>	<u>\$ 651,431</u>

**C. Unearned Revenue**

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

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 184
Capital Projects Fund	
Unrealized School Facility Grants	<u>228,333</u>
 Total Deferred Revenue for Governmental Funds	 <u>\$ 228,517</u>

**NORTHVALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2014 was as follows:

	Balance July 1, 2013	Increases	Decreases	Transfers	Balance, June 30, 2014
<b>Governmental activities:</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 474,330				\$ 474,330
Construction In Progress	56,886	\$ -	-	\$ (56,886)	-
Total Capital Assets, Not Being Depreciated	<u>531,216</u>	<u>-</u>	<u>-</u>	<u>(56,886)</u>	<u>474,330</u>
Capital Assets, Being Depreciated:					
Land Improvements	373,080				373,080
Buildings and Building Improvements	11,513,874	593,722		56,886	12,164,482
Machinery and Equipment	999,060	112,479	-	-	1,111,539
Total Capital Assets Being Depreciated	<u>12,886,014</u>	<u>706,201</u>	<u>-</u>	<u>56,886</u>	<u>13,649,101</u>
Less Accumulated Depreciation for:					
Land Improvements	(180,241)	(10,109)			(190,350)
Buildings and Building Improvements	(3,997,122)	(277,305)			(4,274,427)
Machinery and Equipment	(684,566)	(63,408)	-	-	(747,974)
Total Accumulated Depreciation	<u>(4,861,929)</u>	<u>(350,822)</u>	<u>-</u>	<u>-</u>	<u>(5,212,751)</u>
Total Capital Assets, Being Depreciated, Net	<u>8,024,085</u>	<u>355,379</u>	<u>-</u>	<u>56,886</u>	<u>8,436,350</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,555,301</u>	<u>\$ 355,379</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,910,680</u>

**NORTHVALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

	Balance <u>July 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2014</u>
<b>Business-Type Activities:</b>				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 3,078	-	-	\$ 3,078
Total Capital Assets Being Depreciated	<u>3,078</u>	<u>-</u>	<u>-</u>	<u>3,078</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(923)	\$ (308)	-	(1,231)
Total Accumulated Depreciation	<u>(923)</u>	<u>(308)</u>	<u>-</u>	<u>(1,231)</u>
Total Capital Assets, Being Depreciated, Net	<u>2,155</u>	<u>(308)</u>	<u>-</u>	<u>1,847</u>
Business-Type Activities Capital Assets, Net	<u>\$ 2,155</u>	<u>\$ (308)</u>	<u>\$ -</u>	<u>\$ 1,847</u>

**NORTHVALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

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

**Governmental activities:**

Instruction

Regular	\$ 181,883
Special Education	42,540
Other	14,003
School Sponsored Activities and Athletics	<u>4,070</u>

Total Instruction	<u>242,496</u>
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Support Services

Student and Instruction Related Services	51,270
General Administration	14,929
School Administration	9,992
Business / Central Services	15,188
Plant Operation and Maintenance	15,275
Student Transportation	<u>1,672</u>

Total Support Services	<u>108,326</u>
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Total Governmental Funds	<u>350,822</u>
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Total Depreciation Expense - Governmental Activities	<u>\$ 350,822</u>
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**Business-Type Activities:**

Food Service Fund	<u>\$ 308</u>
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Total Depreciation Expense-Business-Type Activities	<u>\$ 308</u>
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**NORTHVALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2014, is as follows:

**Due to/from other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects	58,359
General Fund	Agency Fund	<u>1,241</u>
		<u>\$ 59,600</u>

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

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

**F. Leases**

**Operating Leases**

The District is leasing a bus totaling \$51,342 under capital leases with an interest rate of 3.392%. The lease is for a term of 5 years. The District is also leasing technology equipment totaling \$127,055 under capital leases with an interest rate of 3.0784%. The lease is for a term of 5 years.

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2015	\$ 40,503
2016	<u>40,503</u>
Total Minimum Lease Payments	81,006
Less: Amount Representing Interest	<u>3,867</u>
Present Value of Minimum Lease Payments	<u>\$ 77,139</u>

**NORTHVALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-Term Debt**

**General Obligation Bonds**

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

Bonds payable at June 30, 2014 are comprised of the following issues:

\$1,534,000, 2006 Bonds, due in annual installments of \$110,000 to \$139,000 through April 15, 2021, interest at 4.25% to 4.50%	\$874,000
\$3,140,000, 2010 Bonds, due in annual installments of \$270,000 to \$310,000 through March 1, 2022, interest at 2.75% to 5.0%	<u>2,345,000</u>
	<u>\$3,219,000</u>

**Governmental Activities:**

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2015	\$ 380,000	\$ 141,710	\$ 521,710
2016	390,000	129,610	519,610
2017	400,000	113,723	513,723
2018	420,000	97,423	517,423
2019	435,000	78,835	513,835
2020-2022	<u>1,194,000</u>	<u>110,565</u>	<u>1,304,565</u>
	<u>\$ 3,219,000</u>	<u>\$ 671,866</u>	<u>\$ 3,890,866</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2014 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 27,963,693
Less: Net Debt	<u>3,219,000</u>
Remaining Borrowing Power	<u>\$ 24,744,693</u>

**NORTHVALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2014, was as follows:

	Balance <u>July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2014</u>	Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 3,584,000		\$ 365,000	\$ 3,219,000	\$ 380,000
Original Issue Premium	129,799	-	29,192	100,607	-
	<u>3,713,799</u>	<u>-</u>	<u>394,192</u>	<u>3,319,607</u>	<u>380,000</u>
Capital Leases	113,858		36,719	77,139	37,939
Compensated Absences	<u>102,985</u>	<u>3,950</u>	<u>18,177</u>	<u>88,758</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 3,930,642</u>	<u>\$ 3,950</u>	<u>\$ 449,088</u>	<u>\$ 3,485,504</u>	<u>\$ 417,939</u>

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

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

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

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

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

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

**NORTHVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 4 OTHER INFORMATION (Continued)**

**B. Contingent Liabilities**

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2014, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2014, the District has not estimated its arbitrage earnings due to the IRS, if any.

**D. Employee Retirement Systems and Pension Plans**

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

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

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

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

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

**NORTHVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Other Pension Funds**

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

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

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

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

**Basis of Accounting**

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

**Significant Legislation**

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

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

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

**NORTHVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Investment Valuation**

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

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

**Funding Status and Funding Progress**

As of July 1, 2012, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 64.5 percent with an unfunded actuarial accrued liability of \$47.2 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 56.7 percent and \$34.4 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 76.1 percent and \$12.8 billion.

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

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

**Actuarial Methods and Assumptions**

In the July 1, 2012 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems from 7.95 percent to 7.90 percent and (b) projected salary increases of 4.22 percent for the PERS and 3.51 % percent for TPAF.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.6% for PERS, 6.6% for TPAF and 5.50% for DCRP of the employee's annual compensation.

**NORTHVALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2014 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the fiscal years ended June 30, 2014, 2013 and 2012 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2014	\$ 85,450	\$ 163,342	\$ 1,902
2013	101,218	239,224	1,835
2012	91,895	119,935	38

During fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$163,342 for normal cost pension and NCGI premium. For fiscal years 2012/2013 and 2011/2012, the state contributed \$239,224 and \$119,935, respectively for normal cost pension, accrued liability and the NCGI premium.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$301,961 during the fiscal year ended June 30, 2014 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, along with the on-behalf TPAF pension contribution, has been included in the district-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

**E. Post-Retirement Medical Benefits**

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

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 585 state and local participating employers and contributing entities for Fiscal Year 2013.

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

**NORTHVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

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

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

**Basis of Accounting**

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

**Significant Legislation**

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

**Investment Valuation**

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

**Funded Status and Funding Progress**

As of July 1, 2012, the most recent actuarial valuation date, the State had a \$51.5 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$19.3 billion for state active and retired members and \$32.2 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

**NORTHVALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Funded Status and Funding Progress (Continued)**

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

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

**Actuarial Methods and Assumptions**

In the July 1, 2012, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**Post-Retirement Medical Benefits Contributions**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2013, there were 100,134, retirees receiving post-retirement medical benefits and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2014, 2013 and 2012 were \$267,819, \$270,503 and \$241,101, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**BUDGETARY COMPARISON SCHEDULES**

NORTHVALE BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 8,140,620		\$ 8,140,620	\$ 8,140,620	
Tuition	347,758		347,758	455,635	\$ 107,877
Interest Earned on Maintenance Reserve	150		150	150	-
Interest Earned on Capital Reserve	200		200	200	-
Miscellaneous	4,500	-	4,500	18,542	14,042
<b>Total Local Sources</b>	<b>8,493,228</b>	<b>-</b>	<b>8,493,228</b>	<b>8,615,147</b>	<b>121,919</b>
State Sources					
Categorical Special Education Aid	203,208		203,208	203,208	-
Transportation Aid	7,388		7,388	7,388	-
Security Aid	7,270		7,270	7,270	-
Extraordinary Aid	-			124,835	124,835
Adjustment Aid	1		1	1	-
Additional Nonpublic Transportation Aid				1,521	1,521
On-behalf TPAF Pension System Payments - Normal Costs (Non-Budget)				150,094	150,094
On-behalf TPAF Pension System Payments - NCGI Premium (Non-Budget)				13,248	13,248
On-behalf TPAF Pension System Payments - Post Retirement Medical Contribution(Non-Budget)				267,819	267,819
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	301,961	301,961
<b>Total State Sources</b>	<b>217,867</b>	<b>-</b>	<b>217,867</b>	<b>1,077,345</b>	<b>859,478</b>
<b>Total Revenues</b>	<b>8,711,095</b>	<b>-</b>	<b>8,711,095</b>	<b>9,692,492</b>	<b>981,397</b>
Instruction - Regular Programs					
Salaries of Teachers					
Preschool/Kindergarten	322,485	8,319	330,804	323,487	7,317
Grades 1-5	1,365,236	(88,672)	1,276,564	1,221,128	55,436
Grades 6-8	1,032,443	(30,922)	1,001,521	966,668	34,853
Regular Program - Home Instruction					
Salaries of Teachers	7,000	-	7,000	-	7,000
Regular Programs - Undistributed Instruction					
Purchased Professional/Educational Services	3,000	-	3,000	2,737	263
Other Purchased Services	54,160	500	54,660	53,965	695
General Supplies	125,000	22,770	147,770	141,510	6,260
Textbooks	25,000	12,000	37,000	35,619	1,381
Other Objects	900	25	925	735	190
Miscellaneous Expenditures	-	-	-	-	-
<b>Total Regular Programs</b>	<b>2,935,224</b>	<b>(75,980)</b>	<b>2,859,244</b>	<b>2,745,849</b>	<b>113,395</b>

