

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

**River Vale, New Jersey**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
of the  
River Vale Board of Education  
River Vale, New Jersey  
For The Fiscal Year Ended June 30, 2013**

**Prepared by  
Business Office**

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## **INTRODUCTORY SECTION**



# RIVER VALE PUBLIC SCHOOLS

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Kelly Ippolito  
School Business Administrator/  
Board Secretary  
609 Westwood Avenue  
River Vale, NJ 07675-5730

KIppolito@rivervaleschools.com  
Telephone: 201 / 358 - 4003  
Fax: 201 / 358 - 2489

November 8, 2013

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

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the district's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon including the Management Discussion and Analysis. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The district is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.



**REPORTING ENTITY AND ITS SERVICES:** The River Vale Board of Education is an independent reporting entity within the criteria adopted by the GASB. All funds of the district are included in this report. The River Vale Board of Education and all its schools constitute the district's reporting entity.

The district provides a full range of educational services appropriate to grade levels K through 8. These include regular education as well as special education for handicapped youngsters. The district completed the 2013/2014 fiscal year with an enrollment of 1293 students, which is a decrease of 29 students over the previous year's enrollment.

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

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

**Average Daily Enrollment**

| <u>Fiscal Year</u> | <u>Student Enrollment</u> | <u>Percent Change</u> |
|--------------------|---------------------------|-----------------------|
| 2012-2013          | 1,293                     | -2.2%                 |
| 2011-2012          | 1,322                     | -5.5%                 |
| 2010-2011          | 1,399                     | 1.57%                 |
| 2009-2010          | 1,375                     | -2.15%                |
| 2008-2009          | 1,405                     | 1.6%                  |
| 2007-2008          | 1,383                     | 1.50%                 |
| 2006-2007          | 1,362                     | 1.18%                 |
| 2005-2006          | 1,346                     | .2%                   |
| 2004-2005          | 1,343                     | -4.2%                 |
| 2003-2004          | 1,402                     | 7.4%                  |

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

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

The district has been able to attract excellent teachers over the years. More than half of the teachers are tenured. More than half are on the MA+ level. Enrollment for the 2012/2013 school year was 1,293 students including out-of-district special education placements. Enrollment for 2013/2014 is expected to decrease slightly. Homerooms average twenty (20) students and reading/math groups have a lower faculty/student ratio.

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

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

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

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

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

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

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

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

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

**ACCOUNTING SYSTEM AND REPORTS:** The district's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the district is organized in "Notes to the Financial Statements", Note 1.

**DEBT ADMINISTRATION:** At June 30, 2013 the River Vale Board of Education had \$6,290,000 in bonded debt.

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

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

**OTHER INFORMATION:**

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

**ACKNOWLEDGMENTS:**

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

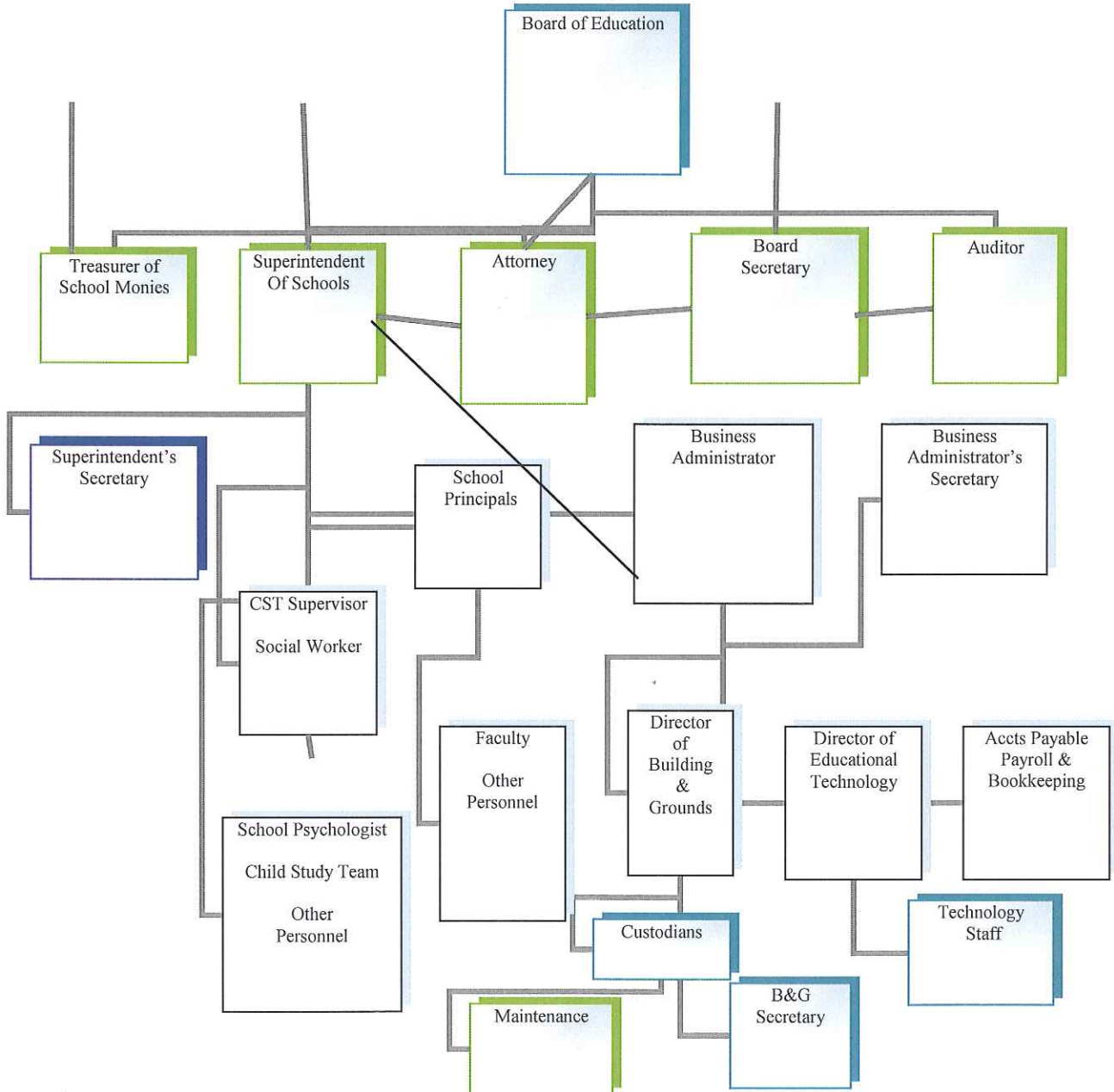
Respectfully submitted,

*Kelly Ippolito*

Kelly Ippolito  
Business Administrator/Board Secretary

RIVER VALE BOARD OF EDUCATION

ORGANIZATION CHART



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

ROSTER OF OFFICIALS  
JUNE 30, 2013

| <b><u>Members of the Board of Education</u></b> | <b><u>Term Expires</u></b> |
|---|----------------------------|
| Lorraine Waldes, President                      | 2015                       |
| Steven Rosini, Vice President                   | 2014                       |
| Sheryl Eaton                                    | 2013                       |
| William Ellis                                   | 2015                       |
| David Moon                                      | 2014                       |
| Michael Shirey                                  | 2014                       |
| Andrew Spector                                  | 2013                       |

**Other Officials**

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

Kelly Ippolito, School Business Administrator/Board Secretary

Gennaro Rotella, Treasurer of School Monies

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

**Consultants and Advisors**

**As of June 30, 2013**

**Architect**

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

**Audit Firm**

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

**Attorney**

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

**Official Depository**

Capital One Bank  
553 Broadway Ave.  
Westwood, NJ 07675

**Risk Manager**

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

**FINANCIAL SECTION**





# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Trustees'  
River Vale Board of Education  
River Vale, 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 River Vale Board of Education as of and for the fiscal year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

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

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

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

## *Opinions*

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the River Vale Board of Education as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the River Vale 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 River Vale 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 8, 2013 on our consideration of the River Vale Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 River Vale Board of Education's internal control over financial reporting and compliance.



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



Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
November 8, 2013

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2013**

This discussion and analysis of the River Vale Board of Education's financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2013. The intent of this is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2013 are as follows:

- District-Wide - Overall revenues were \$23,536,953. General revenues accounted for \$20,436,293 or 87 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$3,100,660 or 13 percent of total revenues of \$23,536,953.
- District-Wide - The School District had \$21,809,863 in expenses; only \$3,100,660 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$20,436,293 were adequate to provide for these programs.
- Fund Financials - As of the close of the current fiscal year, the River Vale Board of Education's governmental funds reported combined ending fund balances of \$3,815,140, an increase of \$1,739,101 in comparison with the prior year.
- Fund Financials - At the end of June 30, 2013, unassigned fund balance (budgetary basis) for the General Fund was \$573,129, a decrease of \$66,614.

## RIVER VALE BOARD OF EDUCATION

### Management's Discussion and Analysis (continued)

#### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Figure A-1 summarizes the major features of the River Vale Board of Education's financial statements, including the portion of the River Vale Board of Education's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

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

|   | District-Wide<br>Statements   | Governmental Funds   | Proprietary Funds   |
|---|---|--|---|
| Scope   | Entire district (except fiduciary funds)  | The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance and food service  | Activities the district operates similar to private businesses  |
| Required financial statements                                     | Statements of Net Position<br>Statement of Activities   | Balance Sheet<br>Statement of Revenues,<br>Expenditures and Changes in<br>Fund Balances  | Statement of Net Position<br>Statement of Revenues,<br>Expenses, and Changes in<br>Fund Net Position<br>Statement of Cash Flows |
| Accounting Basis and Measurement focus                            | Accrual accounting and economic resources focus   | Modified accrual accounting and current financial focus  | Accrual accounting and economic resources focus   |
| Type of asset/liability and deferred inflows/outflows information | All assets, deferred outflows, liabilities and deferred inflows, both financial and capital, short-term and long-term | Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included                      | All assets, deferred outflows, liabilities and deferred inflows, both financial and capital, short-term and long-term           |
| Type of inflow/outflow information                                | All revenues and expenses during year, regardless of when cash is received or paid                                    | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable. | All revenues and expenses during the year, regardless of when cash is received or paid.   |

### District-wide Statements

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

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

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

# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

### District-wide Statements (Continued)

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

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

### Fund Financial Statements

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

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

The District has three kinds of funds:

*Governmental funds.* The District's basic services are included in the governmental funds, which generally focus on near-term inflows and outflows of spendable resources and the balances of spendable resources at year-end. Consequently, the governmental fund statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide a reconciliation at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances to facilitate this comparison between governmental funds and governmental activities.

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



## RIVER VALE BOARD OF EDUCATION

### Management's Discussion and Analysis (continued)

#### Fund Financial Statements (Continued)

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

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

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

#### DISTRICT-WIDE FINANCIAL ANALYSIS OF THE RIVER VALE BOARD OF EDUCATION AS A WHOLE

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

Table A-1 provides a summary of the school district's net position for fiscal years 2013 and 2012. Net position for 2013 and 2012 were \$16,286,609 and \$14,706,645, respectively.

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

**RIVER VALE BOARD OF EDUCATION**

**Management's Discussion and Analysis (continued)**

Table A-1  
Statement of Net Position  
As of June 30, 2013 and 2012

|  | <u>Governmental</u><br><u>Activities</u> |                      | <u>Business-Type</u><br><u>Activities</u> |                   | <u>Total</u>         |                      |
|--|--|----------------------|---|-------------------|----------------------|----------------------|
|  | <u>2013</u>                              | <u>2012</u>          | <u>2013</u>                               | <u>2012</u>       | <u>2013</u>          | <u>2012</u>          |
| Current and Other Assets                               | \$ 4,202,363                             | \$ 2,606,583         | \$ 19,241                                 | \$ 164,561        | \$ 4,221,604         | \$ 2,771,144         |
| Capital Assets   | <u>19,936,609</u>                        | <u>20,125,608</u>    | <u>1,270</u>                              | <u>2,281</u>      | <u>19,937,879</u>    | <u>20,127,889</u>    |
| <b>Total Assets</b>                                    | <u>24,138,972</u>                        | <u>22,732,191</u>    | <u>20,511</u>                             | <u>166,842</u>    | <u>24,159,483</u>    | <u>22,899,033</u>    |
| <b>Total Deferred Outflows of Resources</b>            | <u>172,517</u>                           | <u>221,069</u>       | <u>-</u>                                  | <u>-</u>          | <u>172,517</u>       | <u>221,069</u>       |
| <b>Total Assets and Deferred Outflows of Resources</b> | <u>24,311,489</u>                        | <u>22,953,260</u>    | <u>20,511</u>                             | <u>166,842</u>    | <u>24,332,000</u>    | <u>23,120,102</u>    |
| Other Liabilities                                      | 455,755                                  | 604,970              | 12,891                                    | 18,425            | 468,646              | 623,395              |
| Long-Term Liabilities                                  | <u>7,576,745</u>                         | <u>7,790,062</u>     | <u>-</u>                                  | <u>-</u>          | <u>7,576,745</u>     | <u>7,790,062</u>     |
| <b>Total Liabilities</b>                               | <u>8,032,500</u>                         | <u>8,395,032</u>     | <u>12,891</u>                             | <u>18,425</u>     | <u>8,045,391</u>     | <u>8,413,457</u>     |
| Net Position:  |  |                      |   |                   |                      |                      |
| Net Invested in Capital Assets                         | 13,716,329                               | 13,128,780           | 1,270                                     | 1,659             | 13,717,599           | 13,130,439           |
| Restricted   | 641,463                                  | 716,927              |   |                   | 641,463              | 716,927              |
| Unrestricted   | <u>1,921,197</u>                         | <u>712,521</u>       | <u>6,350</u>                              | <u>146,758</u>    | <u>1,927,547</u>     | <u>859,279</u>       |
| <b>Total Net Position</b>                              | <u>\$ 16,278,989</u>                     | <u>\$ 14,558,228</u> | <u>\$ 7,620</u>                           | <u>\$ 148,417</u> | <u>\$ 16,286,609</u> | <u>\$ 14,706,645</u> |

# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

**Governmental activities.** Governmental activities increased the District's net position by \$1,720,761. Key elements of this increase are as follows:

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

|                                       | Governmental<br>Activities |                      | Business-Type<br>Activities |                   | Total                |                      |
|---------------------------------------|----------------------------|----------------------|-----------------------------|-------------------|----------------------|----------------------|
|                                       | 2013                       | 2012                 | 2013                        | 2012              | 2013                 | 2012                 |
| <b>Revenues</b>                       |                            |                      |                             |                   |                      |                      |
| Program Revenues                      |                            |                      |                             |                   |                      |                      |
| Charges for Services                  | \$ 27,350                  | \$ 20,260            | \$ 25,034                   | \$ 20,979         | \$ 52,384            | \$ 41,239            |
| Operating Grants and Contributions    | 2,940,129                  | 2,655,210            | 8,147                       | 9,594             | 2,948,276            | 2,664,804            |
| Capital Grants and Contributions      | 100,000                    | 221,010              |                             |                   | 100,000              | 221,010              |
| General Revenues                      |                            |                      |                             |                   |                      |                      |
| Property Taxes                        | 20,258,781                 | 19,881,917           |                             |                   | 20,258,781           | 19,881,917           |
| Other                                 | 177,426                    | 165,724              | 86                          | 154               | 177,512              | 165,878              |
| <b>Total Revenues</b>                 | <u>23,503,686</u>          | <u>22,944,121</u>    | <u>33,267</u>               | <u>30,727</u>     | <u>23,536,953</u>    | <u>22,974,848</u>    |
| <b>Expenses</b>                       |                            |                      |                             |                   |                      |                      |
| Instruction                           |                            |                      |                             |                   |                      |                      |
| Regular                               | 10,096,119                 | 9,833,606            |                             |                   | 10,096,119           | 9,833,606            |
| Special Education                     | 2,231,290                  | 2,230,343            |                             |                   | 2,231,290            | 2,230,343            |
| Other Instruction                     | 672,031                    | 677,912              |                             |                   | 672,031              | 677,912              |
| School Sponsored Activities and Ath.  | 124,146                    | 120,488              |                             |                   | 124,146              | 120,488              |
| Support Services                      |                            |                      |                             |                   |                      |                      |
| Student and Instruction Related Serv. | 2,444,437                  | 2,329,447            |                             |                   | 2,444,437            | 2,329,447            |
| Attendance and Social Work            | 200,410                    | 113,304              |                             |                   | 200,410              | 113,304              |
| Educational Media/School Library      | 297,026                    | 423,129              |                             |                   | 297,026              | 423,129              |
| General Administrative Services       | 724,425                    | 742,344              |                             |                   | 724,425              | 742,344              |
| School Administrative Services        | 1,192,633                  | 1,133,352            |                             |                   | 1,192,633            | 1,133,352            |
| Plant Operations and Maintenance      | 2,078,059                  | 1,965,809            |                             |                   | 2,078,059            | 1,965,809            |
| Pupil Transportation                  | 397,901                    | 443,474              |                             |                   | 397,901              | 443,474              |
| Central Services                      | 1,095,091                  | 1,099,110            |                             |                   | 1,095,091            | 1,099,110            |
| Food Services                         |                            |                      | 22,039                      | 48,026            | 22,039               | 48,026               |
| Park Academy                          |                            |                      | 4,899                       | 7,662             | 4,899                | 7,662                |
| Interest on Long-Term Debt            | 229,357                    | 248,380              | -                           | -                 | 229,357              | 248,380              |
| <b>Total Expenses</b>                 | <u>21,782,925</u>          | <u>21,360,698</u>    | <u>26,938</u>               | <u>55,688</u>     | <u>21,809,863</u>    | <u>21,416,386</u>    |
| Change in Net Position                | 1,720,761                  | 1,583,423            | 6,329                       | (24,961)          | 1,727,090            | 1,558,462            |
| Transfer to Participating Districts   | -                          | -                    | (147,126)                   | -                 | (147,126)            | -                    |
| Net Position, Beginning of Year       | <u>14,558,228</u>          | <u>12,974,805</u>    | <u>148,417</u>              | <u>173,378</u>    | <u>14,706,645</u>    | <u>13,148,183</u>    |
| Net Position, End of Year             | <u>\$ 16,278,989</u>       | <u>\$ 14,558,228</u> | <u>\$ 7,620</u>             | <u>\$ 148,417</u> | <u>\$ 16,286,609</u> | <u>\$ 14,706,645</u> |

# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

**Governmental activities.** The District's total governmental revenues were \$23,503,686. The general share of the revenues, that included property taxes, interest, unrestricted state aid and miscellaneous revenue, amounted to \$20,436,307 or 87% of total revenues. Funding from restricted state and federal sources amounted to \$3,067,479 or 13%.

The District's total governmental expenses were \$21,782,925 and are predominantly related to instruction and support services. Instruction totaled \$13,123,586 (60%), student support services totaled \$8,429,982 (39%) and interest on long-term debt total \$229,357 (1%) of total expenditures. (See Table A-3.)

Table A-2 Revenues by Source- Governmental Activities  
For Fiscal Year 2013

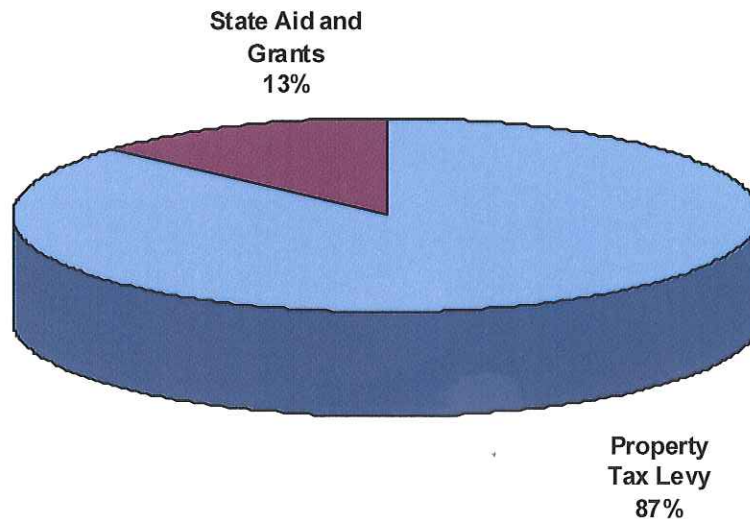
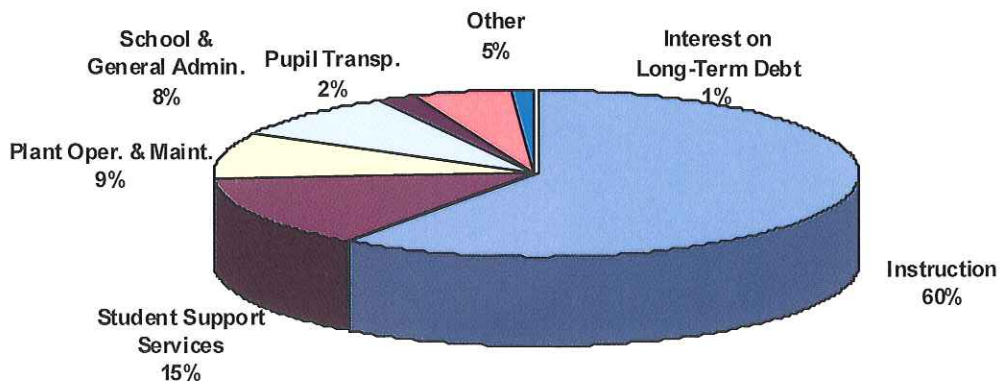


Table A-2 Expenditures by Type- Governmental Activities  
For Fiscal Year 2013



**RIVER VALE BOARD OF EDUCATION**

**Management's Discussion and Analysis (continued)**

**Table A-4  
Total and Net Cost of Governmental Activities  
For the Fiscal Years Ended June 30, 2013 and 2012**

| <u>Functions/Programs</u>                 | <u>Cost of Services</u> |                      | <u>Net Cost of Services</u> |                      |
|---|-------------------------|----------------------|-----------------------------|----------------------|
|   | <u>2013</u>             | <u>2012</u>          | <u>2013</u>                 | <u>2012</u>          |
| Governmental Activities                   |                         |                      |                             |                      |
| Instruction                               |                         |                      |                             |                      |
| Regular                                   | \$ 10,096,119           | \$ 9,833,606         | \$ 8,741,799                | \$ 8,731,497         |
| Special Education                         | 2,231,290               | 2,230,343            | 1,218,644                   | 1,098,275            |
| Other Instruction                         | 672,031                 | 677,912              | 576,826                     | 601,009              |
| School Sponsored Activities and Athletics | 124,146                 | 120,488              | 124,146                     | 120,488              |
| Support Services                          |                         |                      |                             |                      |
| Student and Instruction Related Svcs.     | 2,444,437               | 2,329,447            | 2,254,308                   | 2,187,299            |
| Attendance and Social Work                | 200,410                 | 113,304              | 162,337                     | 86,895               |
| Educational Media/School Library          | 297,026                 | 423,129              | 261,392                     | 379,577              |
| General Administrative Services           | 724,425                 | 742,344              | 681,492                     | 653,628              |
| School Administrative Services            | 1,192,633               | 1,133,352            | 974,164                     | 1,101,611            |
| Plant Operations and Maintenance          | 2,078,059               | 1,965,809            | 2,060,490                   | 1,744,799            |
| Pupil Transportation                      | 397,901                 | 443,474              | 372,311                     | 439,472              |
| Central Services                          | 1,095,091               | 1,099,110            | 1,058,180                   | 1,071,288            |
| Interest on Long-Term Debt                | 229,357                 | 248,380              | 229,357                     | 248,380              |
| <br>                                      |                         |                      |                             |                      |
| Total Governmental Activities             | <u>\$ 21,782,925</u>    | <u>\$ 21,360,698</u> | <u>\$ 18,715,446</u>        | <u>\$ 18,464,218</u> |

**Business-Type Activities**

The cost of Business-Type Activities for the fiscal year ended June 30, 2013 was \$26,938. These costs were funded by operating grants and charges for services (Detailed on Table A-2). The operations resulted in a decrease in net position of \$140,797. The decrease in the net position is mainly attributable to the park academy operations being transferred to another local educational agency.

**RIVER VALE BOARD OF EDUCATION**

**Management's Discussion and Analysis (continued)**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

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

As the District completed the year, its governmental funds reported a combined fund balance of \$3,815,140. At June 30, 2012 the fund balance was \$2,076,039.

**The District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$23,509,686 and expenditures were \$22,447,158.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the governmental fund revenues for the fiscal year ended June 30, 2013 and 2012.

|                 | <u>Year Ended<br/>June 30, 2013</u> | <u>Year Ended<br/>June 30, 2012</u> | <u>Amount of<br/>Increase<br/>(Decrease)</u> | <u>Percent<br/>Increase<br/>(Decrease)</u> |
|-----------------|-------------------------------------|-------------------------------------|--|--|
| Local Sources   | \$ 20,570,557                       | \$ 20,073,543                       | \$ 497,014                                   | 2.48%                                      |
| State Sources   | 2,717,235                           | 2,389,274                           | 327,961                                      | 13.73%                                     |
| Federal Sources | 221,894                             | 482,640                             | (260,746)                                    | -54.02%                                    |
| <br>            |                                     |                                     |  |  |
| Total Revenues  | <u>\$ 23,509,686</u>                | <u>\$ 22,945,457</u>                | <u>\$ 564,229</u>                            | 2.46%                                      |

The following schedule represents a summary of general fund, special revenue fund, capital projects fund, and debt service fund expenditures for the fiscal year ended June 30, 2013 and 2012.

|                    | <u>Year Ended<br/>June 30, 2013</u> | <u>Year Ended<br/>June 30, 2012</u> | <u>Amount of<br/>Increase<br/>(Decrease)</u> | <u>Percent<br/>Increase<br/>(Decrease)</u> |
|--------------------|-------------------------------------|-------------------------------------|--|--|
| Instruction        | \$ 12,752,715                       | \$ 12,600,045                       | \$ 152,670                                   | 1.21%                                      |
| Undistributed      | 8,238,400                           | 8,027,331                           | 211,069                                      | 2.63%                                      |
| Capital Outlay     | 390,908                             | 671,042                             | (280,134)                                    | -41.75%                                    |
| Debt Service       |                                     |                                     |  |  |
| Principal          | 820,247                             | 792,303                             | 27,944                                       | 3.53%                                      |
| Interest           | 244,888                             | 270,533                             | (25,645)                                     | -9.48%                                     |
| <br>               |                                     |                                     |  |  |
| Total Expenditures | <u>\$ 22,447,158</u>                | <u>\$ 22,361,254</u>                | <u>\$ 85,904</u>                             | 0.38%                                      |

## RIVER VALE BOARD OF EDUCATION

### Management's Discussion and Analysis (continued)

#### Budgetary Highlights

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

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

- Several unanticipated events resulted in significant additional revenue during this budget year:

- \* The District applied for and received \$184,978 in extraordinary aid.