NORTHVALE BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final Budget To Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 145,054	\$ -	\$ 145,054	\$ 141,690	\$ 3,364
Other Salaries for Instruction	75,948	170	76,118	76,118	-
General Supplies	1,200	-	1,200	1,000	200
Textbooks	500	-	500	-	500
<b>Total Learning and/or Language Disabilities</b>	<b>222,702</b>	<b>170</b>	<b>222,872</b>	<b>218,808</b>	<b>4,064</b>
Multiple Disabilities					
Salaries of Teachers	97,765	17,648	115,413	112,736	2,677
Other Salaries for Instruction	37,324	835	38,159	38,159	-
General Supplies	1,500	-	1,500	1,051	449
Textbooks	100	-	100	-	100
<b>Total Multiple Disabilities</b>	<b>136,689</b>	<b>18,483</b>	<b>155,172</b>	<b>151,946</b>	<b>3,226</b>
Resource Room/Resource Center					
Salaries of Teachers	257,322	(38,673)	218,649	218,649	-
Other Purchased Services	100	-	100	-	100
General Supplies	1,500	1,500	3,000	2,900	100
Textbooks	300	-	300	108	192
<b>Total Resource Room/Resource Center</b>	<b>259,222</b>	<b>(37,173)</b>	<b>222,049</b>	<b>221,657</b>	<b>392</b>
Home Instruction					
Salaries of Teachers	1,000	-	1,000	-	1,000
<b>Total Home Instruction</b>	<b>1,000</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>1,000</b>
<b>Total Special Education</b>	<b>619,613</b>	<b>(18,520)</b>	<b>601,093</b>	<b>592,411</b>	<b>8,682</b>
Basic Skills/Remedial					
Salaries of Teachers	81,856	46,904	128,760	125,260	3,500
Other Purchased Services	100	-	100	-	100
General Supplies	200	100	300	266	34
Textbooks	100	-	100	-	100
<b>Total Basic Skills/Remedial</b>	<b>82,256</b>	<b>47,004</b>	<b>129,260</b>	<b>125,526</b>	<b>3,734</b>
Bilingual Education					
Salaries of Teachers	65,898	2,182	68,080	68,080	-
General Supplies	1,000	234	1,234	629	605
Textbooks	500	(234)	266	259	7
<b>Total Bilingual Education</b>	<b>67,398</b>	<b>2,182</b>	<b>69,580</b>	<b>68,968</b>	<b>612</b>
School Sponsored Cocurricular Activities					
Salaries	40,150	-	40,150	36,241	3,909
Supplies and Materials	1,000	-	1,000	602	398
Other Objects	5,850	-	5,850	4,931	919
<b>Total School Sponsored Cocurricular Activities</b>	<b>47,000</b>	<b>-</b>	<b>47,000</b>	<b>41,774</b>	<b>5,226</b>

NORTHEVALE BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final Budget To Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures					
School Sponsored Cocurricular Act.-Athletics					
Salaries	\$ 20,175	\$ -	\$ 20,175	\$ 19,948	\$ 227
Purchased Services	2,725	635	3,360	2,860	500
Supplies and Materials	1,000	(635)	365	218	147
Total School Sponsored Cocurricular Activities	23,900	-	23,900	23,026	874
Total Instruction	3,775,391	(45,314)	3,730,077	3,597,554	132,523
Instruction					
Tuition to Other LEAs Within the State-Special	458,286	74,965	533,251	533,139	112
Tuition to Priv. Sch. for the Disabled					
Within the State	100,914	4,100	105,014	62,297	42,717
Tuition - Other	5,000	(1,900)	3,100	25	3,075
Total Instruction	564,200	77,165	641,365	595,461	45,904
Attendance and Social Work Services					
Salaries	48,535	-	48,535	46,232	2,303
Total Attendance and Social Work Services	48,535	-	48,535	46,232	2,303
Health Services					
Salaries	55,751	2,699	58,450	57,665	785
Purchased Professional and Technical Services	5,600	-	5,600	3,562	2,038
Other Purchased Services	500	-	500	346	154
Supplies and Materials	4,000	-	4,000	3,221	779
Total Health Services	65,851	2,699	68,550	64,794	3,756
Other Support Serv. Students - Related Serv.					
Salaries	84,295	1,560	85,855	85,855	-
Purchased Professional -Educational Services	93,150	18,440	111,590	105,851	5,739
Supplies and Materials	2,000	-	2,000	1,870	130
Total Other Support Serv. Students - Related Serv.	179,445	20,000	199,445	193,576	5,869
Other Support Serv. Students - Extra Serv.					
Salaries	130,519	(7,200)	123,319	63,305	60,014
Purchased Professional -Educational Services	35,500	-	35,500	26,783	8,717
Supplies	400	-	400	-	400
Other Objects	400	-	400	-	400
Total Other Support Serv. Students - Extra Serv.	166,819	(7,200)	159,619	90,088	69,531
Other Support Services-Students-Guidance					
Salaries of Other Professional Staff	89,663	750	90,413	90,413	-
Other Purchased Services	250	-	250	-	250
Supplies and Materials	10,000	-	10,000	2,340	7,660
Total Other Support Services - Students - Guidance	99,913	750	100,663	92,753	7,910

**NORTHVALE BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final Budget To Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Other Support Services-Students-Child Study Team					
Salaries of Other Professional Staff	\$ 217,322	\$ 4,165	\$ 221,487	\$ 219,716	\$ 1,771
Salaries of Secretarial and Clerical Assistants	35,700	19,706	55,406	55,391	15
Purchased Professional -Educational Services	35,000	(2,500)	32,500	16,616	15,884
Misc. Purchased Services	3,150	-	3,150	2,053	1,097
Supplies and Materials	3,000	2,500	5,500	5,292	208
<b>Total Other Support Services - Child Study Team</b>	<b>294,172</b>	<b>23,871</b>	<b>318,043</b>	<b>299,068</b>	<b>18,975</b>
Improvement of Instructional Services					
Salaries of Facilitators, Math & Literacy Coaches	95,182	(30,731)	64,451	19,377	45,074
Purchased Professional - Educational Services	30,000	-	30,000	24,843	5,157
<b>Total Improvement of Instructional Services</b>	<b>125,182</b>	<b>(30,731)</b>	<b>94,451</b>	<b>44,220</b>	<b>50,231</b>
Educational Media Services/School Library					
Salaries	113,560	(25,220)	88,340	69,940	18,400
Other Purchased Services	500	-	500	-	500
Supplies and Materials	15,000	5,100	20,100	18,392	1,708
<b>Total Educational Media Serv./School Library</b>	<b>129,060</b>	<b>(20,120)</b>	<b>108,940</b>	<b>88,332</b>	<b>20,608</b>
Staff Training Services					
Purchased Professional/Educational Services	20,000	4,000	24,000	23,578	422
Other Purchased Services	2,500	(1,000)	1,500	1,334	166
Supplies and Materials	500	(500)	-	-	-
<b>Total Staff Training Services</b>	<b>23,000</b>	<b>2,500</b>	<b>25,500</b>	<b>24,912</b>	<b>588</b>
Support Services General Administration					
Salaries	210,107	528	210,635	206,126	4,509
Legal Services	30,000	(1,470)	28,530	26,786	1,744
Audit Fees	20,000	1,470	21,470	21,469	1
Architectural/Engineering Services	7,000	3,140	10,140	5,634	4,506
Other Purchased Professional Services	15,800	-	15,800	9,009	6,791
Communications/Telephone	40,400	-	40,400	28,881	11,519
BOE Other Purchased Services	2,700	(100)	2,600	-	2,600
Miscellaneous Purchased Services	3,940	2,100	6,040	5,435	605
General Supplies	2,250	1,892	4,142	4,051	91
Judgments Against the School District	13,000	(2,000)	11,000	-	11,000
Miscellaneous Expenditures	2,575	-	2,575	1,790	785
BOE Membership Dues and Fees	6,500	-	6,500	6,499	1
<b>Total Support Services General Administration</b>	<b>354,272</b>	<b>5,560</b>	<b>359,832</b>	<b>315,680</b>	<b>44,152</b>

**NORTHVALE BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final Budget To Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Support Services School Administration					
Salaries of Principal/Asst. Principals	\$ 97,614	\$ 7,386	\$ 105,000	\$ 105,000	
Salaries of Other Professional Staff	4,000	-	4,000	3,500	\$ 500
Salaries of Secretarial and Clerical Assistants	47,903	(7,914)	39,989	29,455	10,534
Other Purchased Services	5,000	(1,500)	3,500	1,370	2,130
Supplies and Materials	5,000	3,844	8,844	6,536	2,308
Other Objects	5,500	(500)	5,000	4,385	615
<b>Total Support Services School Administration</b>	<b>165,017</b>	<b>1,316</b>	<b>166,333</b>	<b>150,246</b>	<b>16,087</b>
Central Services					
Salaries	209,440	1,000	210,440	209,708	732
Purchased Professional Services	20,000	3,012	23,012	20,281	2,731
Miscellaneous Purchased Services	5,000	-	5,000	2,657	2,343
Supplies and Materials	5,000	(1,050)	3,950	3,261	689
Miscellaneous Expenditures	2,100	805	2,905	2,881	24
<b>Total Central Services</b>	<b>241,540</b>	<b>3,767</b>	<b>245,307</b>	<b>238,788</b>	<b>6,519</b>
Admin. Info. Tech.					
Purchased Professional Services	2,000	(500)	1,500	1,200	300
Purchased Technical Services	12,000	3,200	15,200	15,012	188
Other Purchased Services	68,000	(2,000)	66,000	66,000	-
Supplies and Materials	-	-	-	-	-
<b>Total Admin. Info. Tech.</b>	<b>82,000</b>	<b>700</b>	<b>82,700</b>	<b>82,212</b>	<b>488</b>
Required Maintenance for School Facilities					
Salaries	68,874	-	68,874	65,052	3,822
Cleaning, Repair and Maintenance Services	36,500	31,700	68,200	45,403	22,797
General Supplies	7,000	-	7,000	3,678	3,322
<b>Total Required Maintenance for School Fac.</b>	<b>112,374</b>	<b>31,700</b>	<b>144,074</b>	<b>114,133</b>	<b>29,941</b>
Other Operation & Maint. Of Plant (Custodial)					
Salaries	138,030	(8,000)	130,030	127,019	3,011
Salaries of Non-Instructional Aides	29,020	-	29,020	18,834	10,186
Purchased Prof. And Technical Serv.	5,000	5,900	10,900	10,738	162
Cleaning, Repair and Maint. Serv.	115,500	17,125	132,625	131,483	1,142
Other Purchased Property Services	8,000	-	8,000	6,655	1,345
Insurance	83,898	2,500	86,398	85,990	408
Miscellaneous Purchased Services	1,850	-	1,850	270	1,580
General Supplies	60,000	(10,567)	49,433	42,804	6,629
Energy (Natural Gas)	30,000	-	30,000	17,977	12,023
Energy (Electricity)	80,000	-	80,000	58,914	21,086
Other Objects	450	500	950	599	351
<b>Total Other Operation &amp; Maint. Of Plant</b>	<b>551,748</b>	<b>7,458</b>	<b>559,206</b>	<b>501,283</b>	<b>57,923</b>

**NORTHVALE BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

EXPENDITURES	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final Budget To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	\$ 6,500	\$ 2,640	\$ 9,140	\$ 9,139	\$ 1
Supplies and Materials	4,500	(515)	3,985	3,794	191
Total Care and Upkeep of Grounds	11,000	2,125	13,125	12,933	192
Security					
Cleaning, Repair and Maintenance Services	16,000	(300)	15,700	13,719	1,981
General Supplies	200	300	500	500	-
Total Care and Upkeep of Grounds	16,200	-	16,200	14,219	1,981
Student Transportation Services					
Salaries of Non-Instructional Aides	8,000	-	8,000	5,160	2,840
Salaries for Pupil Trans. (Bet. Home & Sch.) - Reg.	17,931	-	17,931	17,931	-
Cleaning, Repair and Maintenance Services	1,000	-	1,000	460	540
Lease Purchase Payments School Buses	11,230	-	11,230	11,227	3
Contracted Services (Other Than HM/SC) - Vendors	6,000	-	6,000	4,671	1,329
Contracted Services (Home/School) -Joint Agreements	10,000	1,925	11,925	11,924	1
Contracted Services (Special Ed) -Joint Agreements	60,000	(7,000)	53,000	39,096	13,904
Misc. Purchased Serv. - Transportation	250	-	250	125	125
Transportation Supplies	6,500	(1,925)	4,575	168	4,407
Total Student Transportation Services	120,911	(7,000)	113,911	90,762	23,149
Unallocated Benefits - Employee Benefits					
Group Insurance	750	-	750	201	549
Social Security Contributions	110,000	-	110,000	72,245	37,755
Other Retirement Contributions - PERS	110,000	-	110,000	85,450	24,550
Unemployment Compensation	22,000	-	22,000	17,657	4,343
Workmen's Compensation	55,000	(4,125)	50,875	40,479	10,396
Health Benefits	1,199,560	27,000	1,226,560	1,090,184	136,376
Tuition Reimbursement	10,000	-	10,000	10,000	-
Other Employee Benefits	102,000	(41,600)	60,400	43,138	17,262
Total Unallocated Benefits - Employee Benefits	1,609,310	(18,725)	1,590,585	1,359,354	231,231
On-behalf TPAF Pension System Payments -					
Normal Costs (Non-Budget)				150,094	(150,094)
On-behalf TPAF Pension System Payments -					
NCGI Premium(Non-Budget)				13,248	(13,248)
On-behalf TPAF Pension System Payments -					
Post Retirement Medical Contribution(Non-Budget)				267,819	(267,819)
On-behalf TPAF Social Security Payments					
(Non-Budget)	-	-	-	301,961	(301,961)
Total Undistributed Expenditures	4,960,699	95,835	5,056,534	5,152,168	(95,634)
Interest Deposit to Maintenance Reserve	150	-	150	-	150
Total Current Expenditures	8,736,090	50,521	8,786,611	8,749,722	36,889

NORTHVALE BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final Budget To Actual
<b>CAPITAL OUTLAY</b>					
Interest Deposit to Capital Reserve	\$ 200	-	\$ 200	-	\$ 200
Total Interest	200	-	200	-	200
Increase in Capital Reserve	691,727	-	691,727	-	691,727
Total Increase to Capital Reserve	691,727	-	691,727	-	691,727
Equipment					
Undistributed Expenditures:					
School Administration		\$ 2,819	2,819	\$ 2,819	-
Admin. Info. Tech.	42,000	35,667	77,667	62,020	15,647
Custodial Services	-	60,246	60,246	60,246	-
Total Equipment	42,000	98,732	140,732	125,085	15,647
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	-	131,131	131,131	47,257	83,874
Other Facilities Acq. And Construction Services	-	609,185	609,185	593,723	15,462
Assessment for Debt Service on SDA Funding	22,912	(8,053)	14,859	14,859	-
Total Facilities Acquisition and Const. Serv.	22,912	732,263	755,175	655,839	99,336
Total Capital Outlay	756,839	830,995	1,587,834	780,924	806,910
Total Expenditures	9,492,929	881,516	10,374,445	9,530,646	843,799
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(781,834)	(881,516)	(1,663,350)	161,846	1,825,196
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(781,834)	(881,516)	(1,663,350)	161,846	1,825,196
Fund Balance, Beginning of Year	3,290,034	-	3,290,034	3,290,034	-
Fund Balance, End of Year	\$ 2,508,200	\$ (881,516)	\$ 1,626,684	\$ 3,451,880	\$ 1,825,196

**Recapitulation of Fund Balance**

Restricted Fund Balance:	
Capital Reserve	\$ 1,122,998
Maintenance Reserve	125,763
Emergency Reserve	250,000
Excess Surplus	883,694
Excess Surplus - Designated for Subsequent Years Expenditures	670,000
Committed - Year End Encumbrances	21,600
Assigned - Year End Encumbrances	1,469
Unassigned	376,356
Reconciliation to Governmental Funds Statements (GAAP):	3,451,880
Less: Certain State Aid Payments Not Recognized on GAAP Basis	(145,143)
Fund Balance Per Governmental Funds (GAAP)	\$ 3,306,737

NORTHVALE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>REVENUES</b>					
Intergovernmental Federal	\$ 102,686	\$ 9,068	\$ 111,754	\$ 111,754	\$ -
Total Revenues	102,686	9,068	111,754	111,754	-
<b>EXPENDITURES</b>					
Instruction					
Tuition	72,016	16,107	88,123	88,123	-
General Supplies	14,048	(12,807)	1,241	1,241	-
Total Instruction	86,064	3,300	89,364	89,364	-
Support Services					
Other Purchased Services	16,622	1,457	18,079	18,079	-
Total Support Services	16,622	1,457	18,079	18,079	-
<b>CAPITAL OUTLAY</b>					
Facilities Acquisition and Construction Services Equipment	-	4,311	4,311	4,311	-
Total Facilities Acquisition and Construction Services	-	4,311	4,311	4,311	-
Total Expenditures	102,686	9,068	111,754	111,754	-
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

**NORTHVALE BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

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

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 9,692,492	\$ 111,754
Difference - Budget to GAAP		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (current year)	(145,143)	
State Aid payments recognized for GAAP Statements, not recognized for budgetary purposes (prior year)	<u>117,591</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 9,664,940</u>	<u>\$ 111,754</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 9,530,646	\$ 111,754
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 9,530,646</u>	<u>\$ 111,754</u>

**SCHOOL LEVEL SCHEDULES**

**(General Fund)**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**

**NORTHVALE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<b>IDEA Part B Basic</b>	<b>IDEA Part B Preschool</b>	<b>NCLB Title III</b>	<b>Total</b>
<b>REVENUES</b>				
Intergovernmental Federal	\$ 99,173	\$ 7,029	\$ 5,552	\$ 111,754
Total Revenues	<u>\$ 99,173</u>	<u>\$ 7,029</u>	<u>\$ 5,552</u>	<u>\$ 111,754</u>
<b>EXPENDITURES</b>				
Instruction				
Tuition	\$ 81,094	\$ 7,029		\$ 88,123
General Supplies	<u>-</u>	<u>-</u>	<u>\$ 1,241</u>	<u>1,241</u>
Total Instruction	<u>81,094</u>	<u>7,029</u>	<u>1,241</u>	<u>89,364</u>
Support Services				
Other Purchased Services	<u>18,079</u>	<u>-</u>	<u>-</u>	<u>18,079</u>
Total Support Services	<u>18,079</u>	<u>-</u>	<u>-</u>	<u>18,079</u>
<b>CAPITAL OUTLAY</b>				
Facilities Acquisition and Construction Services Equipment	<u>-</u>	<u>-</u>	<u>4,311</u>	<u>4,311</u>
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>4,311</u>	<u>4,311</u>
Total Expenditures	<u>\$ 99,173</u>	<u>\$ 7,029</u>	<u>\$ 5,552</u>	<u>\$ 111,754</u>

**NORTHVALE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOT APPLICABLE**

**CAPITAL PROJECTS FUND**

NORTHVALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance, June 30, 2014</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Thomas Jefferson Boiler Replacement	\$ 477,916	\$ 333,200		\$ 144,716
Thomas Jefferson Unit Ventilator Replacement	372,980	175,005		197,975
Nathan Hale Unit Ventilator Replacement	372,787	216,700		156,087
Replacement of Interior Courtyard Windows	<u>355,085</u>	<u>283,030</u>	<u>-</u>	<u>72,055</u>
	<u>\$ 1,578,768</u>	<u>\$ 1,007,935</u>	<u>\$ -</u>	570,833
		Add: Excess Funds - Local Share		2,739
		Less: Deferred Revenue at June 30, 2014		<u>(228,333)</u>
		Fund Balance - GAAP		<u>\$ 345,239</u>

Analysis of Appropriations

Thomas Jefferson Boiler Replacement	SDA Grant	\$ 191,166
	Capital Reserve	<u>286,750</u>
		<u>\$ 477,916</u>
Thomas Jefferson Unit Ventilator Replacement	SDA Grant	\$ 149,192
	Capital Reserve	<u>223,788</u>
		<u>\$ 372,980</u>
Nathan Hale Unit Ventilator Replacement	SDA Grant	\$ 149,115
	Capital Reserve	<u>223,672</u>
		<u>\$ 372,787</u>
Nathan Hale Replacement of Interior Courtyard Windows	SDA Grant	\$ 142,034
	Capital Reserve	<u>213,051</u>
		<u>\$ 355,085</u>

**NORTHVALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Fund Balance - Beginning	\$ <u>573,572</u>
Fund Balance- Ending	\$ <u>573,572</u>
<b><u>Reconciliation to GAAP</u></b>	
Fund Balance - Budgetary	\$ 573,572
Less:	
Deferred Revenue at June 30, 2014	<u>(228,333)</u>
Fund Balance - GAAP	\$ <u>345,239</u>

**NORTHVALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
THOMAS JEFFERSON BOILER REPLACEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
SDA Grant Proceeds	\$ 191,166		\$ 191,166	\$ 191,166
Local Share - Capital Reserve	<u>286,750</u>	<u>-</u>	<u>286,750</u>	<u>286,750</u>
 Total Revenues	 <u>477,916</u>	 <u>-</u>	 <u>477,916</u>	 <u>477,916</u>
<b>EXPENDITURES AND OTHER FINANCING SOURCES</b>				
Professional Services	\$ 7,414		7,414	15,685
Construction Services	<u>325,786</u>	<u>-</u>	<u>325,786</u>	<u>462,231</u>
 Total Expenditures and Other Financing Uses	 <u>333,200</u>	 <u>-</u>	 <u>333,200</u>	 <u>477,916</u>
 Excess (deficiency) of Revenues over (under) Expenditures	 <u>\$ 144,716</u>	 <u>\$ -</u>	 <u>\$ 144,716</u>	 <u>\$ -</u>

## Additional Project Information:

Project Number	3730-060-10-1001
Grant Date	2/23/11
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
SCC Grant Authorized	\$ 191,166
Local Share - Capital Reserve Authorized	286,750
Original Authorized Cost	477,916
Additional Authorized Cost	-
Revised Authorized Cost	477,916
 Percentage Increase Over Original	
Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	11/12
Completion Date	11/12

**NORTHVALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
THOMAS JEFFERSON UNIT VENTILATOR REPLACEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
SDA Grant Proceeds	\$ 149,192		\$ 149,192	\$ 149,192
Local Share - Capital Reserve	223,788	-	223,788	223,788
<b>Total Revenues</b>	<u>372,980</u>	<u>-</u>	<u>372,980</u>	<u>372,980</u>
<b>EXPENDITURES AND OTHER FINANCING SOURCES</b>				
Professional Services	15,600	\$ -	15,600	15,685
Construction Services	159,405	-	159,405	357,295
<b>Total Expenditures and Other Financing Uses</b>	<u>175,005</u>	<u>-</u>	<u>175,005</u>	<u>372,980</u>
<b>Excess (deficiency) of Revenues over (under) Expenditures</b>	<u>\$ 197,975</u>	<u>\$ -</u>	<u>\$ 197,975</u>	<u>\$ -</u>

## Additional Project Information:

Project Number	3730-060-10-1002
Grant Date	8/10/10
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
SCC Grant Authorized	\$ 149,192
Local Share - Capital Reserve Authorized	223,788
Original Authorized Cost	372,980
Additional Authorized Cost	-
Revised Authorized Cost	372,980
<b>Percentage Increase Over Original</b>	
Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	12/13
Completion Date	12/13

NORTHVALE BOARD OF EDUCATION  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
 NATHAN HALE UNIT VENTILATOR REPLACEMENT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
SDA Grant Proceeds	\$ 149,115		\$ 149,115	\$ 149,115
Local Share - Capital Reserve	<u>223,672</u>	<u>-</u>	<u>223,672</u>	<u>223,672</u>
Total Revenues	<u>372,787</u>	<u>-</u>	<u>372,787</u>	<u>372,787</u>
<b>EXPENDITURES AND OTHER FINANCING SOURCES</b>				
Professional Services	15,600	\$ -	15,600	15,685
Construction Services	<u>201,100</u>	<u>-</u>	<u>201,100</u>	<u>357,102</u>
Total Expenditures and Other Financing Uses	<u>216,700</u>	<u>-</u>	<u>216,700</u>	<u>372,787</u>
Excess (deficiency) of Revenues over (under) Expenditures	<u>\$ 156,087</u>	<u>\$ -</u>	<u>\$ 156,087</u>	<u>\$ -</u>

## Additional Project Information:

Project Number	3730-050-10-1003
Grant Date	2/23/11
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
SCC Grant Authorized	\$ 149,115
Local Share - Capital Reserve Authorized	223,672
Original Authorized Cost	372,787
Additional Authorized Cost	-
Revised Authorized Cost	372,787

## Percentage Increase Over Original

Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	12/13
Completion Date	12/13

NORTHVALE BOARD OF EDUCATION  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
 NATHAN HALE REPLACEMENT OF INTERIOR COURTYARD WINDOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
SDA Grant Proceeds	\$ 142,034		\$ 142,034	\$ 142,034
Local Share - Capital Reserve	213,051	-	213,051	213,051
	<u>355,085</u>	<u>-</u>	<u>355,085</u>	<u>355,085</u>
EXPENDITURES AND OTHER FINANCING SOURCES				
Professional Services	13,010	\$ -	13,010	15,684
Construction Services	270,020	-	270,020	339,401
	<u>283,030</u>	<u>-</u>	<u>283,030</u>	<u>355,085</u>
Excess (deficiency) of Revenues over (under) Expenditures	<u>\$ 72,055</u>	<u>\$ -</u>	<u>\$ 72,055</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	3730-050-10-1004			
Grant Date	9/14/10			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
SCC Grant Authorized	\$ 142,034			
Local Share - Capital Reserve Authorized	213,051			
Original Authorized Cost	355,085			
Additional Authorized Cost	-			
Revised Authorized Cost	355,085			
Percentage Increase Over Original				
Authorized Cost	0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	11/12			
Completion Date	11/12			

**ENTERPRISE FUND**

**EXHIBIT G-1**

**NORTHVALE BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING STATEMENT OF NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**EXHIBIT G-2**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**EXHIBIT G-3**

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**FIDUCIARY FUNDS**

NORTHVALE BOARD OF EDUCATION  
 FIDUCIARY FUNDS  
 COMBINING STATEMENT OF ASSETS AND LIABILITIES  
 AS OF JUNE 30, 2014

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 46,114	\$ 94,404	\$ 140,518
Total Assets	<u>\$ 46,114</u>	<u>\$ 94,404</u>	<u>\$ 140,518</u>
<b>LIABILITIES</b>			
Accrued Salaries and Wages		\$ 92,732	\$ 92,732
Payroll Deductions and Withholdings		431	431
Due to Other Funds		1,241	1,241
Due to Student Groups	<u>\$ 46,114</u>	<u>-</u>	<u>46,114</u>
Total Liabilities	<u>\$ 46,114</u>	<u>\$ 94,404</u>	<u>\$ 140,518</u>

**NORTHVALE BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Balance,</u> <u>July 1, 2013</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance,</u> <u>June 30, 2014</u>
General Account	\$ 32,669	\$ 108,627	\$ 111,355	\$ 29,941
Donated Class Funds	8,434	1,021	1,132	8,323
Linda Maloof Fund	7,348	350	300	7,398
Athletic Account	<u>748</u>	<u>2,430</u>	<u>2,726</u>	<u>452</u>
 Total All Schools	 <u>\$ 49,199</u>	 <u>\$ 112,428</u>	 <u>\$ 115,513</u>	 <u>\$ 46,114</u>

NORTHVALE BOARD OF EDUCATION  
 PAYROLL AGENCY FUND  
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Balance,</u> <u>July 1,</u> <u>2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance,</u> <u>June 30,</u> <u>2014</u>
<b>LIABILITIES</b>				
Payroll Deductions and Withholdings	\$ 431	\$ 2,571,721	\$ 2,571,721	\$ 431
Accrued Salaries and Wages	101,484	3,082,400	3,091,152	92,732
Due from Other Funds	535	706	-	1,241
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 102,450</u>	<u>\$ 5,654,827</u>	<u>\$ 5,662,873</u>	<u>\$ 94,404</u>

**LONG-TERM DEBT**

**NORTHVALE BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2013</u>	<u>Retired</u>	<u>Balance, June 30, 2014</u>
Undertake Roof Replacements, Installations of Intercom System, and Drainage/Site Improvements at Thomas Jefferson and Nathan Hale Schools	4/15/2006	\$ 1,534,000	4/15/2015	110,000	4.25%	\$ 979,000	\$ 105,000	\$ 874,000
			4/15/2016	115,000	4.25%			
			4/15/2017	120,000	4.25%			
			4/15/2018	125,000	4.25%			
			4/15/2019	130,000	4.25%			
			4/15/2020	135,000	4.30%			
			4/15/2021	139,000	4.50%			
Refunding School Bonds	5/14/2010	3,140,000	3/1/2015	270,000	2.75%	<u>2,605,000</u>	<u>260,000</u>	<u>2,345,000</u>
			3/1/2016	275,000	4.00%			
			3/1/2017	280,000	4.00%			
			3/1/2018	295,000	4.50%			
			3/1/2019	305,000	5.00%			
			3/1/2020	305,000	5.00%			
			3/1/2021	305,000	5.00%			
			3/1/2022	310,000	5.00%			
						<u>\$ 3,584,000</u>	<u>\$ 365,000</u>	<u>\$ 3,219,000</u>

**NORTHVALE BOARD OF EDUCATION  
SCHEDULE OF OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

<u>Issue</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2013</u>	<u>Retired</u>	<u>Balance, June 30, 2014</u>
Acquisition of a School Bus	3.392%	51,342	\$ 31,577	10,136	\$ 21,441
Purchase of Technology Equipment	3.078%	127,055	<u>82,281</u>	<u>26,583</u>	<u>55,698</u>
			<u>\$ 113,858</u>	<u>\$ 36,719</u>	<u>\$ 77,139</u>

**NORTHVALE BOARD OF EDUCATION  
LONG-TERM DEBT  
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

<b>REVENUES</b>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Local Sources					
Local Tax Levy	\$ 469,635		\$ 469,635	\$ 469,635	
Intergovernmental					
Debt Service Aid Type II	<u>49,988</u>	<u>-</u>	<u>49,988</u>	<u>49,988</u>	<u>-</u>
 Total Revenues	 <u>519,623</u>	 <u>-</u>	 <u>519,623</u>	 <u>519,623</u>	 <u>-</u>
 <b>EXPENDITURES</b>					
Regular Debt Service					
Principal	365,000	-	365,000	365,000	
Interest	<u>154,623</u>	<u>-</u>	<u>154,623</u>	<u>154,623</u>	<u>-</u>
 Total Expenditures	 <u>519,623</u>	 <u>-</u>	 <u>519,623</u>	 <u>519,623</u>	 <u>-</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 -	 -	 -	 -	 -
 Fund Balance, Beginning of Year	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Fund Balance, End of Year	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