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

**RIVER VALE BOARD OF EDUCATION**

**Management's Discussion and Analysis (continued)**

**Capital Assets.** The River Vale Board of Education's investment in capital assets for its governmental and business type activities as of June 30, 2013 amounts to \$19,937,879 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and building improvements, and machinery and equipment.

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

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

|                                     | Governmental<br>Activities |                          | Business-Type<br>Activities |                     | Total                    |                          |
|-------------------------------------|----------------------------|--------------------------|-----------------------------|---------------------|--------------------------|--------------------------|
|                                     | <u>2013</u>                | <u>2012</u>              | <u>2013</u>                 | <u>2012</u>         | <u>2013</u>              | <u>2012</u>              |
| Land                                | \$ 43,525                  | \$ 43,525                |                             |                     | \$ 43,525                | \$ 43,525                |
| Land Improvements                   | 573,030                    | 573,030                  |                             |                     | 573,030                  | 573,030                  |
| Buildings and Building Improvements | 24,374,247                 | 24,254,307               |                             |                     | 24,374,247               | 24,254,307               |
| Machinery, Equipment and Vehicles   | <u>2,348,379</u>           | <u>2,083,411</u>         | \$ 15,258                   | \$ 15,258           | <u>2,363,637</u>         | <u>2,098,669</u>         |
| <br>Total                           | <br>27,339,181             | <br>26,954,273           | <br>15,258                  | <br>15,258          | <br>27,354,439           | <br>26,969,531           |
| Less: Accumulated Depreciation      | <u>7,402,572</u>           | <u>6,828,665</u>         | <u>13,988</u>               | <u>13,599</u>       | <u>7,416,560</u>         | <u>6,842,264</u>         |
| <br>Total                           | <br><u>\$ 19,936,609</u>   | <br><u>\$ 20,125,608</u> | <br><u>\$ 1,270</u>         | <br><u>\$ 1,659</u> | <br><u>\$ 19,937,879</u> | <br><u>\$ 20,127,267</u> |

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

**Debt Administration.** As of June 30, 2013 the school district had long-term debt and outstanding long-term liabilities in the amount of \$7,369,986 as stated in Table A-5.

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

|                              | <u>2013</u>             | <u>2012</u>             |
|------------------------------|-------------------------|-------------------------|
| Serial Bonds                 | \$ 6,290,000            | \$ 7,015,000            |
| Capital Leases               | 676,573                 | 95,247                  |
| Compensated Absences Payable | <u>403,413</u>          | <u>414,867</u>          |
| <br>Total                    | <br><u>\$ 7,369,986</u> | <br><u>\$ 7,525,114</u> |



## **RIVER VALE BOARD OF EDUCATION**

### **Management's Discussion and Analysis (continued)**

#### **Debt Administration (Continued)**

The District has outstanding general obligation serial bonds in the amount of \$6,290,000. These bonds were used to finance the facilities acquisitions and construction services at Holdrum, Woodside and Roberge Schools. The capital leases are comprised of technology improvements and a boiler upgrade. The compensated absences represents the District's liability for unused accrued sick leave and unused vacation.

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

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

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

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

#### **FOR THE FUTURE**

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

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

#### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

**BASIC FINANCIAL STATEMENTS**

**RIVER VALE BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2013**

|  | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u>             |
|--|------------------------------------|-------------------------------------|--------------------------|
| <b>ASSETS</b>  |                                    |                                     |                          |
| Cash and Cash Equivalents                              | \$ 3,944,433                       | \$ 13,654                           | \$ 3,958,087             |
| Receivables, net                                       |                                    |                                     |                          |
| Receivables from Other Governments                     | 152,611                            | 688                                 | 153,299                  |
| Other  | 105,319                            | 4,899                               | 110,218                  |
| Capital Assets, Not Being Depreciated                  | 43,525                             |                                     | 43,525                   |
| Capital Assets, Being Depreciated, Net                 | <u>19,893,084</u>                  | <u>1,270</u>                        | <u>19,894,354</u>        |
| <br>Total Assets                                       | <br><u>24,138,972</u>              | <br><u>20,511</u>                   | <br><u>24,159,483</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                  |                                    |                                     |                          |
| Deferred Amounts on Refunding of Debt                  | <u>172,517</u>                     | <u>-</u>                            | <u>172,517</u>           |
| <br>Total Deferred Outflows of Resources               | <br><u>172,517</u>                 | <br><u>-</u>                        | <br><u>172,517</u>       |
| <br>Total Assets and Deferred Outflows<br>of Resources | <br><u>24,311,489</u>              | <br><u>20,511</u>                   | <br><u>24,332,000</u>    |
| <b>LIABILITIES</b>                                     |                                    |                                     |                          |
| Accounts Payable and Other Current Liabilities         | 108,081                            |                                     | 108,081                  |
| Note Payable   | 275,000                            |                                     | 275,000                  |
| Accrued Interest Payable                               | 68,532                             |                                     | 68,532                   |
| Unearned Revenue                                       | 4,142                              | 12,891                              | 17,033                   |
| Noncurrent Liabilities                                 |                                    |                                     |                          |
| Due Within One Year                                    | 924,358                            |                                     | 924,358                  |
| Due Beyond One Year                                    | <u>6,652,387</u>                   | <u>-</u>                            | <u>6,652,387</u>         |
| <br>Total Liabilities                                  | <br><u>8,032,500</u>               | <br><u>12,891</u>                   | <br><u>8,045,391</u>     |
| <b>NET POSITION</b>                                    |                                    |                                     |                          |
| Net Investment in Capital Assets                       | 13,716,329                         | 1,270                               | 13,717,599               |
| Restricted for   |                                    |                                     |                          |
| Capital Projects                                       | 641,463                            |                                     | 641,463                  |
| Unrestricted   | <u>1,921,197</u>                   | <u>6,350</u>                        | <u>1,927,547</u>         |
| <br>Total Net Position                                 | <br><u>\$ 16,278,989</u>           | <br><u>\$ 7,620</u>                 | <br><u>\$ 16,286,609</u> |

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

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

| Functions/Programs                                | Program Revenues     |                      |                                    |                                  | Net (Expense) Revenue and Changes in Net Position |                          |                      |
|---|----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|----------------------|
|   | Expenses             | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                           | Business-Type Activities | Total                |
| <b>Governmental Activities</b>                    |                      |                      |                                    |                                  |   |                          |                      |
| Instruction                                       |                      |                      |                                    |                                  |   |                          |                      |
| Regular   | \$ 10,096,119        | \$ 27,350            | \$ 1,354,320                       |                                  | \$ (8,741,799)                                    |                          | \$ (8,741,799)       |
| Special Education                                 | 2,231,290            |                      | 985,296                            |                                  | (1,218,644)                                       |                          | (1,218,644)          |
| Other Instruction                                 | 672,031              |                      | 95,205                             |                                  | (576,826)   |                          | (576,826)            |
| School Sponsored Activities and Athletics         | 124,146              |                      |                                    |                                  | (124,146)   |                          | (124,146)            |
| Support Services                                  |                      |                      |                                    |                                  |   |                          |                      |
| Student and Instruction Related Services          | 2,444,437            |                      | 190,129                            |                                  | (2,254,308)                                       |                          | (2,254,308)          |
| Attendance and Social Work                        | 200,410              |                      | 38,073                             |                                  | (162,337)   |                          | (162,337)            |
| Educational Media/School Library                  | 297,026              |                      | 35,634                             |                                  | (261,392)   |                          | (261,392)            |
| School Administrative Services                    | 1,192,633            |                      | 118,469                            | \$ 100,000                       | (974,164)   |                          | (974,164)            |
| General and Business Administrative Services      | 724,425              |                      | 42,933                             |                                  | (681,492)   |                          | (681,492)            |
| Plant Operations and Maintenance                  | 2,078,059            |                      | 17,569                             |                                  | (2,060,490)                                       |                          | (2,060,490)          |
| Pupil Transportation                              | 397,901              |                      | 25,590                             |                                  | (372,311)   |                          | (372,311)            |
| Central Services                                  | 1,095,091            |                      | 36,911                             |                                  | (1,058,180)                                       |                          | (1,058,180)          |
| Interest on Long-Term Debt                        | 229,357              |                      |                                    |                                  | (229,357)   |                          | (229,357)            |
| <b>Total Governmental Activities</b>              | <b>21,782,925</b>    | <b>27,350</b>        | <b>2,940,129</b>                   | <b>100,000</b>                   | <b>(18,715,446)</b>                               | <b>-</b>                 | <b>(18,715,446)</b>  |
| <b>Business-Type Activities</b>                   |                      |                      |                                    |                                  |   |                          |                      |
| Food Service- Non Major                           | 22,039               | 17,169               | 8,147                              |                                  |   | \$ 3,277                 | \$ 3,277             |
| Park Academy                                      | 4,899                | 7,865                |                                    |                                  |   | 2,966                    | 2,966                |
| <b>Total Business-Type Activities</b>             | <b>26,938</b>        | <b>25,034</b>        | <b>8,147</b>                       | <b>-</b>                         | <b>-</b>  | <b>6,243</b>             | <b>6,243</b>         |
| <b>Total Primary Government</b>                   | <b>\$ 21,809,863</b> | <b>\$ 52,384</b>     | <b>\$ 2,948,276</b>                | <b>\$ 100,000</b>                | <b>(18,715,446)</b>                               | <b>6,243</b>             | <b>(18,709,203)</b>  |
| General Revenues / Transfers                      |                      |                      |                                    |                                  |   |                          |                      |
| Property Taxes                                    |                      |                      |                                    |                                  | 20,258,781  |                          | 20,258,781           |
| Interest on Investments                           |                      |                      |                                    |                                  | 14,022  | 86                       | 14,108               |
| Miscellaneous Income                              |                      |                      |                                    |                                  | 163,404   |                          | 163,404              |
| Transfer to Participating Districts               |                      |                      |                                    |                                  |   | (147,126)                | (147,126)            |
| <b>Total General Revenues / Transfers</b>         |                      |                      |                                    |                                  | <b>20,436,207</b>                                 | <b>(147,040)</b>         | <b>20,289,167</b>    |
| <b>Change in Net Position</b>                     |                      |                      |                                    |                                  | <b>1,720,761</b>                                  | <b>(140,797)</b>         | <b>1,579,964</b>     |
| <b>Net Position, Beginning of Year (Restated)</b> |                      |                      |                                    |                                  | <b>14,558,228</b>                                 | <b>148,417</b>           | <b>14,706,645</b>    |
| <b>Net Position, End of Year</b>                  |                      |                      |                                    |                                  | <b>\$ 16,278,989</b>                              | <b>\$ 7,620</b>          | <b>\$ 16,286,609</b> |

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

**FUND FINANCIAL STATEMENTS**

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

|   | <u>General<br/>Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> | <u>Capital<br/>Projects<br/>Fund</u> | <u>Debt<br/>Service<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|-------------------------|-------------------------------------|--------------------------------------|----------------------------------|---|
| <b>ASSETS</b>   |                         |                                     |                                      |                                  |   |
| Cash and Cash Equivalents   | \$ 2,887,442            |                                     | \$ 1,056,991                         |                                  | \$ 3,944,433                            |
| Due from Other Funds  | 113,936                 |                                     | 544                                  |                                  | 114,480                                 |
| Other Receivables   | 100,950                 |                                     |                                      |                                  | 100,950                                 |
| Receivables from Other Governments                                | 38,902                  | \$ 113,709                          | -                                    | -                                | 152,611                                 |
| <b>Total Assets</b>   | <u>\$ 3,141,230</u>     | <u>\$ 113,709</u>                   | <u>\$ 1,057,535</u>                  | <u>\$ -</u>                      | <u>\$ 4,312,474</u>                     |
| <b>LIABILITIES AND FUND BALANCES</b>                              |                         |                                     |                                      |                                  |   |
| <b>Liabilities</b>  |                         |                                     |                                      |                                  |   |
| Accounts Payable  | \$ 44,856               |                                     | \$ 2,000                             |                                  | \$ 46,856                               |
| Accrued Salaries & Wages  | 61,225                  |                                     |                                      |                                  | 61,225                                  |
| Due to Other Funds  | 544                     | \$ 109,567                          |                                      |                                  | 110,111                                 |
| Note Payable  |                         |                                     | 275,000                              |                                  | 275,000                                 |
| Unearned Revenue  | -                       | 4,142                               | -                                    | -                                | 4,142                                   |
| <b>Total Liabilities</b>  | <u>106,625</u>          | <u>113,709</u>                      | <u>277,000</u>                       | <u>-</u>                         | <u>497,334</u>                          |
| <b>Fund Balance</b>   |                         |                                     |                                      |                                  |   |
| <b>Restricted:</b>  |                         |                                     |                                      |                                  |   |
| Excess Surplus - Designated for<br>Subsequent Year's Expenditures | 283,335                 |                                     |                                      |                                  | 283,335                                 |
| Excess Surplus  | 277,370                 |                                     |                                      |                                  | 277,370                                 |
| Capital Reserve   | 641,463                 |                                     |                                      |                                  | 641,463                                 |
| Capital Projects  |                         |                                     | 780,535                              |                                  | 780,535                                 |
| <b>Committed Fund Balance</b>                                     |                         |                                     |                                      |                                  |   |
| Year End Encumbrances   | 991,418                 |                                     |                                      |                                  | 991,418                                 |
| <b>Assigned Fund Balance</b>                                      |                         |                                     |                                      |                                  |   |
| Year End Encumbrances   | 491,864                 |                                     |                                      |                                  | 491,864                                 |
| <b>Unassigned Fund Balance</b>                                    |                         |                                     |                                      |                                  |   |
| General Fund  | 349,155                 | -                                   | -                                    | -                                | 349,155                                 |
| <b>Total Fund Balances</b>  | <u>3,034,605</u>        | <u>-</u>                            | <u>780,535</u>                       | <u>-</u>                         | <u>3,815,140</u>                        |
| <b>Total Liabilities and Fund Balances</b>                        | <u>\$ 3,141,230</u>     | <u>\$ 113,709</u>                   | <u>\$ 1,057,535</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 \$27,339,181 and the accumulated depreciation is \$7,402,572

19,936,609

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

(68,532)

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.

172,517

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

|                                       |                    |
|---------------------------------------|--------------------|
| General Obligation Bonds Payable, Net | 6,496,759          |
| Capital Leases Payable                | 676,573            |
| Compensated Absences                  | 403,413            |
|                                       | <u>(7,576,745)</u> |

**Net position of governmental activities (Exhibit A-1)** \$ 16,278,989

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

|   | <u>General<br/>Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> | <u>Capital<br/>Projects<br/>Fund</u> | <u>Debt<br/>Service<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|-------------------------|-------------------------------------|--------------------------------------|----------------------------------|---|
| <b>REVENUES</b>   |                         |                                     |                                      |                                  |   |
| Local Sources   |                         |                                     |                                      |                                  |   |
| Local Property Tax Levy                                       | \$ 19,291,931           |                                     |                                      | \$ 966,850                       | \$ 20,258,781                           |
| Tuition   | 27,350                  |                                     |                                      |                                  | 27,350                                  |
| Interest on Investment  | 12,861                  |                                     | \$ 1,161                             |                                  | 14,022                                  |
| Miscellaneous   | 263,404                 | \$ 1,000                            | 6,000                                | -                                | 270,404                                 |
| Total - Local Sources   | 19,595,546              | 1,000                               | 7,161                                | 966,850                          | 20,570,557                              |
| State Sources   | 2,717,235               |                                     |                                      |                                  | 2,717,235                               |
| Federal Sources   | -                       | 221,894                             | -                                    | -                                | 221,894                                 |
| Total Revenues  | 22,312,781              | 222,894                             | 7,161                                | 966,850                          | 23,509,686                              |
| <b>EXPENDITURES</b>   |                         |                                     |                                      |                                  |   |
| Current   |                         |                                     |                                      |                                  |   |
| Regular Instruction   | 9,782,099               | 1,000                               |                                      |                                  | 9,783,099                               |
| Special Education Instruction                                 | 2,000,853               | 195,205                             |                                      |                                  | 2,196,058                               |
| Other Instruction   | 649,412                 |                                     |                                      |                                  | 649,412                                 |
| School-Sponsored Activities and Athletics Support Services    | 124,146                 |                                     |                                      |                                  | 124,146                                 |
| Student and Instruction Related Services                      | 2,350,932               | 26,689                              |                                      |                                  | 2,377,621                               |
| Attendance and Social Work                                    | 193,460                 |                                     |                                      |                                  | 193,460                                 |
| Educational Media/School Library                              | 287,810                 |                                     |                                      |                                  | 287,810                                 |
| School Administrative Services                                | 1,142,196               |                                     |                                      |                                  | 1,142,196                               |
| General Administrative Services                               | 734,678                 |                                     |                                      |                                  | 734,678                                 |
| Plant Operations and Maintenance                              | 2,041,453               |                                     |                                      |                                  | 2,041,453                               |
| Pupil Transportation  | 397,901                 |                                     |                                      |                                  | 397,901                                 |
| Central Services  | 1,063,281               |                                     |                                      |                                  | 1,063,281                               |
| Debt Service  |                         |                                     |                                      |                                  |   |
| Principal   | 95,247                  |                                     |                                      | 725,000                          | 820,247                                 |
| Interest and Other Charges                                    | 3,038                   |                                     |                                      | 241,850                          | 244,888                                 |
| Capital Outlay  | 389,477                 | -                                   | 1,431                                | -                                | 390,908                                 |
| Total Expenditures  | 21,255,983              | 222,894                             | 1,431                                | 966,850                          | 22,447,158                              |
| Excess (Deficiency) of Revenues Over/<br>(Under) Expenditures | 1,056,798               | -                                   | 5,730                                | -                                | 1,062,528                               |
| Other Financing Sources and (Uses)                            |                         |                                     |                                      |                                  |   |
| Lease Proceeds  |                         |                                     | 676,573                              |                                  | 676,573                                 |
| Transfers In  | 1,161                   |                                     |                                      |                                  | 1,161                                   |
| Transfers Out   | -                       | -                                   | (1,161)                              | -                                | (1,161)                                 |
| Total Other Financing Sources and Uses                        | 1,161                   | -                                   | 675,412                              | -                                | 676,573                                 |
| Net Change in Fund Balances                                   | 1,057,959               | -                                   | 681,142                              | -                                | 1,739,101                               |
| Fund Balance, Beginning of Year                               | 1,976,646               | -                                   | 99,393                               | -                                | 2,076,039                               |
| Fund Balance, End of Year                                     | \$ 3,034,605            | \$ -                                | \$ 780,535                           | \$ -                             | \$ 3,815,140                            |

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

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

|   |           |                  |                         |
|---|-----------|------------------|-------------------------|
| <b>Total net change in fund balances - governmental funds (Exhibit B-2)</b>   | <b>\$</b> |                  | <b>1,739,101</b>        |
| <p>Amounts reported for governmental activities in the statement of activities are different because:</p>   |           |                  |                         |
| <p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period.</p>   |           |                  |                         |
| Capital Outlay Disposal   | \$        | (6,000)          |                         |
| Capital Outlay  |           | 390,908          |                         |
| Depreciation Expense  |           | <u>(573,907)</u> |                         |
|   |           |                  | (188,999)               |
| <p>Some of the District assets acquired this year were finance with capital leases. The amount financed by the lease is reported in the governmental funds as a source of financing. On the other hand, the lease proceeds are not revenues in the statement of activities but rather constitute long-term liabilities in the statement of assets.</p>  |           |                  |                         |
| Capital Leases  |           |                  | (676,573)               |
| <p>In the statement of activities, certain operating expenses - compensated absences and claims and judgements for self insurance claims - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):</p>  |           |                  |                         |
| Compensated Absences, Net   |           |                  | 11,454                  |
| <p>Repayment of bond and lease purchase principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.</p>   |           |                  |                         |
| Reduction on Long-Term Debt   |           |                  | 820,247                 |
| <p>The issuance of refunding bonds provides current financial resources to the governmental funds, while the repayment of the refunded bonds uses those current financial resources of governmental funds. Neither transactions, however, has any effect on net position. Also, governmental funds report the effect of premiums and other such items related to the refunding bonds when they are first issued, whereas these amounts are deferred and amortized in the statement of activities.</p> |           |                  |                         |
| Amortization of Bond Premium  |           | 58,189           |                         |
| Amortization of Deferred Amounts on Refunding   |           | <u>(48,552)</u>  |                         |
|   |           |                  | 9,637                   |
| <p>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.</p>  |           |                  |                         |
| Decrease in accrued interest  |           |                  | <u>5,894</u>            |
| <b>Change in net position of governmental activities (Exhibit A-2)</b>  | <b>\$</b> |                  | <b><u>1,720,761</u></b> |

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



**RIVER VALE BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2013**

|                                  | <u>Business-Type<br/>Activities<br/>Enterprise Fund<br/>Park Academy</u> | <u>Business-Type<br/>Activities<br/>Enterprise Fund<br/>Non-Major</u> | <u>Total</u>    |
|----------------------------------|--|---|-----------------|
| <b>ASSETS</b>                    |  |   |                 |
| Current Assets                   |  |   |                 |
| Cash and Cash Equivalents        |  | \$ 13,654   | \$ 13,654       |
| Intergovernmental Receivable     |  |   |                 |
| Federal                          |  | 688   | 688             |
| Other                            | \$ 4,899   | -   | 4,899           |
| Total Current Assets             | <u>4,899</u>   | <u>14,342</u>   | <u>19,241</u>   |
| Capital Assets                   |  |   |                 |
| Equipment                        |  | 15,258  | 15,258          |
| Less: Accumulated Depreciation   | -  | (13,988)  | (13,988)        |
| Total Capital Assets, Net        | <u>-</u>   | <u>1,270</u>  | <u>1,270</u>    |
| Total Assets                     | <u>4,899</u>   | <u>15,612</u>   | <u>20,511</u>   |
| <b>LIABILITIES</b>               |  |   |                 |
| Current Liabilities              |  |   |                 |
| Accounts Payable                 | 530  |   | 530             |
| Due to Other Funds               | 4,369  |   | 4,369           |
| Unearned Revenue                 | -  | 7,992   | 7,992           |
| Total Current Liabilities        | <u>4,899</u>   | <u>7,992</u>  | <u>12,891</u>   |
| Total Liabilities                | <u>4,899</u>   | <u>7,992</u>  | <u>12,891</u>   |
| <b>NET POSITION</b>              |  |   |                 |
| Net Investment in Capital Assets |  | 1,270   | 1,270           |
| Unrestricted                     | -  | 6,350   | 6,350           |
| Total Net Position               | <u>\$ -</u>  | <u>\$ 7,620</u>   | <u>\$ 7,620</u> |

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

**RIVER VALE BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

|  | <u>Business-Type<br/>Activities<br/>Enterprise Fund<br/>Park Academy</u> | <u>Business-Type<br/>Activities<br/>Enterprise Fund<br/>Non-Major</u> | <u>Total</u>    |
|--|--|---|-----------------|
| <b>OPERATING REVENUE</b>                     |  |   |                 |
| Charges for Services                         |  |   |                 |
| Daily Sales - Milk                           |  | \$ 17,169   | \$ 17,169       |
| Miscellaneous Fees                           | \$ 7,865   | -   | \$ 7,865        |
|  | <u>7,865</u>   | <u>17,169</u>   | <u>25,034</u>   |
| Total Operating Revenues                     |  |   |                 |
| <b>OPERATING EXPENSES</b>                    |  |   |                 |
| Cost of Sales                                |  | 11,040  | 11,040          |
| Salaries and Benefits                        | 4,899  | 9,000   | 13,899          |
| Supplies and Materials                       |  | 1,609   | 1,609           |
| Depreciation                                 | -  | 390   | 390             |
|  | <u>4,899</u>   | <u>22,039</u>   | <u>26,938</u>   |
| Total Operating Expenses                     |  |   |                 |
| Operating Income/(Loss)                      | <u>2,966</u>   | <u>(4,870)</u>  | <u>(1,904)</u>  |
| <b>NONOPERATING REVENUE</b>                  |  |   |                 |
| Interest                                     |  | 86  | 86              |
| Federal Sources                              |  |   |                 |
| Special Milk Program                         | -  | 8,147   | 8,147           |
|  | <u>-</u>   | <u>8,233</u>  | <u>8,233</u>    |
| Total Nonoperating Revenues                  |  |   |                 |
| Income Before Surplus Distribution           | <u>2,966</u>   | <u>3,363</u>  | <u>6,329</u>    |
| Return of Surplus to Participating Districts | 147,126  | -   | 147,126         |
| Total Net Position, Beginning of Year        | <u>144,160</u>   | <u>4,257</u>  | <u>148,417</u>  |
| Total Net Position, End of Year              | <u>\$ -</u>  | <u>\$ 7,620</u>   | <u>\$ 7,620</u> |

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

**RIVER VALE BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

|  | <u>Business-Type<br/>Activities<br/>Enterprise Fund<br/>Park Academy</u> | <u>Business-Type<br/>Activities<br/>Enterprise Fund<br/>Non-Major</u> | <u>Total</u>       |
|--|--|---|--------------------|
| <b>Cash Flows from Operating Activities</b>  |  |   |                    |
| Cash Received from Customers   | \$ 2,966   | \$ 10,688   | \$ 13,654          |
| Cash Payments to Suppliers for Goods and Services  | <u>(3,953)</u>   | <u>(21,649)</u>   | <u>(25,602)</u>    |
| Net Cash Provided by (Used by) Operating Activities  | <u>(987)</u>   | <u>(10,961)</u>   | <u>(11,948)</u>    |
| <b>Cash Flows from Noncapital Financing Activities</b>   |  |   |                    |
| Cash Received from State and Federal Subsidy Reimbursements                                    |  | 8,081   | 8,081              |
| Return of Surplus to Participating Districts   | <u>(147,126)</u>   | <u>-</u>  | <u>(147,126)</u>   |
| Net Cash Provided by (Used by) Noncapital Financing Activities                                 | <u>(147,126)</u>   | <u>8,081</u>  | <u>(139,045)</u>   |
| <b>Cash Flows from Investing Activities</b>  |  |   |                    |
| Interest Earnings  | <u>-</u>   | <u>86</u>   | <u>86</u>          |
| Net Cash Provided by Investing Activities  | <u>-</u>   | <u>86</u>   | <u>86</u>          |
| Net Increase/(Decrease) in Cash and Cash Equivalents   | (148,113)  | (2,794)   | (150,907)          |
| Cash and Cash Equivalents, Beginning of Year   | <u>148,113</u>   | <u>16,448</u>   | <u>164,561</u>     |
| Cash and Cash Equivalents, End of Year   | <u>\$ -</u>  | <u>\$ 13,654</u>  | <u>13,654</u>      |
| <b>Reconciliation of Operating Income (Loss) to Net Cash<br/>Used for Operating Activities</b> |  |   |                    |
| Operating Income (Loss)  | \$ 2,966   | \$ (4,870)  | \$ (1,904)         |
| Adjustments to Reconcile Operating Income (Loss) to<br>Net Cash Used for Operating Activities  |  |   |                    |
| Depreciation   |  | 390   | 390                |
| Change in Assets and Liabilities   |  |   |                    |
| (Increase)/Decrease in Intergovernmental Receivable - Other                                    | (4,899)  |   | (4,899)            |
| Increase/(Decrease) in Accounts Payable  | 946  |   | 946                |
| Increase/(Decrease) in Unearned Revenue  | <u>-</u>   | <u>(6,481)</u>  | <u>(6,481)</u>     |
| Total Adjustments  | <u>(3,953)</u>   | <u>(6,091)</u>  | <u>(10,044)</u>    |
| Net Cash (Used by) Operating Activities  | <u>\$ (987)</u>  | <u>\$ (10,961)</u>  | <u>\$ (11,948)</u> |