#### **Demographic and Economic Information**

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

J-14 and J-15

#### **Operating Information**

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

J-16 to J-20

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

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 3,132,689	\$ 3,016,440	\$ 2,879,948	\$ 2,933,120	\$ 3,100,521	\$ 3,263,927	\$ 3,556,111	\$ 4,336,963	\$ 4,801,419	\$ 5,570,485
Restricted			1	145,001	667,421	1,022,760	904,974	542,559	801,923	1,594,000
Unrestricted	<u>197,539</u>	<u>(45,609)</u>	<u>119,927</u>	<u>498,121</u>	<u>447,417</u>	<u>659,629</u>	<u>1,396,091</u>	<u>2,128,323</u>	<u>2,566,486</u>	<u>1,929,806</u>
<b>Total Governmental Activities Net Position</b>	<u>\$ 3,330,228</u>	<u>\$ 2,970,831</u>	<u>\$ 2,999,876</u>	<u>\$ 3,576,242</u>	<u>\$ 4,215,359</u>	<u>\$ 4,946,316</u>	<u>\$ 5,857,176</u>	<u>\$ 7,007,845</u>	<u>\$ 8,169,828</u>	<u>\$ 9,094,291</u>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets						\$ 2,975	\$ 2,770	\$ 2,462	\$ 2,155	\$ 1,847
Unrestricted	\$ 3,524	\$ 4,615	\$ 7,713	\$ 3,998	\$ 4,897	<u>3,328</u>	<u>2,961</u>	<u>6,011</u>	<u>7,679</u>	<u>2,096</u>
<b>Total Business-Type Activities Net Position</b>	<u>\$ 3,524</u>	<u>\$ 4,615</u>	<u>\$ 7,713</u>	<u>\$ 3,998</u>	<u>\$ 4,897</u>	<u>\$ 6,303</u>	<u>\$ 5,731</u>	<u>\$ 8,473</u>	<u>\$ 9,834</u>	<u>\$ 3,943</u>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 3,132,689	\$ 3,016,440	\$ 2,879,948	\$ 2,933,120	\$ 3,100,521	\$ 3,266,902	\$ 3,558,881	\$ 4,339,425	\$ 4,803,574	\$ 5,572,332
Restricted			1	145,001	667,421	1,022,760	904,974	542,559	801,923	1,594,000
Unrestricted	<u>201,063</u>	<u>(40,994)</u>	<u>127,640</u>	<u>502,119</u>	<u>452,314</u>	<u>662,957</u>	<u>1,399,052</u>	<u>2,134,334</u>	<u>2,574,165</u>	<u>1,931,902</u>
<b>Total District Net Position</b>	<u>\$ 3,333,752</u>	<u>\$ 2,975,446</u>	<u>\$ 3,007,589</u>	<u>\$ 3,580,240</u>	<u>\$ 4,220,256</u>	<u>\$ 4,952,619</u>	<u>\$ 5,862,907</u>	<u>\$ 7,016,318</u>	<u>\$ 8,179,662</u>	<u>\$ 9,098,234</u>

Note 1 - Net Position at June 30, 2011 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
<b>Governmental Activities</b>										
Instruction										
Regular	\$ 3,217,321	\$ 3,484,544	\$ 3,814,051	\$ 3,997,331	\$ 3,829,852	\$ 4,244,043	\$ 4,128,380	\$ 4,103,236	\$ 4,310,526	\$ 4,139,635
Special Education	1,217,705	1,242,879	1,422,131	1,278,175	1,269,841	1,144,611	1,011,215	1,412,519	1,571,735	1,589,085
Other Instruction	154,037	167,061	219,298	195,952	182,149	228,267	229,863	231,204	237,516	305,141
School Sponsored Activities And Athletics	72,696	64,782	82,329	83,881	87,532	92,923	88,703	87,279	98,980	96,596
Support Services:										
Student & Instruction Related Services	855,006	895,310	983,425	1,051,586	1,166,308	1,266,470	1,313,544	1,279,373	1,207,546	1,217,559
General Administration Services	280,240	302,685	341,787	356,166	393,963	363,430	354,354	414,776	433,586	409,064
School Administration Services	301,531	300,932	261,730	293,883	231,414	255,396	255,669	255,951	216,253	198,796
Business/ Central Services	325,539	343,168	360,697	371,035	411,382	415,262	429,188	392,267	371,786	401,104
Plant Operations And Maintenance	802,618	937,951	676,474	647,103	619,657	695,407	661,802	654,738	714,891	787,089
Pupil Transportation	115,825	81,504	55,810	65,930	44,430	75,245	46,759	64,249	95,510	88,222
Interest and Other Charges	217,423	204,682	255,766	247,622	239,752	223,385	151,333	169,619	151,528	139,563
<b>Total Governmental Activities Expenses</b>	<b>7,559,941</b>	<b>8,025,498</b>	<b>8,473,498</b>	<b>8,588,664</b>	<b>8,476,280</b>	<b>9,004,439</b>	<b>8,670,810</b>	<b>9,065,211</b>	<b>9,409,857</b>	<b>9,371,854</b>
<b>Business-Type Activities:</b>										
Food Service	17,200	14,607	11,805	16,933	10,816	10,707	8,574	7,560	8,095	14,273
<b>Total Business-Type Activities Expense</b>	<b>17,200</b>	<b>14,607</b>	<b>11,805</b>	<b>16,933</b>	<b>10,816</b>	<b>10,707</b>	<b>8,574</b>	<b>7,560</b>	<b>8,095</b>	<b>14,273</b>
<b>Total District Expenses</b>	<b>\$ 7,577,141</b>	<b>\$ 8,040,105</b>	<b>\$ 8,485,303</b>	<b>\$ 8,605,597</b>	<b>\$ 8,487,096</b>	<b>\$ 9,015,146</b>	<b>\$ 8,679,384</b>	<b>\$ 9,072,771</b>	<b>\$ 9,417,952</b>	<b>\$ 9,386,127</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges For Services:										
Regular Instruction	\$ 87,733	\$ 151,141	\$ 171,274	\$ 232,615	\$ 308,232	\$ 364,079	\$ 513,555	\$ 428,441	\$ 398,345	\$ 330,991
Special Education Instruction	180,604	7,071	15,014							124,644
Operating Grants And Contributions	919,884	1,055,577	1,316,115	1,298,830	1,087,748	1,313,501	879,433	1,085,393	1,415,300	1,157,235
Capital Grants And Contributions	117,102	8,100	2,030	831	-	-	-	331,662	71,512	4,311
<b>Total Governmental Activities Program Revenues</b>	<b>1,305,323</b>	<b>1,221,889</b>	<b>1,504,433</b>	<b>1,532,276</b>	<b>1,395,980</b>	<b>1,677,580</b>	<b>1,392,988</b>	<b>1,845,496</b>	<b>1,885,157</b>	<b>1,617,181</b>
<b>Business-Type Activities:</b>										
Charges For Services:										
Food Service	6,962	7,117	7,007	13,585	12,165	11,666	6,425	10,258	9,402	8,346
Operating Grants And Contributions	9,281	8,581	7,896	9,299	9,430	7,354	7,113	-	-	-
<b>Total Business Type Activities Program Revenues</b>	<b>16,243</b>	<b>15,698</b>	<b>14,903</b>	<b>22,884</b>	<b>21,595</b>	<b>19,020</b>	<b>13,538</b>	<b>10,258</b>	<b>9,402</b>	<b>8,346</b>
<b>Total District Program Revenues</b>	<b>\$ 1,321,566</b>	<b>\$ 1,237,587</b>	<b>\$ 1,519,336</b>	<b>\$ 1,555,160</b>	<b>\$ 1,417,575</b>	<b>\$ 1,696,600</b>	<b>\$ 1,406,526</b>	<b>\$ 1,855,754</b>	<b>\$ 1,894,559</b>	<b>\$ 1,625,527</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (6,254,618)	\$ (6,803,609)	\$ (6,969,065)	\$ (7,056,388)	\$ (7,080,300)	\$ (7,326,859)	\$ (7,277,822)	\$ (7,219,715)	\$ (7,524,700)	\$ (7,754,673)
Business-Type Activities	(957)	1,091	3,098	5,951	10,779	8,313	4,964	2,698	1,307	(5,927)
<b>Total District-Wide Net Expense</b>	<b>\$ (6,255,575)</b>	<b>\$ (6,802,518)</b>	<b>\$ (6,965,967)</b>	<b>\$ (7,050,437)</b>	<b>\$ (7,069,521)</b>	<b>\$ (7,318,546)</b>	<b>\$ (7,272,858)</b>	<b>\$ (7,217,017)</b>	<b>\$ (7,523,393)</b>	<b>\$ (7,760,600)</b>

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Revenues</b>										
<b>Governmental Activities:</b>										
Property Taxes Levied For General Purposes, Net	\$ 6,089,586	\$ 6,277,937	\$ 6,807,807	\$ 7,344,731	\$ 7,619,669	\$ 7,952,892	\$ 8,178,319	\$ 8,301,269	\$ 8,436,310	\$ 8,610,255
Unrestricted State Aid	140,434	134,665	145,547	240,063	65,117	59,215	50,808	51,216	51,505	49,989
Investment Earnings	9,507	22,673	27,540	29,822	6,874	10,677	21,451	8,794	11,822	13,125
Miscellaneous Income	4,675	8,937	17,081	8,106	9,757	28,032	4,444	9,105	40,546	5,767
Donation of Capital Assets					8,000				146,500	
Transfers	-	-	135	10,032	10,000	7,000	5,600	-	-	-
<b>Total Governmental Activities</b>	<u>6,244,202</u>	<u>6,444,212</u>	<u>6,998,110</u>	<u>7,632,754</u>	<u>7,719,417</u>	<u>8,057,816</u>	<u>8,260,622</u>	<u>8,370,384</u>	<u>8,686,683</u>	<u>8,679,136</u>
<b>Total Business-Type Activities</b>	-	-	-	(9,666)	(9,880)	(6,907)	(5,536)	44	54	36
<b>Total District-Wide</b>	<u>\$ 6,244,202</u>	<u>\$ 6,444,212</u>	<u>\$ 6,998,110</u>	<u>\$ 7,623,088</u>	<u>\$ 7,709,537</u>	<u>\$ 8,050,909</u>	<u>\$ 8,255,086</u>	<u>\$ 8,370,428</u>	<u>\$ 8,686,737</u>	<u>\$ 8,679,172</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ (10,416)	\$ (359,397)	\$ 29,045	\$ 576,366	\$ 639,117	\$ 730,957	\$ 982,800	\$ 1,150,669	\$ 1,161,983	\$ 924,463
Business-Type Activities	(957)	1,091	3,098	(3,715)	899	1,406	(572)	2,742	1,361	(5,891)
<b>Total District</b>	<u>\$ (11,373)</u>	<u>\$ (358,306)</u>	<u>\$ 32,143</u>	<u>\$ 572,651</u>	<u>\$ 640,016</u>	<u>\$ 732,363</u>	<u>\$ 982,228</u>	<u>\$ 1,153,411</u>	<u>\$ 1,163,344</u>	<u>\$ 918,572</u>