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

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

|                                       | <b>Unemployment<br/>Compensation<br/>Trust</b> | <b>Agency Fund</b> |
|---------------------------------------|--|--------------------|
| <b>ASSETS</b>                         |  |                    |
| Cash and Cash Equivalents             | \$ 171,293                                     | \$ 187,389         |
| Total Assets                          | <u>171,293</u>                                 | <u>\$ 187,389</u>  |
| <b>LIABILITIES</b>                    |  |                    |
| Payroll Deductions and Withholdings   |  | \$ 5,685           |
| Accrued Salaries and Wages            |  | 1,965              |
| Flex Spending Benefits                |  | 349                |
| Due to State of New Jersey            | 9,116  | 82,678             |
| Due to Student Groups                 | <u>-</u>                                       | <u>96,712</u>      |
| Total Liabilities                     | <u>9,116</u>                                   | <u>\$ 187,389</u>  |
| <b>NET POSITION</b>                   |  |                    |
| Held in Trust for Unemployment Claims | <u>\$ 162,177</u>                              |                    |

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

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

|                                       | <b>Unemployment<br/>Compensation<br/><u>Trust</u></b> |
|---------------------------------------|---|
| <b>ADDITIONS</b>                      |   |
| Contributions                         |   |
| District                              | \$ 55,000   |
| Employees                             | 29,450  |
| Investment Earnings                   |   |
| Interest                              | <u>586</u>  |
| Total Additions                       | <u>85,036</u>   |
| <b>DEDUCTIONS</b>                     |   |
| Unemployment Claims and Contributions | <u>21,519</u>   |
| Total Deductions                      | <u>21,519</u>   |
| Change in Net Position                | 63,517  |
| Net Position, Beginning of Year       | <u>98,660</u>   |
| Net Position, End of Year             | <u>\$ 162,177</u>                                     |

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

**NOTES TO THE FINANCIAL STATEMENTS**

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

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

**B. New Accounting Standards**

During fiscal year 2013, the District adopted the following GASB statements:

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

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

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

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

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

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

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

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

**District-Wide Financial Statements**

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



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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements (Continued)

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

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

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

The *Park Academy fund* accounts for the activities of the District's tuition reimbursement for students attending the school. The District is no longer accounting for these activities as they were transferred to Passaic Valley Regional High School.

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

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

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

**Fund Financial Statements (continued)**

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

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

Additionally, the government reports the following fund type:

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

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

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

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

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

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

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

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

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

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.

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

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

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

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

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

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

***2. Receivables***

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

***3. Inventories***

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

***4. Capital Assets***

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Capital Assets (Continued)*

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

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

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

5. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future 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 charge on refunding 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.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has no items, which arise only under a modified accrual basis of accounting that would qualify for reporting in this category.

6. *Compensated Absences*

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

*7. Long-Term Obligations*

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

*8. Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

**Governmental Fund Statements (Continued)**

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

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

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 Trustee's 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.

***9. Reclassifications***

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

**F. Revenues and Expenditures/Expenses**

***1. Program Revenues***

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

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

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

**F. Revenues and Expenditures/Expenses (Continued)**

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

**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 Park Academy enterprise fund 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. Federal and State subsidies for the food service operation are considered nonoperating revenues.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

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

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

**A. Budgetary Information (Continued)**

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. 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 February 7, 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 2012/2013. During 2012/2013 the Board increased the original budget by \$1,502,324. The increase was funded by grant awards and the reappropriation of prior year general fund encumbrances.

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

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 September 27, 2000. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

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



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

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

**B. Capital Reserve (Continued)**

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

|                                       |                   |
|---------------------------------------|-------------------|
| Balance, July 1, 2012                 | \$ 716,927        |
| Increases                             |                   |
| Interest earnings                     | \$ 2,756          |
| Deposits Approved by Board Resolution | <u>500,000</u>    |
|                                       | 502,756           |
| Withdrawals                           |                   |
| Approved by Board Resolution          | <u>(578,220)</u>  |
| Balance, June 30, 2013                | <u>\$ 641,463</u> |

The June 30, 2013 LRFP balance of local support costs of uncompleted capital projects is \$2,953,500. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

**C. Transfers to Capital Outlay**

During the 2012/2013 school year, the district transferred \$744,952 to the non-equipment capital outlay accounts. The transfer was approved by the County Superintendent to support an emergent circumstance pursuant to N.J.A.C. 6A:23A-13.3(h).

**D. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2013 is \$560,705. Of this amount, \$283,335 was designated and appropriated in the 2013/2014 original budget certified for taxes and the remaining amount of \$277,370 will be appropriated in the 2014/2015 original budget certified for taxes.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

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

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

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

**A. Cash Deposits and Investments (Continued)**

**Cash Deposits (Continued)**

Bank balances for interest bearing accounts are insured up to \$250,000 in the aggregate by the FDIC for each bank. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, temporary unlimited deposit insurance coverage was provided for non-interest bearing accounts from December 31, 2010 through December 31, 2012. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2013, the book value of the Board's deposits were \$4,316,769 and bank and brokerage firm balances of the Board's deposits amounted to \$5,040,001. The Board's deposits which are displayed on the various statements of net position and fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

**Depository Account**

|         |                     |
|---------|---------------------|
| Insured | <u>\$ 5,040,001</u> |
|---------|---------------------|

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2013 none of the Board's bank balance was 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, 2013, the Board had no outstanding investments.

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

**B. Receivables**

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

|                                       | <u>General<br/>Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> | <u>Non-Major<br/>Enterprise<br/>Fund</u> | <u>Total</u>      |
|---------------------------------------|-------------------------|-------------------------------------|--|-------------------|
| Receivables:                          |                         |                                     |  |                   |
| Intergovernmental                     | \$ 38,902               | \$113,709                           | \$ 688                                   | \$ 153,299        |
| Other                                 | <u>100,950</u>          | <u>-</u>                            | <u>4,899</u>                             | <u>105,849</u>    |
| Gross Receivables                     | 139,852                 | 113,709                             | 5,587                                    | 259,148           |
| Less: Allowance for<br>Uncollectibles | <u>-</u>                | <u>-</u>                            | <u>-</u>                                 | <u>-</u>          |
| Net Total Receivables                 | <u>\$139,852</u>        | <u>\$113,709</u>                    | <u>\$ 5,587</u>                          | <u>\$ 259,148</u> |

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

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

**C. Unearned Revenue**

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

|   | <u>Unearned</u> |
|---|-----------------|
| Special Revenue Fund                          |                 |
| Unencumbered grant draw downs                 | \$ 4,142        |
| <br>  |                 |
| Total deferred revenue for governmental funds | <u>\$ 4,142</u> |

**D. Capital Assets**

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

|  | <u>Balance,<br/>July 1, 2012</u> | <u>Increases</u>    | <u>Decreases</u>  | <u>Balance,<br/>June 30, 2013</u> |
|--|----------------------------------|---------------------|-------------------|-----------------------------------|
| <b>Governmental activities:</b>              |                                  |                     |                   |                                   |
| Capital Assets, not being Depreciated:       |                                  |                     |                   |                                   |
| Land   | \$ 43,525                        | -                   | -                 | \$ 43,525                         |
| Total Capital Assets, not being depreciated  | <u>43,525</u>                    | <u>-</u>            | <u>-</u>          | <u>43,525</u>                     |
| Capital Assets, being depreciated:           |                                  |                     |                   |                                   |
| Buildings and Building Improvements          | 24,254,307                       | \$ 119,940          |                   | 24,374,247                        |
| Machinery and Equipment                      | 2,083,411                        | 270,968             | \$ (6,000)        | 2,348,379                         |
| Land Improvements                            | 573,030                          | -                   | -                 | 573,030                           |
| Total Capital Assets being Depreciated       | <u>26,910,748</u>                | <u>390,908</u>      | <u>(6,000)</u>    | <u>27,295,656</u>                 |
| Less Accumulated Depreciation for:           |                                  |                     |                   |                                   |
| Buildings and Building Improvements          | (5,284,855)                      | (420,989)           |                   | (5,705,844)                       |
| Machinery and Equipment                      | (1,288,560)                      | (136,218)           |                   | (1,424,778)                       |
| Land Improvements                            | (255,250)                        | (16,700)            | -                 | (271,950)                         |
| Total Accumulated Depreciation               | <u>(6,828,665)</u>               | <u>(573,907)</u>    | <u>-</u>          | <u>(7,402,572)</u>                |
| Total Capital Assets, being Depreciated, net | <u>20,082,083</u>                | <u>(182,999)</u>    | <u>(6,000)</u>    | <u>19,893,084</u>                 |
| Governmental Activities Capital Assets, net  | <u>\$ 20,125,608</u>             | <u>\$ (182,999)</u> | <u>\$ (6,000)</u> | <u>\$ 19,936,609</u>              |

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

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

**D. Capital Assets (Continued)**

|  | Balance,<br><u>July 1, 2012</u> | <u>Increases</u> | <u>Decreases</u> | Balance,<br><u>June 30, 2013</u> |
|--|---------------------------------|------------------|------------------|----------------------------------|
| <b>Business-type activities:</b>             |                                 |                  |                  |                                  |
| Food Service Fund                            |                                 |                  |                  |                                  |
| Capital Assets, being Depreciated:           |                                 |                  |                  |                                  |
| Machinery and Equipment                      | \$ 15,258                       | -                | -                | \$ 15,258                        |
| Total Capital Assets being Depreciated       | <u>15,258</u>                   | <u>-</u>         | <u>-</u>         | <u>15,258</u>                    |
| Less Accumulated Depreciation for:           |                                 |                  |                  |                                  |
| Machinery and Equipment                      | <u>(13,598)</u>                 | \$ (390)         | -                | <u>(13,988)</u>                  |
| Total Accumulated Depreciation               | <u>(13,598)</u>                 | <u>(390)</u>     | <u>-</u>         | <u>(13,988)</u>                  |
| Total Capital Assets, being Depreciated, net | <u>1,660</u>                    | <u>(390)</u>     | <u>-</u>         | <u>1,270</u>                     |
| Business-Type Activities Capital Assets, net | <u>\$ 1,660</u>                 | <u>\$ (390)</u>  | <u>\$ -</u>      | <u>\$ 1,270</u>                  |

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

**Governmental activities:**

|  |                   |
|--|-------------------|
| Instruction  |                   |
| Regular  | \$ 313,117        |
| Special  | 33,603            |
| Other Special Instruction                            | <u>21,852</u>     |
| Total Instruction                                    | <u>368,572</u>    |
| Support Services                                     |                   |
| Support Services - Students and Instructional Staff  | 65,570            |
| General Administration                               | 26,039            |
| School Administration                                | 38,462            |
| Operations and Maintenance of Plant                  | 43,923            |
| Business and Other Support Services                  | <u>31,341</u>     |
| Total Support Services                               | <u>205,335</u>    |
| Total Depreciation Expense - Governmental Activities | <u>\$ 573,907</u> |
| <b>Business-Type activities:</b>                     |                   |
| Food Service Fund                                    | <u>\$ 390</u>     |
| Total Depreciation Expense-Business-Type Activities  | <u>\$ 390</u>     |

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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

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

**Due to/from other funds**

| <u>Receivable Fund</u> | <u>Payable Fund</u>  | <u>Amount</u>     |
|------------------------|----------------------|-------------------|
| General Fund           | Special Revenue Fund | \$ 109,567        |
| General Fund           | Park Academy         | 4,369             |
| Capital Projects Fund  | General Fund         | <u>544</u>        |
|                        |                      | <u>\$ 114,480</u> |

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

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

**Interfund transfers**

|                       | <u>Transfer In:</u> |
|-----------------------|---------------------|
|                       | <u>General Fund</u> |
| Transfer Out:         |                     |
| Capital Projects Fund | <u>\$ 1,161</u>     |
| Total Transfers Out   | <u>\$ 1,161</u>     |

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

**F. Leases**

**Operating Leases**

The District leases copiers under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2013 were \$13,090. The future minimum lease payments for these operating leases are as follows:

| <u>Fiscal</u>              | <u>Amount</u>     |
|----------------------------|-------------------|
| <u>Year Ending June 30</u> |                   |
| 2014                       | \$ 52,359         |
| 2015                       | 52,359            |
| 2016                       | 52,359            |
| 2017                       | 52,359            |
| 2018                       | <u>39,268</u>     |
|                            | <u>\$ 248,704</u> |

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

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

**F. Leases (Continued)**

**Capital Leases (Note: Other than Certificates of Participation)**

The District is leasing technology and boiler improvements totaling \$676,573 under capital leases. The leases are for terms of 3 to 5 years.

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

| <u>Fiscal<br/>Year Ending June 30</u>   | <u>Amount</u>     |
|---|-------------------|
| 2014                                    | \$ 180,000        |
| 2015                                    | 177,400           |
| 2016                                    | 177,400           |
| 2017                                    | 77,400            |
| 2018                                    | <u>77,400</u>     |
| Total minimum lease payments            | 689,600           |
| Less: amount representing interest      | <u>(13,027)</u>   |
| Present value of minimum lease payments | <u>\$ 676,573</u> |

**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, 2013 are comprised of the following issues:

|   |                    |
|---|--------------------|
| \$7,080,000, 2010 Bonds, due in annual installments of \$330,000 to \$805,000 through September 25, 2000, interest at 2.75 to 4.50% | <u>\$6,290,000</u> |
|---|--------------------|

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

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

**G. Long-Term Debt (Continued)**

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

**Governmental Activities:**

| Fiscal<br>Year Ending<br>June 30, | Serial Bonds        |                     | Total               |
|-----------------------------------|---------------------|---------------------|---------------------|
|                                   | Principal           | Interest            |                     |
| 2014                              | \$ 745,000          | \$ 224,356          | \$ 969,356          |
| 2015                              | 765,000             | 203,594             | 968,594             |
| 2016                              | 790,000             | 177,276             | 967,276             |
| 2017                              | 805,000             | 145,376             | 950,376             |
| 2017                              | 800,000             | 114,101             | 914,101             |
| 2019-2023                         | <u>2,385,000</u>    | <u>151,935</u>      | <u>2,536,935</u>    |
|                                   | <u>\$ 6,290,000</u> | <u>\$ 1,016,638</u> | <u>\$ 7,306,638</u> |

**Statutory Borrowing Power**

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

|   |                      |
|---|----------------------|
| 3% of Equalized Valuation Basis (Municipal) | \$ 61,266,214        |
| Less: Net Debt                              | <u>6,290,948</u>     |
| Remaining Borrowing Power                   | <u>\$ 54,975,266</u> |

**Changes in Long-Term Liabilities**

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

|  | Beginning<br>Balance | Additions         | Reductions        | Ending<br>Balance   | Due<br>Within<br>One Year |
|--|----------------------|-------------------|-------------------|---------------------|---------------------------|
| <b>Governmental Activities:</b>                |                      |                   |                   |                     |                           |
| Bonds Payable                                  | \$ 7,015,000         |                   | \$ 725,000        | \$ 6,290,000        | \$ 745,000                |
| Deferred Amounts:                              |                      |                   |                   |                     |                           |
| Add: Original Issue Premium                    | <u>264,948</u>       | <u>-</u>          | <u>58,189</u>     | <u>206,759</u>      | <u>-</u>                  |
| Total Bonds Payable                            | 7,279,948            | -                 | 783,189           | 6,496,759           | 745,000                   |
| Capital Leases Payable                         | 95,247               | \$ 676,573        | 95,247            | 676,573             | 179,358                   |
| Compensated Absences                           | <u>414,867</u>       | <u>33,139</u>     | <u>44,593</u>     | <u>403,413</u>      | <u>-</u>                  |
| Governmental Activity<br>Long-Term Liabilities | <u>\$ 7,790,062</u>  | <u>\$ 709,712</u> | <u>\$ 923,029</u> | <u>\$ 7,576,745</u> | <u>\$ 924,358</u>         |

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

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

**G. Long-Term Debt (Continued)**

**Changes in Long-Term Liabilities (Continued)**

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

**H. Short-Term Debt**

The Board's short-term activity for the year ended June 30, 2013 was as follows:

**Bond Anticipation Notes/Grant Anticipation Notes/Loans Payable**

The Board issues Grant Anticipation Notes to interim finance capital projects funded by the State Development Authority's Facility construction grants. The Board's short-term debt activity for the year ended June 30, 2013 was as follows:

| <u>Purpose</u>          | <u>Balance,<br/>July 1, 2012</u> | <u>Increases</u>  | <u>Decreases</u>  | <u>Balance,<br/>June 30, 2013</u> |
|-------------------------|----------------------------------|-------------------|-------------------|-----------------------------------|
| Grant Anticipation Note | \$ 275,000                       | \$ 275,000        | \$ 275,000        | \$ 275,000                        |
|                         | <u>\$ 275,000</u>                | <u>\$ 275,000</u> | <u>\$ 275,000</u> | <u>\$ 275,000</u>                 |

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



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

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

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

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

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

| <u>Fiscal<br/>Year Ended<br/>June 30,</u> | <u>District<br/>Contributions</u> | <u>Employee<br/>Contributions</u> | <u>Amount<br/>Reimbursed</u> | <u>Ending<br/>Balance</u> |
|---|-----------------------------------|-----------------------------------|------------------------------|---------------------------|
| 2013                                      | \$ 55,000                         | \$ 29,450                         | \$ 21,519                    | \$ 162,177                |
| 2012                                      | 97,000                            | 26,785                            | 68,473                       | 98,660                    |
| 2011                                      | 49,964                            | 27,149                            | 116,094                      | 43,157                    |

**B. Contingent Liabilities**

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

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2013, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**C. Federal Arbitrage Regulations**

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

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

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

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

**Other Pension Funds**

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

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

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

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

**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.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members) decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- 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).

**Investment Valuation**

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

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

**Funding Status and Funding Progress**

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

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

**Actuarial Methods and Assumptions**

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

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.5% for PERS, 6.5% for TPAF and 5.50% for DCRP of the employee's annual compensation.

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2013 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended June 30, 2013, 2012 and 2011 the Board was required to contribute for PERS and 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<br>Year Ended<br><u>June 30,</u> | <u>PERS</u> | On-behalf<br><u>TPAF</u> | <u>DCRP</u> |
|---|-------------|--------------------------|-------------|
| 2013                                    | \$ 206,046  | \$ 632,096               | \$ 4,362    |
| 2012                                    | 227,592     | 294,223                  | 6,992       |
| 2011                                    | 254,457     | 27,003                   | 2,979       |

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

The State contributed \$632,096 and \$294,223 during 2012/2013 and 2011/2012, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2010/2011, the State did not contribute to the TPAF for normal cost and accrued liability; however, the State contributed \$31,595 for the NCGI premium only.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$675,114 during the year ended June 30, 2013 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, along with the on-behalf TPAF pension contribution, has been included in the district-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

**E. Post-Retirement Medical Benefits**

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

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

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

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

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Significant Legislation**

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

**Investment Valuation**

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

**Funded Status and Funding Progress**

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

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

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

**Actuarial Methods and Assumptions**

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

**Post-Retirement Medical Benefits Contributions**

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

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2013, 2012 and 2011 were \$714,741, \$591,415 and \$573,544, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**NOTE 5 RESTATEMENT**

On July 1, 2012, the River Vale Board of Education implemented 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". The River Vale Board of Education has determined that the effect of implementing these accounting changes on the financial statements previously reported as of and for the year ended June 30, 2012 was to eliminate in the District-wide statement of net position the deferred charge related to debt issuance costs in the amount of \$57,905 with a corresponding reduction in the net investment in capital assets component of net position. The result of this restatement is to reduce total net position of Governmental Activities at June 30, 2012 from \$14,616,133 as originally reported to \$14,558,228 as adjusted for the effects of the change in accounting principle.

**BUDGETARY COMPARISON SCHEDULES**



**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

|  | <u>Original<br/>Budget</u> | <u>Adjustments</u> | <u>Final<br/>Budget</u> | <u>Actual</u>     | <u>Variance<br/>Final To<br/>Actual</u> |
|--|----------------------------|--------------------|-------------------------|-------------------|---|
| <b>REVENUES</b>  |                            |                    |                         |                   |   |
| Local Sources  |                            |                    |                         |                   |   |
| Property Taxes   | \$ 19,291,931              |                    | \$ 19,291,931           | \$ 19,291,931     |   |
| Interest on Investments  | 17,000                     |                    | 17,000                  | 12,861            | \$ (4,139)                              |
| Tuition  | 20,000                     |                    | 20,000                  | 27,350            | 7,350                                   |
| Building Rental  | 87,900                     |                    | 87,900                  | 102,900           | 15,000                                  |
| Donation   |                            |                    |                         | 100,000           | 100,000                                 |
| Miscellaneous  | 10,000                     | -                  | 10,000                  | 60,504            | 50,504                                  |
| <b>Total - Local Sources</b>   | <u>19,426,831</u>          | <u>-</u>           | <u>19,426,831</u>       | <u>19,595,546</u> | <u>168,715</u>                          |
| State Sources  |                            |                    |                         |                   |   |
| Special Education Aid  | 396,910                    |                    | 396,910                 | 396,910           | -                                       |
| Transportation Aid   | 24,269                     |                    | 24,269                  | 24,269            | -                                       |
| Security Aid   | 19,276                     |                    | 19,276                  | 19,276            | -                                       |
| Extraordinary Aid  |                            |                    |                         | 184,978           | 184,978                                 |
| Nonpublic School Transportation Aid                                    |                            |                    |                         | 3,470             | 3,470                                   |
| Other State Aid - Homeless Tuition Aid                                 |                            |                    |                         | 1,709             | 1,709                                   |
| On-behalf TPAF Pension Payments -<br>Pension Contribution (Non-Budget) |                            |                    |                         | 600,501           | 600,501                                 |
| NCGI Premium (Non-Budget)  |                            |                    |                         | 31,595            | 31,595                                  |
| Post Retirement Medical Benefits (Non-Budget)                          |                            |                    |                         | 714,741           | 714,741                                 |
| Reimbursed TPAF Social Security Payments<br>(Non-Budget)               | -                          | -                  | -                       | 675,114           | 675,114                                 |
| <b>Total - State Sources</b>   | <u>440,455</u>             | <u>-</u>           | <u>440,455</u>          | <u>2,652,563</u>  | <u>2,212,108</u>                        |
| <b>Total Revenues</b>  | <u>19,867,286</u>          | <u>-</u>           | <u>19,867,286</u>       | <u>22,248,109</u> | <u>2,380,823</u>                        |
| <b>EXPENDITURES</b>  |                            |                    |                         |                   |   |
| CURRENT EXPENDITURES   |                            |                    |                         |                   |   |
| Instruction - Regular Programs   |                            |                    |                         |                   |   |
| Salaries of Teachers   |                            |                    |                         |                   |   |
| Kindergarten   | 492,470                    | \$ 91,504          | 583,974                 | 583,974           | -                                       |
| Grades 1-5   | 3,906,238                  | (721,708)          | 3,184,530               | 3,184,251         | 279                                     |
| Grades 6-8   | 2,547,274                  | (77,915)           | 2,469,359               | 2,469,115         | 244                                     |
| Instruction - Home   |                            |                    |                         |                   |   |
| Salaries of Teachers   | 2,000                      | 16,930             | 18,930                  | 17,669            | 1,261                                   |
| Purchased Professional - Educational Services                          | 5,500                      | (3,586)            | 1,914                   | 1,914             | -                                       |
| <b>Total Instruction - Regular</b>                                     | <u>6,953,482</u>           | <u>(694,775)</u>   | <u>6,258,707</u>        | <u>6,256,923</u>  | <u>1,784</u>                            |
| Regular Programs - Undistributed Instruction                           |                            |                    |                         |                   |   |
| Purchased Professional-Educational Services                            | 111,000                    | 165,306            | 276,306                 | 276,004           | 302                                     |
| Other Purchased Services   | 105,887                    | 10,750             | 116,637                 | 111,187           | 5,450                                   |
| General Supplies   | 324,957                    | 114,295            | 439,252                 | 410,300           | 28,952                                  |
| Textbooks  | 16,857                     | 1,669              | 18,526                  | 17,968            | 558                                     |
| Other Objects  | 1,500                      | (1,117)            | 383                     | 272               | 111                                     |
| <b>Total Regular Programs</b>  | <u>560,201</u>             | <u>290,903</u>     | <u>851,104</u>          | <u>815,731</u>    | <u>35,373</u>                           |