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Fund</b>										
Reserved	\$ 218,885	\$ 44,285	\$ 73,638	\$ 486,778	\$ 1,254,591	\$ 1,770,227				
Unreserved	141,364	108,091	283,175	383,362	84,433	125,917				
Restricted							\$ 1,534,243	\$ 2,064,186	\$ 2,158,518	\$ 3,052,455
Committed									692,293	21,600
Assigned							7,000	204,290	90,548	1,469
Unassigned	-	-	-	-	-	-	250,696	236,390	231,084	231,213
<b>Total General Fund</b>	<u>\$ 360,249</u>	<u>\$ 152,376</u>	<u>\$ 356,813</u>	<u>\$ 870,140</u>	<u>\$ 1,339,024</u>	<u>\$ 1,896,144</u>	<u>\$ 1,791,939</u>	<u>\$ 2,504,866</u>	<u>\$ 3,172,443</u>	<u>\$ 3,306,737</u>
<b>All Other Governmental Funds</b>										
Reserved		\$ 632,358	\$ 1	\$ 1	\$ 1	\$ 1				
Unreserved	\$ 30,447	298,621	21,589	22,420						
Committed								\$ 170,619		
Restricted	-	-	-	-	-	-	\$ 827,817	294,783	345,239	345,239
<b>Total All Other Governmental Funds</b>	<u>\$ 30,447</u>	<u>\$ 930,979</u>	<u>\$ 21,590</u>	<u>\$ 22,421</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 827,817</u>	<u>\$ 465,402</u>	<u>\$ 345,239</u>	<u>\$ 345,239</u>

Note:

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

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Tax Levy	\$ 6,089,586	\$ 6,277,937	\$ 6,807,807	\$ 7,344,731	\$ 7,619,669	\$ 7,952,892	\$ 8,178,319	\$ 8,301,269	\$ 8,436,310	\$ 8,610,255
Tuition Charges	268,337	158,212	186,288	232,615	308,232	364,079	513,555	428,441	398,345	455,635
Interest Earnings	9,507	22,673	27,540	29,822	6,874	10,677	21,451	8,794	11,822	13,125
Miscellaneous	5,813	26,545	54,456	43,112	70,768	102,148	18,916	12,685	40,883	5,767
State Sources	1,027,102	1,038,776	1,283,089	1,365,663	960,475	1,019,179	779,727	1,325,798	1,400,382	1,099,781
Federal Sources	149,180	141,163	143,228	139,055	131,379	279,421	136,042	138,893	137,398	111,754
<b>Total Revenue</b>	<b>7,549,525</b>	<b>7,665,306</b>	<b>8,502,408</b>	<b>9,154,998</b>	<b>9,097,397</b>	<b>9,728,396</b>	<b>9,648,010</b>	<b>10,215,880</b>	<b>10,425,340</b>	<b>10,296,317</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	3,197,217	3,467,777	3,614,017	3,868,014	3,691,118	4,125,474	4,050,979	3,977,829	4,134,430	3,955,871
Special Education Instruction	1,217,148	1,242,395	1,368,155	1,259,174	1,234,877	1,121,252	994,943	1,385,224	1,532,139	1,544,691
Other Instruction	153,867	173,262	210,097	189,929	174,822	217,155	226,192	223,704	228,063	291,138
School Sponsored Activities and Athletics	72,696	64,782	79,184	81,531	84,377	90,193	86,121	84,595	95,386	92,526
<b>Support Services:</b>										
Student and Inst. Related Services	847,129	895,797	929,287	1,024,691	1,117,454	1,225,246	1,283,457	1,234,502	1,179,757	1,180,461
General Administration Services	277,900	293,999	335,449	348,396	381,868	355,026	346,176	405,393	420,242	394,135
School Administration Services	301,531	290,302	258,209	282,965	221,772	246,630	243,222	247,658	206,858	192,809
Business/ Central Services	325,539	343,168	342,356	357,159	394,828	400,759	415,616	380,499	355,385	385,701
Plant Operations And Maintenance	546,824	640,505	655,683	638,908	609,675	684,759	652,987	643,595	700,234	771,814
Pupil Transportation	109,387	75,066	49,114	65,597	44,181	75,092	46,532	64,006	94,061	86,550
Capital Outlay	454,154	601,782	920,138	46,471	140,862	112,558	151,271	800,170	333,018	706,201
<b>Debt Service:</b>										
Principal	175,000	180,000	190,000	284,714	324,695	300,000	398,105	422,105	433,643	401,719
Interest and Other Charges	219,901	238,607	255,806	247,732	240,404	224,132	163,712	174,485	164,710	158,407
Payment to Refunding Bond Escrow Agent	-	-	-	-	-	138,803	-	-	-	-
Costs of Issuance of Refunding Bonds	-	-	-	-	-	66,454	-	-	-	-
<b>Total Expenditures</b>	<b>7,898,293</b>	<b>8,507,442</b>	<b>9,207,495</b>	<b>8,695,281</b>	<b>8,660,933</b>	<b>9,383,533</b>	<b>9,059,313</b>	<b>10,043,763</b>	<b>9,877,926</b>	<b>10,162,023</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	(348,768)	(842,136)	(705,087)	459,717	436,464	344,863	588,697	172,115	547,414	134,294
<b>Other Financing Sources (Uses)</b>										
Bond Proceeds		1,534,000								
Capital Lease Proceeds				\$ 44,409			\$ 129,314	\$ 178,397	\$ -	\$ -
Premium on Bond Sale		795								
Payment to Refunding Bond Escrow Agent						(3,170,000)				
Refunding Bond Proceeds						3,140,000				
Premium on Issuance of Refunding Bonds						235,257				
Transfers In	7,016	16,531	14,278	10,032	32,420	7,000	958,877	1,939	283	
Transfers Out	(7,016)	(16,531)	(14,143)	-	(22,420)	-	(953,277)	(1,939)	(283)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>1,534,795</b>	<b>135</b>	<b>54,441</b>	<b>10,000</b>	<b>212,257</b>	<b>134,914</b>	<b>178,397</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (348,768)</b>	<b>\$ 692,659</b>	<b>\$ (704,952)</b>	<b>\$ 514,158</b>	<b>\$ 446,464</b>	<b>\$ 557,120</b>	<b>\$ 723,611</b>	<b>\$ 350,512</b>	<b>\$ 547,414</b>	<b>\$ 134,294</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	5.30%	5.30%	5.38%	6.16%	6.63%	7.87%	6.31%	6.45%	6.27%	5.92%

\* Noncapital expenditures are total expenditures less capital outlay.

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

<u>Fiscal Year Ended June 30</u>	<u>Tuition</u>	<u>Interest</u>	<u>Miscellaneous</u>	<u>Total</u>
2005	\$ 268,337	\$ 2,491	\$ 4,675	\$ 275,503
2006	158,212	6,937	8,142	173,291
2007	186,288	13,397	17,081	216,766
2008	232,615	29,822	8,106	270,543
2009	308,232	6,874	9,757	324,863
2010	364,079	10,677	28,032	402,788
2011	513,555	18,174	4,444	536,173
2012	428,441	6,855	9,105	444,401
2013	398,345	11,539	40,546	450,430
2014	455,635	13,125	5,767	474,527

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2005	\$ 5,809,500	\$ 316,692,200			\$ 42,365,600	\$ 110,541,300		\$ 475,408,600	\$ 453,087	\$ 475,861,687	\$ 803,165,469	\$ 1.299
2006	7,147,200	318,371,600			42,382,700	107,078,640		474,980,140	606,929	475,587,069	868,881,672	1.375
2007	14,898,400	692,867,700			75,958,300	179,635,500		963,359,900	566,929	963,926,829	952,930,025	0.744
2008	15,525,157	698,971,683			76,040,600	208,074,700		998,612,140	1,187,908	999,800,048	1,025,770,221	0.748
2009	13,857,186	702,140,418			76,958,900	202,138,500		995,095,004	1,412,505	996,507,509	1,066,218,181	0.781
2010	14,271,786	708,040,500			77,577,000	203,705,700		1,003,594,986	1,505,596	1,005,100,582	1,030,676,901	0.802
2011	10,940,800	575,722,200			75,443,800	187,824,400		849,931,200	1,104,701	851,035,901	861,608,907	0.968
2012	10,447,800	577,248,700			76,057,200	188,365,500		852,119,200	908,803	853,028,003	974,575,740	0.982
2013	10,277,900	576,719,800			77,344,700	187,827,700		852,170,100	-	852,170,100	929,610,243	1.001
2014	10,277,900	575,935,300			77,344,700	187,827,700		851,385,600	908,803	852,294,403	923,036,029	1.023

N/A - not available

Source: County Abstract of Ratables

<sup>a</sup> Tax rates are per \$100

Note: The Borough undertook a revaluation of real property and reassessment which became effective in the calendar years 2007 and 2011, respectively.

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

<u>Calendar Year</u>	<u>Total Direct Tax Rate</u>	<u>Overlapping Rates</u>				<u>Total</u>
		<u>Regional High School District</u>	<u>Municipality</u>	<u>County</u>		
2005	\$ 1.299	\$ 0.787	\$ 0.863	\$ 0.321	\$ 3.270	
2006	1.375	0.812	0.900	0.333	3.420	
2007 (A)	0.744	0.408	0.462	0.176	1.790	
2008	0.748	0.402	0.460	0.191	1.801	
2009	0.781	0.425	0.491	0.205	1.902	
2010	0.802	0.454	0.513	0.201	1.970	
2011 (B)	0.968	0.582	0.229	0.665	2.444	
2012	0.982	0.594	0.251	0.662	2.489	
2013	1.001	0.600	0.663	0.251	2.515	
2014	1.023	0.634	0.663	0.253	2.573	

Note: (A) The Borough undertook a revaluation of real property which became effective in the calendar year 2007

(B) The Borough undertook a reassessment of real property which became effective in the calendar year 2011.