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

|   | <u>Original<br/>Budget</u> | <u>Adjustments</u> | <u>Final<br/>Budget</u> | <u>Actual</u>    | <u>Variance<br/>Final To<br/>Actual</u> |
|---|----------------------------|--------------------|-------------------------|------------------|---|
| <b>EXPENDITURES</b>                                 |                            |                    |                         |                  |   |
| CURRENT EXPENDITURES (Continued)                    |                            |                    |                         |                  |   |
| Multiple Disabilities                               |                            |                    |                         |                  |   |
| Salaries of Teachers                                | \$ 64,200                  | \$ (64,200)        |                         |                  |   |
| Other Salaries for Instruction                      | 104,806                    | (104,806)          | -                       | -                | -                                       |
| Total Multiple Disabilities                         | <u>169,006</u>             | <u>(169,006)</u>   | <u>-</u>                | <u>-</u>         | <u>-</u>                                |
| Resource Room                                       |                            |                    |                         |                  |   |
| Salaries of Teachers                                | 426,225                    | 116,668            | \$ 542,893              | \$ 542,071       | \$ 822                                  |
| Purchased Professional-Educational Services         | 1,500                      | 6,155              | 7,655                   | 7,492            | 163                                     |
| General Supplies                                    | 1,500                      | (395)              | 1,105                   | 1,011            | 94                                      |
| Textbooks   | 400                        | -                  | 400                     | -                | 400                                     |
| Total Resource Room                                 | <u>429,625</u>             | <u>122,428</u>     | <u>552,053</u>          | <u>550,574</u>   | <u>1,479</u>                            |
| Preschool Disabilities - Part Time                  |                            |                    |                         |                  |   |
| Salaries of Teachers                                | 97,155                     | 1,200              | 98,355                  | 98,355           |   |
| Other Salaries for Instruction                      | 29,430                     | 1,870              | 31,300                  | 30,842           | 458                                     |
| Purchased Professional - Educational Services       | 500                        | 500                | 1,000                   | 761              | 239                                     |
| General Supplies                                    | 1,233                      | 10,276             | 11,509                  | 3,817            | 7,692                                   |
| Total Preschool Disabilities - Part Time            | <u>128,318</u>             | <u>13,846</u>      | <u>142,164</u>          | <u>133,775</u>   | <u>8,389</u>                            |
| Total Special Education                             | <u>726,949</u>             | <u>(32,732)</u>    | <u>694,217</u>          | <u>684,349</u>   | <u>9,868</u>                            |
| Basic Skills/Remedial                               |                            |                    |                         |                  |   |
| Salaries of Teachers                                | 377,644                    | (39,072)           | 338,572                 | 338,570          | 2                                       |
| Purchased Professional - Educational Services       | 1,000                      | 10,313             | 11,313                  | 11,313           | -                                       |
| General Supplies                                    | 685                        | (179)              | 506                     | 451              | 55                                      |
| Textbooks   | 250                        | -                  | 250                     | 208              | 42                                      |
| Total Basic Skills/Remedial                         | <u>379,579</u>             | <u>(28,938)</u>    | <u>350,641</u>          | <u>350,542</u>   | <u>99</u>                               |
| Bilingual Education                                 |                            |                    |                         |                  |   |
| Salaries of Teachers                                | 96,755                     | 1,200              | 97,955                  | 97,955           | -                                       |
| Purchased Professional - Educational Services       | 1,500                      | 1,694              | 3,194                   | 2,067            | 1,127                                   |
| General Supplies                                    | 300                        | (194)              | 106                     | 95               | 11                                      |
| Total Bilingual Education                           | <u>98,555</u>              | <u>2,700</u>       | <u>101,255</u>          | <u>100,117</u>   | <u>1,138</u>                            |
| School Sponsored Co/Extra Curricular Activities     |                            |                    |                         |                  |   |
| Salaries  | 59,595                     | 38                 | 59,633                  | 59,066           | 567                                     |
| Total School Sponsored Co/Extra Curricular Activiti | <u>59,595</u>              | <u>38</u>          | <u>59,633</u>           | <u>59,066</u>    | <u>567</u>                              |
| School Sponsored Athletics - Instruction            |                            |                    |                         |                  |   |
| Salaries  | 37,142                     | 15,202             | 52,344                  | 51,594           | 750                                     |
| Purchased Services                                  | 4,500                      | (4,276)            | 224                     | 224              | -                                       |
| Supplies and Materials                              | 2,724                      | (335)              | 2,389                   | 2,140            | 249                                     |
| Total School Sponsored Athletics - Instruction      | <u>44,366</u>              | <u>10,591</u>      | <u>54,957</u>           | <u>53,958</u>    | <u>999</u>                              |
| Total - Instruction                                 | <u>8,822,727</u>           | <u>(452,213)</u>   | <u>8,370,514</u>        | <u>8,320,686</u> | <u>49,828</u>                           |

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

|   | <u>Original<br/>Budget</u> | <u>Adjustments</u> | <u>Final<br/>Budget</u> | <u>Actual</u>    | <u>Variance<br/>Final To<br/>Actual</u> |
|---|----------------------------|--------------------|-------------------------|------------------|---|
| <b>EXPENDITURES</b>                                       |                            |                    |                         |                  |   |
| CURRENT EXPENDITURES (Continued)                          |                            |                    |                         |                  |   |
| Undistributed Expenditures                                |                            |                    |                         |                  |   |
| Instruction   |                            |                    |                         |                  |   |
| Tuition to Other LEAs Within the State-Special            | \$ 390,544                 | \$ 78,733          | \$ 469,277              | \$ 442,604       | \$ 26,673                               |
| Tuition to Private School Disabled - Within State         | 614,923                    | 6,791              | 621,714                 | 583,008          | 38,706                                  |
| <b>Total Undistributed Expenditures - Instruction</b>     | <b>1,005,467</b>           | <b>85,524</b>      | <b>1,090,991</b>        | <b>1,025,612</b> | <b>65,379</b>                           |
| Attendance and Social Work Services                       |                            |                    |                         |                  |   |
| Salaries  | 70,108                     | 1,137              | 71,245                  | 71,209           | 36                                      |
| Other Purchased Services                                  | 10,677                     | 1,429              | 12,106                  | 12,106           | -                                       |
| General Supplies  | -                          | 100                | 100                     | 55               | 45                                      |
| <b>Total Attendance and Social Work Services</b>          | <b>80,785</b>              | <b>2,666</b>       | <b>83,451</b>           | <b>83,370</b>    | <b>81</b>                               |
| Health Services   |                            |                    |                         |                  |   |
| Salaries  | 253,900                    | (37,913)           | 215,987                 | 205,674          | 10,313                                  |
| Purchased Professional - Educational Services             | 17,600                     | 9,243              | 26,843                  | 19,132           | 7,711                                   |
| Supplies and Materials                                    | 1,348                      | 1,228              | 2,576                   | 2,330            | 246                                     |
| <b>Total Health Services</b>                              | <b>272,848</b>             | <b>(27,442)</b>    | <b>245,406</b>          | <b>227,136</b>   | <b>18,270</b>                           |
| Speech, OT, PT & Related Services                         |                            |                    |                         |                  |   |
| Salaries  | 186,390                    | 2,273              | 188,663                 | 188,465          | 198                                     |
| Purchased Professional - Educational Services             | 280,932                    | (44,511)           | 236,421                 | 236,418          | 3                                       |
| Supplies and Materials                                    | 1,652                      | 146                | 1,798                   | 1,428            | 370                                     |
| <b>Total Speech, OT, PT and Related Services</b>          | <b>468,974</b>             | <b>(42,092)</b>    | <b>426,882</b>          | <b>426,311</b>   | <b>571</b>                              |
| Other Support Services - Students - Extra. Service        |                            |                    |                         |                  |   |
| Salaries  | 268,365                    | 185,968            | 454,333                 | 454,332          | 1                                       |
| Purchased Professional - Educational Services             | -                          | 4,820              | 4,820                   | 4,740            | 80                                      |
| Supplies and Materials                                    | 2,100                      | (311)              | 1,789                   | 1,725            | 64                                      |
| <b>Total Other Support Svcs.-Students-Extra. Service.</b> | <b>270,465</b>             | <b>190,477</b>     | <b>460,942</b>          | <b>460,797</b>   | <b>145</b>                              |
| Guidance  |                            |                    |                         |                  |   |
| Salaries of Other Professional Staff                      | 200,607                    | (7,231)            | 193,376                 | 193,167          | 209                                     |
| Purchased Professional - Educational Services             | 6,800                      | 341                | 7,141                   | 5,178            | 1,963                                   |
| Other Purchased Professional & Technical Services         | 8,000                      | (2,694)            | 5,306                   | 3,461            | 1,845                                   |
| General Supplies  | 6,215                      | (1,566)            | 4,649                   | 2,454            | 2,195                                   |
| <b>Total Guidance</b>                                     | <b>221,622</b>             | <b>(11,150)</b>    | <b>210,472</b>          | <b>204,260</b>   | <b>6,212</b>                            |
| Child Study Team  |                            |                    |                         |                  |   |
| Salaries of Other Professional Staff                      | 376,435                    | 6,912              | 383,347                 | 372,159          | 11,188                                  |
| Salaries of Secretarial and Clerical Assistants           | 75,620                     | (19,673)           | 55,947                  | 55,715           | 232                                     |
| Purchased Professional-Educational Services               | 7,500                      | 26,275             | 33,775                  | 4,850            | 28,925                                  |
| Other Purchased Prof. and Technical Services              | 81,210                     | (16,970)           | 64,240                  | 64,240           | -                                       |
| Other Purchased Services                                  | 14,751                     | 7,283              | 22,034                  | 18,240           | 3,794                                   |
| Supplies and Materials                                    | 5,000                      | (57)               | 4,943                   | 4,943            | -                                       |
| Other Objects   | 500                        | (208)              | 292                     | 292              | -                                       |
| <b>Total Child Study Team</b>                             | <b>561,016</b>             | <b>3,562</b>       | <b>564,578</b>          | <b>520,439</b>   | <b>44,139</b>                           |

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

|  | <u>Original<br/>Budget</u> | <u>Adjustments</u> | <u>Final<br/>Budget</u> | <u>Actual</u>  | <u>Variance<br/>Final To<br/>Actual</u> |
|--|----------------------------|--------------------|-------------------------|----------------|---|
| <b>EXPENDITURES</b>                                    |                            |                    |                         |                |   |
| CURRENT EXPENDITURES (Continued)                       |                            |                    |                         |                |   |
| Improvement of Inst. Serv.                             |                            |                    |                         |                |   |
| Salaries of Other Professional Staff                   | \$ 25,000                  | \$ 17,228          | \$ 42,228               | \$ 19,909      | \$ 22,319                               |
| Other Salaries   |                            | 25,001             | 25,001                  | 25,000         | 1                                       |
| Purchased Professional-Educational Services            | 66,500                     | (42,379)           | 24,121                  | 24,121         | -                                       |
| Supplies and Materials                                 | 2,000                      | (2,000)            | -                       | -              | -                                       |
| <b>Total Improvement of Inst. Serv.</b>                | <u>93,500</u>              | <u>(2,150)</u>     | <u>91,350</u>           | <u>69,030</u>  | <u>22,320</u>                           |
| Educational Media Services/School Library              |                            |                    |                         |                |   |
| Salaries   | 280,595                    | (95,955)           | 184,640                 | 184,115        | 525                                     |
| Other Purchased Services                               | 21,261                     | (4,752)            | 16,509                  | 15,694         | 815                                     |
| Supplies and Materials                                 | 7,402                      | 2,891              | 10,293                  | 10,095         | 198                                     |
| Other Objects  | -                          | 825                | 825                     | 825            | -                                       |
| <b>Total Educational Media Services/School Library</b> | <u>309,258</u>             | <u>(96,991)</u>    | <u>212,267</u>          | <u>210,729</u> | <u>1,538</u>                            |
| Instructional Staff Training Services                  |                            |                    |                         |                |   |
| Other Salaries   | 6,000                      | (4,591)            | 1,409                   | 1,147          | 262                                     |
| Purchased Professional - Educational Services          | 500                        | 1,700              | 2,200                   | 2,200          | -                                       |
| Other Purchased Prof and Tech Services                 | 5,000                      | 38,384             | 43,384                  | 4,504          | 38,880                                  |
| Other Purchased Services                               | 9,950                      | (3,519)            | 6,431                   | 5,243          | 1,188                                   |
| Supplies and Materials                                 | 114                        | 475                | 589                     | 589            | -                                       |
| <b>Total Instructional Staff Training Services</b>     | <u>21,564</u>              | <u>32,449</u>      | <u>54,013</u>           | <u>13,683</u>  | <u>40,330</u>                           |
| Support Services General Administration                |                            |                    |                         |                |   |
| Salaries   | 265,352                    | (470)              | 264,882                 | 264,852        | 30                                      |
| Legal Services   | 48,000                     | 730                | 48,730                  | 41,599         | 7,131                                   |
| Audit Fees   | 40,000                     | 24,660             | 64,660                  | 24,660         | 40,000                                  |
| Architectural/Engineering Services                     | 10,000                     | 100,242            | 110,242                 | 84,636         | 25,606                                  |
| Other Purchased Professional Services                  | 18,000                     | 3,820              | 21,820                  | 19,023         | 2,797                                   |
| Miscellaneous Purchased Services                       | 9,500                      | (1,820)            | 7,680                   | 5,764          | 1,916                                   |
| Communications/Telephone                               | 53,500                     | 211                | 53,711                  | 49,339         | 4,372                                   |
| BOE Other Purchased Services                           | 5,000                      | -                  | 5,000                   | 2,168          | 2,832                                   |
| Other Purchased Services                               | 47,000                     | 7,235              | 54,235                  | 51,293         | 2,942                                   |
| General Supplies                                       | 10,000                     | 262                | 10,262                  | 8,115          | 2,147                                   |
| Judgements Against the School                          | 38,000                     | (31,675)           | 6,325                   | 6,325          | -                                       |
| Miscellaneous Expenditures                             | 8,809                      | (1,674)            | 7,135                   | 6,196          | 939                                     |
| BOE Membership Dues and Fees                           | 12,550                     | (1,891)            | 10,659                  | 9,505          | 1,154                                   |
| <b>Total Support Services General Administration</b>   | <u>565,711</u>             | <u>99,630</u>      | <u>665,341</u>          | <u>573,475</u> | <u>91,866</u>                           |
| Support Services School Administration                 |                            |                    |                         |                |   |
| Salaries of Principals/Asst. Principals                | 528,318                    | 4,120              | 532,438                 | 516,079        | 16,359                                  |
| Salaries of Other Professional Staff                   | 25,565                     | 1,548              | 27,113                  | 27,113         | -                                       |
| Salaries of Secretarial and Clerical Assistants        | 217,508                    | 7,633              | 225,141                 | 225,141        | -                                       |
| Other Purchased Services                               | 17,752                     | 650                | 18,402                  | 13,874         | 4,528                                   |
| General Supplies                                       | 9,912                      | 2,053              | 11,965                  | 10,232         | 1,733                                   |
| Miscellaneous Expenditures                             | 11,470                     | 458                | 11,928                  | 9,862          | 2,066                                   |
| <b>Total Support Services School Administration</b>    | <u>810,525</u>             | <u>16,462</u>      | <u>826,987</u>          | <u>802,301</u> | <u>24,686</u>                           |