Source: Tax Duplicate, Borough of Northvale

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

Taxpayer	2014		2005	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Maxim Enterprises	\$ 26,729,600	3.13%		
1554 Union Street Assoc.	12,711,200	1.49%		
Northvale Shopping Center Assoc.	9,504,700	1.11%	\$ 6,203,900	1.30%
GEA Mechanical Equipment	7,268,700	0.85%		
Roselle Costa	6,252,400	0.73%	7,029,500	1.48%
Cho Dae Presbyterian Church	6,120,200	0.72%		
Northvale Holding CO. LLC	6,094,000	0.71%		
Northvale 1997 Assoc., LLC	5,492,300	0.64%		
Klaus Rexroth Incorporated	5,466,900	0.64%		
Northvale Technical Center	5,289,200	0.62%		
Northvale 88			6,956,800	1.46%
MEM Company			6,750,000	1.42%
273 Livingston St. Assoc.			5,240,800	1.10%
Centrico			4,003,900	0.84%
Minetto, Orland & Enes			3,728,400	0.78%
George Kessel Associates			3,319,600	0.70%
Northvale Tire Tech			3,649,100	0.77%
GVDB Ventures			3,595,900	0.76%
	<u>90,929,200</u>	<u>10.66%</u>	<u>50,477,900</u>	<u>10.61%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Local School Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	\$ 6,089,586	\$ 6,089,586	100.00%	
2006	6,277,937	6,277,937	100.00%	
2007	6,807,807	6,807,807	100.00%	
2008	7,344,731	7,344,731	100.00%	
2009	7,619,669	7,619,669	100.00%	
2010	7,952,892	7,952,892	100.00%	
2011	8,178,319	7,496,793	91.67%	\$ 681,526
2012	8,301,269	8,301,269	100.00%	
2013	8,436,310	8,436,310	100.00%	
2014	8,610,255	8,610,255	100.00%	

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases</u>			
2005	\$ 4,375,000		\$ 4,375,000	4,490	\$ 974
2006	5,729,000		5,729,000	4,467	1,283
2007	5,539,000		5,539,000	4,501	1,231
2008	5,264,000		5,264,000	4,693	1,122
2009	4,974,000		4,974,000	4,807	1,035
2010	4,644,000		4,644,000	4,645	1,000
2011	4,289,000	\$ 86,209	4,375,209	4,669	937
2012	3,939,000	192,501	4,131,501	4,848	852
2013	3,584,000	113,858	3,697,858	4,746	779
2014	3,219,000	77,139	3,296,139	4,746 (1)	695

(1) - Estimated

Source: District records

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2005	\$ 4,375,000		\$ 4,375,000	0.92%	974
2006	5,729,000		5,729,000	1.20%	1,283
2007	5,539,000		5,539,000	0.57%	1,231
2008	5,264,000		5,264,000	0.53%	1,122
2009	4,974,000		4,974,000	0.50%	1,035
2010	4,644,000		4,644,000	0.46%	1,000
2011	4,289,000		4,289,000	0.50%	919
2012	3,939,000		3,939,000	0.46%	813
2013	3,584,000		3,584,000	0.42%	755
2014	3,219,000		3,219,000	0.38%	678

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**NORTHVALE BOARD OF EDUCATION**  
**COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT**  
**FOR YEAR ENDED DECEMBER 31, 2013**  
**(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Regional High School Tax	\$ 1,577,275	\$ 1,577,275	
Borough of Northvale School District	3,584,000	3,584,000	
Borough of Northvale	<u>5,254,564</u>	<u>-</u>	\$ 5,254,564
	<u>\$ 10,415,839</u>	<u>\$ 5,161,275</u>	<u>5,254,564</u>
Overlapping Debt Apportioned to the Municipality:			
Bergen County (3)			4,785,429
Bergen County Utilities Authority (2)			<u>1,911,883</u>
			<u>6,697,312</u>
Total Direct and Overlapping Debt			<u>\$ 11,951,876</u>

## Sources:

- (1) Borough of Northvale Annual Debt Statement - December 31, 2013
- (2) BCUA 2013 audit.
- (3) Bergen County Annual Debt Statement - December 31, 2013

**NORTHVALE BOARD OF EDUCATION  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

**Legal Debt Margin Calculation for Fiscal Year 2013**

Equalized valuation basis	
2013	\$ 914,149,431
2012	920,215,119
2011	962,004,754
	<u>\$ 2,796,369,304</u>
 Average equalized valuation of taxable property	 \$ 932,123,101
Debt limit (3% of average equalization)	27,963,693
Total Net Debt Applicable to Limit	<u>(3,219,000)</u>
Legal debt margin	<u>\$ 24,744,693</u>

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$ 20,699,054	\$ 23,415,166	\$ 25,840,442	\$ 27,727,971	\$ 29,711,500	\$ 30,436,121	\$ 30,712,812	\$ 29,763,299	\$ 28,874,232	\$ 27,963,693
Total net debt applicable to limit	<u>(4,375,716)</u>	<u>(5,730,216)</u>	<u>(5,540,216)</u>	<u>(5,265,216)</u>	<u>(4,974,000)</u>	<u>(4,644,000)</u>	<u>(4,289,000)</u>	<u>(3,939,000)</u>	<u>(3,584,000)</u>	<u>(3,219,000)</u>
Legal debt margin	<u>\$ 16,323,338</u>	<u>\$ 17,684,950</u>	<u>\$ 20,300,226</u>	<u>\$ 22,462,755</u>	<u>\$ 24,737,500</u>	<u>\$ 25,792,121</u>	<u>\$ 26,423,812</u>	<u>\$ 25,824,299</u>	<u>\$ 25,290,232</u>	<u>\$ 24,744,693</u>
Total net debt applicable to the limit as a percentage of debt limit	21.14%	24.47%	21.44%	18.99%	16.74%	15.26%	13.96%	13.23%	12.41%	11.51%

Source: Annual Debt Statements

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income</u>	<u>Population</u>
2005	2.3%	\$ 57,745	4,490
2006	2.5%	63,166	4,467
2007	2.5%	67,606	4,501
2008	2.9%	67,375	4,693
2009	5.2%	63,862	4,807
2010	5.4%	63,950	4,645
2011	5.3%	67,240	4,669
2012	5.4%	69,919	4,848
2013	7.1%	N/A	4,746
2014	N/A	N/A	N/A

N/A - Not Available

Source: New Jersey Department of Labor, Bergen County  
United States Bureau of Census  
School District Records

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

	<u>2014</u>		<u>2005</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Instruction									
Regular	43.0	41.0	43.0	40.0	42.0	43.0	46.0	46.0	46.0
Special education	9.0	9.0	9.0	11.7	10.0	10.0	10.0	10.0	10.0
Support Services:									
Student and instruction related services	7.0	7.0	7.0	6.2	6.0	6.0	6.0	6.0	6.0
General administration Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administration Services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Central services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Administrative Information Technology	1.0	1.0	1.0	1.0	1.0	1.0			
Plant operations and maintenance	7.0	6.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Total	<u>75</u>	<u>72</u>	<u>71</u>	<u>69.9</u>	<u>70.0</u>	<u>71.0</u>	<u>73.0</u>	<u>73.0</u>	<u>73.0</u>

Source: District Personnel Records

Note:

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

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

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Staff	Elementary	Middle School				
2005	579.0	\$ 7,062,880	\$ 12,198	7.41%	59	N/A	N/A	579.0	562.5	0.17%	97.15%
2006	599.0	7,487,053	12,499	2.47%	61	N/A	N/A	599.0	581.0	3.45%	96.99%
2007	587.0	7,850,269	13,374	6.99%	57	N/A	N/A	587.0	560.0	-2.00%	95.40%
2008	604.0	8,116,364	13,438	0.48%	54	N/A	N/A	604.0	587.0	2.90%	97.19%
2009	614.0	7,954,972	12,956	-3.58%	54	N/A	N/A	629.0	587.0	4.14%	93.32%
2010	610.0	8,541,586	14,003	8.08%	56	N/A	N/A	617.0	595.3	-1.91%	96.48%
2011	584.0	8,346,225	14,291	2.06%	56	N/A	N/A	587.3	561.9	-4.81%	95.68%
2012	568.0	8,647,005	15,224	6.52%	56	N/A	N/A	569.7	548.4	-3.00%	96.26%
2013	508.0	8,946,555	17,611	15.68%	53	17.50	15.90	536.6	513.7	-5.81%	95.73%
2014	512.0	8,895,696	17,374	-1.35%	53	17.50	15.90	525.2	507.5	-2.12%	96.63%

Sources: District records

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

N/A - Not Available

NORTHVALE BOARD OF EDUCATION  
 SCHOOL BUILDING INFORMATION  
 LAST NINE FISCAL YEARS  
 (Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b><u>District Building</u></b>									
<b><u>Elementary</u></b>									
Thomas Jefferson									
Square Feet	25,931	25,931	25,931	25,931	25,931	25,931	25,931		
Capacity (students)	316	316	316	316	316	316	316		
Enrollment	235	239	252	250	251	247	209		
<b><u>Middle School</u></b>									
Nathan Hale									
Square Feet	45,162	45,162	45,162	45,162	45,162	45,162	45,162		
Capacity (students)	532	532	532	532	532	532	532		
Enrollment	364	348	352	364	366	337	354		
<b><u>Northvale School District</u></b>									
Square Feet								71,093	71,093
Capacity (students)								848	848
Enrollment								508	512
Number of Schools at June 30, 2014									
Northvale School District = 1									

Source: District Records

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

In fiscal year 2013, the two school buildings were combined into one district building, Northvale School District for reporting purposes.

**NORTHVALE BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS  
(Unaudited)**

**UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
School Facilities										
District Totals										
Nathan Hale	\$ 29,537	\$ 32,163	\$ 43,742	\$ 69,962	\$ 49,424	\$ 76,699	\$ 70,062	\$ 51,156		
Thomas Jefferson	6,050	6,588	8,959	44,524	50,702	44,078	31,846	58,884		
Northvale School District	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	\$ 112,611	\$ 114,133
Grand Total	<u>\$ 35,587</u>	<u>\$ 38,751</u>	<u>\$ 52,701</u>	<u>\$ 114,486</u>	<u>\$ 100,126</u>	<u>\$ 120,777</u>	<u>\$ 101,908</u>	<u>\$ 110,040</u>	<u>\$ 112,611</u>	<u>\$ 114,133</u>

Note: Beginning in fiscal year 2001, the New Jersey State Department of Education required Districts to report maintenance expenditures by location, therefore ten years of data is not required or available.

In fiscal year 2013, the two school buildings were combined into one district building, Northvale School District for reporting purposes.

**NORTHVALE BOARD OF EDUCATION  
SCHEDULE OF INSURANCE  
JUNE 30, 2014  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Selective Way Insurance Company		
Property - Blanket Buildings and Contents	\$ 18,449,939	\$ 5,000
Comprehensive General Liability (General Aggregate)	2,000,000	15,000
Public Employee Dishonesty (Per Employee/Loss)	100,000/400,000	5,000
Automobile Liability	1,000,000	
Educator's Legal Liability - Darwin	1,000,000	
Computers and Scheduled Equipment - Selectiveway Insurance Company		
Miscellaneous Equipment	250,000	1,000
Valuable Papers and Records	4,925,000	1,000
Computer Equipment	2,425,000	1,000
Accounts Receivable	25,000	
Commercial Umbrella Excess (per occurrence/aggregate limit) - Selective Way Insurance Co.	9,000,000	
Commercial Umbrella Excess (per occurrence/aggregate limit) - Firemen's Fund Insurance Co.	50,000,000	

Source: School District's Records

**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
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KEVIN LOMSKI, CPA  
EDWARD P. MURPHY, CPA

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

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Northvale Board of Education as of and for the fiscal year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the Northvale Board of Education's basic financial statements and have issued our report thereon dated November 14, 2014.

**Internal Control Over Financial Reporting**

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

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

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

### Compliance and Other Matters

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

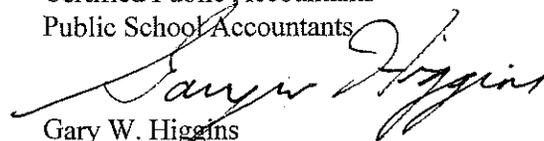
We noted a certain matter that is not required to be reported under Government Auditing Standards that we reported to management of the Northvale Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 14, 2014.

### Purpose of this Report

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

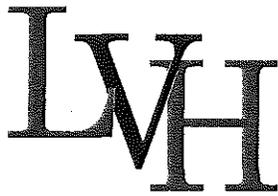


LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Gary W. Higgins  
Public School Accountant  
PSA Number CS00814

Fair Lawn, New Jersey  
November 14, 2014



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on Compliance for Each Major State Program**

We have audited the Northvale Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB Circular 04-04 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Northvale Board of Education's major state programs for the fiscal year ended June 30, 2014. The Northvale Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Northvale Board of Education's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and Circular 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 Northvale Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major State Program***

In our opinion, the Northvale Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2014.

### **Report on Internal Control Over Compliance**

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

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

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

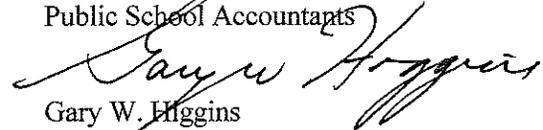
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 04-04**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Northvale Board of Education, as of and for the fiscal year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated November 14, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 04-04 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Gary W. Higgins  
Public School Accountant  
PSA Number CS00814

Fair Lawn, New Jersey  
November 14, 2014

**NORTHVALE BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2013		Due to Grantor	Carryover	Cash Received	Budgetary Expenditures	Adjustment (1)	June 30, 2014		Due to Grantor	GAAP Receivable	
					(Accts. Receivable)	Unearned Revenue						Accounts Receivable	Deferred Revenue			
<b>U.S. Department of Education Passed-Through State Department of Education</b>																
<b>General Fund</b>																
<b>Special Revenue Fund</b>																
I.D.E.A. Part B, Basic	84.027	IDEA373014	7/1/13-6/30/14	99,173					\$ 99,173	\$ 99,173						
I.D.E.A. Part B, Preschool	84.173	IDEA373014	7/1/13-6/30/14	7,029					7,029	7,029						
NCLB Title III	84.365A	NCLB373014	7/1/13-6/30/14	5,552					5,552	5,552						
NCLB Title III	84.365A	NCLB373013	9/1/12-8/31/13	5,885	(5,885)	\$ 28			5,885		\$ (28)					
NCLB Title III	84.365A	NCLB373012	9/1/11-8/31/12	6,565	\$ (364)	-			-	-	\$ 364					
Total Special Revenue Fund					(6,249)	28	-	-	117,639	111,754	336	-	-	-	-	-
Total Federal Financial Assistance					\$ (6,249)	\$ 28	\$ -	\$ -	\$ 117,639	\$ 111,754	\$ 336	\$ -	\$ -	\$ -	\$ -	\$ -

Note: This schedule was not subject to a Federal Single Audit in accordance with OMB-133.

(1) - Adjust deferred revenue and accounts receivable balance in Special Revenue Fund

**NORTHVALE BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Balance, June 30, 2013

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	(Accounts Receivable)	Deferred Revenue	Due to Grantor	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	Balance, June 30, 2014			MEMO			
											(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Budgetary Total Expenditures		
<b>State Department of Education</b>																	
<b>General Fund</b>																	
Special Education Categorical Aid	14-495-034-5120-089	7/1/13-6/30/14	\$ 203,208				\$ 184,266	\$ 203,208						\$ (18,942)		\$ 203,208	
Special Education Categorical Aid	13-495-034-5120-089	7/1/12-6/30/13	203,041	\$ (18,926)			18,926										
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	7,270				6,593	7,270						(677)		7,270	
Security Aid	13-495-034-5120-084	7/1/12-6/30/13	7,943	(740)			740										
Adjustment Aid	14-495-034-5120-085	7/1/13-6/30/14	1				1	1								1	
Extraordinary Aid	14-495-034-5120-473	7/1/13-6/30/14	124,835					124,835						(124,835)		124,835	
Extraordinary Aid	13-495-034-5120-473	7/1/12-6/30/13	97,283	(97,283)			97,283										
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	7,388				6,699	7,388						(689)		7,388	
Transportation Aid	13-495-034-5120-014	7/1/12-6/30/13	6,883	(642)			642										
Additional Nonpublic Transportation Aid	13-495-034-5120-014	7/1/13-6/30/14	1,521					1,521						(1,521)		1,521	
Additional Nonpublic Transportation Aid	14-495-034-5120-014	7/1/12-6/30/13	1,392	(1,392)			1,392										
Homeless Tuition Aid	N/A	7/1/12-6/30/13	26,470	(26,470)			26,470										
TPAF Pension - NCGI Premium	14-495-034-5095-007	7/1/13-6/30/14	13,248					13,248								13,248	
TPAF Pension - Normal Costs	14-495-034-5095-006	7/1/13-6/30/14	150,094				150,094	150,094								150,094	
TPAF Pension PRM Contr.	14-495-034-5095-001	7/1/13-6/30/14	267,819				267,819	267,819								267,819	
TPAF Social Security Contrib.	14-495-034-5095-002	7/1/13-6/30/14	301,961				285,891	301,961						(16,070)		301,961	
TPAF Social Security Contrib.	13-495-034-5095-002	7/1/12-6/30/13	295,334	(14,601)			14,601										
<b>Total General Fund</b>				<b>(160,054)</b>	<b>-</b>	<b>-</b>	<b>1,074,665</b>	<b>1,077,345</b>	<b>-</b>	<b>-</b>	<b>(162,734)</b>	<b>-</b>	<b>-</b>	<b>(17,591)</b>	<b>-</b>	<b>1,077,345</b>	
<b>Capital Projects Fund</b>																	
NJ Economic Development Facilities Grant Program	3730-060-10-1001	7/1/11-6/30/12	191,166	(191,166)	\$ 57,886									(191,166)	\$ 57,886	(191,166)	133,280
NJ Economic Development Facilities Grant Program	3730-060-10-1002	7/1/11-6/30/12	149,192	(149,192)	79,190									(149,192)	79,190	(149,192)	70,002
NJ Economic Development Facilities Grant Program	3730-050-10-1003	7/1/11-6/30/12	149,115	(149,115)	62,435									(149,115)	62,435	(149,115)	86,680
NJ Economic Development Facilities Grant Program	3730-050-10-1004	7/1/11-6/30/12	142,034	(142,034)	28,822									(142,034)	28,822	(142,034)	113,212
<b>Total Capital Projects</b>				<b>(631,507)</b>	<b>228,333</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(631,507)</b>	<b>228,333</b>	<b>-</b>	<b>(631,507)</b>	<b>228,333</b>	<b>(631,507)</b>	<b>403,174</b>
<b>Debt Service Fund</b>																	
Debt Service Aid	14-495-034-5120-075	7/1/13-6/30/14	49,988				49,988	49,988									49,988
<b>Total State Financial Assistance</b>				<b>(791,561)</b>	<b>228,333</b>	<b>-</b>	<b>1,124,653</b>	<b>1,127,333</b>	<b>-</b>	<b>-</b>	<b>(794,241)</b>	<b>228,333</b>	<b>-</b>	<b>(649,098)</b>	<b>-</b>	<b>1,530,507</b>	
<b>State Financial Assistance Not Subject to Single Audit Determination</b>																	
<b>General Fund</b>																	
TPAF Pension - NCGI Premium	14-495-034-5095-007	7/1/13-6/30/14	13,248				(13,248)	(13,248)									(13,248)
TPAF Pension - Normal Costs	14-495-034-5095-006	7/1/13-6/30/14	150,094				(150,094)	(150,094)									(150,094)
TPAF Pension PRM Contr.	14-495-034-5095-001	7/1/13-6/30/14	267,819				(267,819)	(267,819)									(267,819)
<b>Total State Financial Assistance Subject to Single Audit</b>				<b>\$ (791,561)</b>	<b>\$ 228,333</b>	<b>\$ -</b>	<b>\$ 693,492</b>	<b>\$ 696,172</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (794,241)</b>	<b>\$ 228,333</b>	<b>\$ -</b>	<b>\$ (649,098)</b>	<b>\$ 1,999,346</b>		

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The Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are and integral Part of this Statement.

**NORTHVALE BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with requirements of U.S. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis a decrease of \$27,552 for the general fund. There is no adjustment from the budgetary to the GAAP basis for the Special Revenue Fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 1,049,793	\$ 1,049,793
Special Revenue Fund	\$ 111,754		111,754
Debt Service Fund	-	49,988	49,988
	<hr/>	<hr/>	<hr/>
Total Financial Assistance	<u>\$ 111,754</u>	<u>\$ 1,099,781</u>	<u>\$ 1,211,535</u>

**NORTHVALE BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

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

**NOTE 5 OTHER INFORMATION**

TPAF Social Security contributions in the amount of \$301,961 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2014. The amount reported as TPAF Pension System Contributions in the amount of \$163,342 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$267,819 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2014.

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

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

**NORTHVALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**Part I – Summary of Auditor’s Results**

**Financial Statement Section**

A) Type of auditors' report issued:	<u>Unmodified</u>
B) Internal control over financial reporting:	
1) Material weakness(es) identified?	_____ yes <u>  X  </u> no
2) Were significant deficiencies identified that were not considered to be material weaknesses?	_____ yes <u>  X  </u> no
C) Noncompliance material to the basic financial statements noted?	_____ yes <u>  X  </u> no

**State Awards Section**

Internal Control over major programs:

(1) Material weakness(es) identified?	_____ yes <u>  X  </u> no
2) Significant deficiencies identified that are not considered to be material weakness(es)?	_____ yes <u>  X  </u> none reported

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04? \_\_\_\_\_ yes        X   no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of State Program or Cluster</u>
14-495-034-5120-089	Special Education Categorical Aid
14-495-034-5120-084	Security Aid
14-495-034-5120-085	Adjustment Aid
14-495-034-5095-002	TPAF Social Security Contributions

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes        X   no

**Federal Awards Section**

NOT APPLICABLE

**NORTHVALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

*Part 2 – Schedule of Financial Statement Findings*

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

There are none.

**NORTHVALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

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

**CURRENT YEAR FEDERAL AWARDS**

Not applicable.

**CURRENT YEAR STATE AWARDS**

There are none.

**NORTHVALE BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

**STATUS OF PRIOR YEAR FINDINGS**

No prior year findings were reported.