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

|   | <u>Original<br/>Budget</u> | <u>Adjustments</u> | <u>Final<br/>Budget</u> | <u>Actual</u>    | <u>Variance<br/>Final To<br/>Actual</u> |
|---|----------------------------|--------------------|-------------------------|------------------|---|
| <b>EXPENDITURES</b>                                     |                            |                    |                         |                  |   |
| CURRENT EXPENDITURES (Continued)                        |                            |                    |                         |                  |   |
| Central Services  |                            |                    |                         |                  |   |
| Salaries  | \$ 374,837                 | \$ 3,050           | \$ 377,887              | \$ 377,884       | \$ 3                                    |
| Purchased Professional Services                         | 5,000                      | (4,500)            | 500                     | 500              | -                                       |
| Purchased Technical Services                            |                            | 32,025             | 32,025                  |                  | 32,025                                  |
| Misc. Purchased Services                                | 17,200                     | 2,057              | 19,257                  | 17,674           | 1,583                                   |
| Supplies and Materials                                  | 5,000                      | 48,604             | 53,604                  | 7,197            | 46,407                                  |
| Interest on Current Loans                               | 3,200                      | 5,713              | 8,913                   | 8,913            | -                                       |
| Interest on Lease Purchase Agreements                   | 3,038                      | 1                  | 3,039                   | 3,038            | 1                                       |
| Miscellaneous Expenditures                              | 4,300                      | (620)              | 3,680                   | 3,679            | 1                                       |
| <b>Total Central Services</b>                           | <b>412,575</b>             | <b>86,330</b>      | <b>498,905</b>          | <b>418,885</b>   | <b>80,020</b>                           |
| Admin. Info. Tech.                                      |                            |                    |                         |                  |   |
| Salaries  | 213,601                    | 61,463             | 275,064                 | 248,208          | 26,856                                  |
| Purchased Professional Services                         | 20,909                     | (1,846)            | 19,063                  | 17,136           | 1,927                                   |
| Purchased Technical Services                            | 46,181                     | 89,475             | 135,656                 | 44,720           | 90,936                                  |
| Other Purchased Services                                | 61,092                     | (5,294)            | 55,798                  | 52,739           | 3,059                                   |
| Supplies and Materials                                  | 48,364                     | 32,621             | 80,985                  | 46,589           | 34,396                                  |
| Other Objects   | 18,748                     | (16,171)           | 2,577                   | 2,577            | -                                       |
| <b>Total Admin. Info. Tech.</b>                         | <b>408,895</b>             | <b>160,248</b>     | <b>569,143</b>          | <b>411,969</b>   | <b>157,174</b>                          |
| Required Maintenance for School Facilities              |                            |                    |                         |                  |   |
| Salaries  | 113,506                    | 3,362              | 116,868                 | 115,076          | 1,792                                   |
| Cleaning, Repair and Maintenance Service                | 105,750                    | 68,490             | 174,240                 | 106,211          | 68,029                                  |
| General Supplies  | 27,500                     | 1,463              | 28,963                  | 28,804           | 159                                     |
| <b>Total Required Maintenance for School Facilities</b> | <b>246,756</b>             | <b>73,315</b>      | <b>320,071</b>          | <b>250,091</b>   | <b>69,980</b>                           |
| Custodial Services                                      |                            |                    |                         |                  |   |
| Salaries  | 714,326                    | (17,632)           | 696,694                 | 694,500          | 2,194                                   |
| Salaries of Non-Instructional Aides                     | 31,580                     | 3,180              | 34,760                  | 34,659           | 101                                     |
| Other Salaries  | 36,000                     | 4,884              | 40,884                  | 33,190           | 7,694                                   |
| Purchased Professional and Technical Services           | 23,300                     | 25,600             | 48,900                  | 32,054           | 16,846                                  |
| Cleaning, Repair, Maintenance                           | 104,599                    | (11,928)           | 92,671                  | 76,635           | 16,036                                  |
| Other Purchased Property                                | 16,500                     | 564                | 17,064                  | 16,605           | 459                                     |
| Insurance   | 136,763                    | (23,590)           | 113,173                 | 113,070          | 103                                     |
| Other Purchased Services                                | 12,900                     | 36,008             | 48,908                  | 9,898            | 39,010                                  |
| General Supplies  | 112,450                    | 55,737             | 168,187                 | 100,356          | 67,831                                  |
| Energy (Natural Gas)                                    | 136,000                    | (34,783)           | 101,217                 | 60,322           | 40,895                                  |
| Energy (Electricity)                                    | 292,000                    | -                  | 292,000                 | 190,962          | 101,038                                 |
| Miscellaneous Expenditures                              | 9,500                      | (2,040)            | 7,460                   | 6,842            | 618                                     |
| <b>Total Custodial Services</b>                         | <b>1,625,918</b>           | <b>36,000</b>      | <b>1,661,918</b>        | <b>1,369,093</b> | <b>292,825</b>                          |
| Care and Upkeep of Grounds                              |                            |                    |                         |                  |   |
| Cleaning, Repair and Maintenance Service                | 6,000                      | 74,080             | 80,080                  | 49,522           | 30,558                                  |
| General Supplies  | 12,000                     | (5,657)            | 6,343                   | 6,342            | 1                                       |
| <b>Total Care and Upkeep of Grounds</b>                 | <b>18,000</b>              | <b>68,423</b>      | <b>86,423</b>           | <b>55,864</b>    | <b>30,559</b>                           |

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

|   | <u>Original<br/>Budget</u> | <u>Adjustments</u> | <u>Final<br/>Budget</u> | <u>Actual</u>     | <u>Variance<br/>Final To<br/>Actual</u> |
|---|----------------------------|--------------------|-------------------------|-------------------|---|
| <b>EXPENDITURES</b>   |                            |                    |                         |                   |   |
| CURRENT EXPENDITURES (Continued)                                      |                            |                    |                         |                   |   |
| Security  |                            |                    |                         |                   |   |
| Cleaning, Repair and Maintenance Service                              | \$ 11,500                  | \$ (7,391)         | \$ 4,109                | \$ 3,764          | \$ 345                                  |
| General Supplies  | -                          | 30,151             | 30,151                  | 13,741            | 16,410                                  |
| Total Security  | <u>11,500</u>              | <u>22,760</u>      | <u>34,260</u>           | <u>17,505</u>     | <u>16,755</u>                           |
| Student Transportation Services                                       |                            |                    |                         |                   |   |
| Contracted Services-Aid in Lieu of Pymts-Non-Public<br>Schools        | 35,000                     | (23,048)           | 11,952                  | 10,453            | 1,499                                   |
| Contracted Services (Between Home and<br>School) - Vendors            | 167,870                    | (16,850)           | 151,020                 | 151,019           | 1                                       |
| Contracted Services (Other Than Between Home<br>and School) - Vendors | 24,810                     | 1,761              | 26,571                  | 26,025            | 546                                     |
| Contracted Services (Spec. Ed. Students) -<br>Joint Agreement         | <u>305,000</u>             | <u>(13,200)</u>    | <u>291,800</u>          | <u>210,404</u>    | <u>81,396</u>                           |
| Total Student Transportation Services                                 | <u>532,680</u>             | <u>(51,337)</u>    | <u>481,343</u>          | <u>397,901</u>    | <u>83,442</u>                           |
| Employee Benefits - Unallocated                                       |                            |                    |                         |                   |   |
| Social Security Contributions   | 205,000                    | 14,577             | 219,577                 | 219,576           | 1                                       |
| Other Retirement Contributions - PERS                                 | 232,010                    | (25,964)           | 206,046                 | 206,046           |   |
| Other Retirement Contributions - Regular                              | 5,400                      | -                  | 5,400                   | 4,362             | 1,038                                   |
| Unemployment Insurance  | 55,000                     | -                  | 55,000                  | 55,000            |   |
| Workmen's Compensation  | 140,919                    | (35,876)           | 105,043                 | 105,043           |   |
| Health Benefits   | 2,490,219                  | (220,903)          | 2,269,316               | 2,228,481         | 40,835                                  |
| Tuition Reimbursement   | 22,700                     | (18,500)           | 4,200                   | 4,200             | -                                       |
| Other Employee Benefits   | <u>27,062</u>              | <u>201,359</u>     | <u>228,421</u>          | <u>135,949</u>    | <u>92,472</u>                           |
| Total Employee Benefits - Unallocated                                 | <u>3,178,310</u>           | <u>(85,307)</u>    | <u>3,093,003</u>        | <u>2,958,657</u>  | <u>134,346</u>                          |
| On-behalf TPAF Pension Payments -                                     |                            |                    |                         |                   |   |
| Pension Contribution  |                            |                    |                         | 600,501           | (600,501)                               |
| NCGI Premium (Non-Budget)   |                            |                    |                         | 31,595            | (31,595)                                |
| Post Retirement Medical Benefits (Non-Budget)                         |                            |                    |                         | 714,741           | (714,741)                               |
| Reimbursed TPAF Social Security Payments<br>(Non-Budget)              | <u>-</u>                   | <u>-</u>           | <u>-</u>                | <u>675,114</u>    | <u>(675,114)</u>                        |
| Total   | <u>-</u>                   | <u>-</u>           | <u>-</u>                | <u>2,021,951</u>  | <u>(2,021,951)</u>                      |
| Total Undistributed Expenditures                                      | <u>11,116,369</u>          | <u>561,377</u>     | <u>11,677,746</u>       | <u>12,519,059</u> | <u>(841,313)</u>                        |
| Total Current Expenditures  | <u>19,939,096</u>          | <u>109,164</u>     | <u>20,048,260</u>       | <u>20,839,745</u> | <u>(791,485)</u>                        |

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

|   | <u>Original<br/>Budget</u> | <u>Adjustments</u>    | <u>Final<br/>Budget</u> | <u>Actual</u>       | <u>Variance<br/>Final To<br/>Actual</u> |
|---|----------------------------|-----------------------|-------------------------|---------------------|---|
| <b>EXPENDITURES</b>   |                            |                       |                         |                     |   |
| CURRENT EXPENDITURES (Continued)  |                            |                       |                         |                     |   |
| <b>CAPITAL OUTLAY</b>   |                            |                       |                         |                     |   |
| Interest Deposit to Capital Reserve   | \$ 2,000                   |                       | \$ 2,000                |                     | \$ 2,000                                |
| Equipment   |                            |                       |                         |                     |   |
| Support Services - Related and Extra.   |                            | \$ 2,774              | 2,774                   | \$ 2,771            | 3                                       |
| Instruction   |                            | 334,954               | 334,954                 | 23,441              | 311,513                                 |
| General Administration  |                            | 2,126                 | 2,126                   | 2,126               |   |
| Central Services  |                            | 11,100                | 11,100                  | 11,085              | 15                                      |
| Admin. Info. Tech.  |                            | 108,894               | 108,894                 | 108,686             | 208                                     |
| Required Maintenance for School Facilities  | 49,000                     | 35,545                | 84,545                  | 61,784              | 22,761                                  |
| <b>Total Undistributed Expenditures - Instruction</b>                                       | <u>51,000</u>              | <u>495,393</u>        | <u>546,393</u>          | <u>209,893</u>      | <u>336,500</u>                          |
| <b>Total Equipment</b>  | <u>51,000</u>              | <u>495,393</u>        | <u>546,393</u>          | <u>209,893</u>      | <u>336,500</u>                          |
| Facilities Acquisition and Construction Services  |                            |                       |                         |                     |   |
| Construction Services   |                            | 744,952               | 744,952                 | 155,814             | 589,138                                 |
| Lease Purchase Agreements - Principal   | 80,000                     |                       | 80,000                  |                     | 80,000                                  |
| Assessment for Debt Service on SDA Funding  | 50,531                     | -                     | 50,531                  | 50,531              | -                                       |
| <b>Total Facilities Acquisition and Construction Svcs.</b>                                  | <u>130,531</u>             | <u>744,952</u>        | <u>875,483</u>          | <u>206,345</u>      | <u>669,138</u>                          |
| <b>Total Capital Outlay</b>   | <u>181,531</u>             | <u>1,240,345</u>      | <u>1,421,876</u>        | <u>416,238</u>      | <u>1,005,638</u>                        |
| <b>Total Expenditures - General Fund</b>  | <u>20,120,627</u>          | <u>1,349,509</u>      | <u>21,470,136</u>       | <u>21,255,983</u>   | <u>214,153</u>                          |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures                                | <u>(253,341)</u>           | <u>(1,349,509)</u>    | <u>(1,602,850)</u>      | <u>992,126</u>      | <u>2,594,976</u>                        |
| Other Financing Sources   |                            |                       |                         |                     |   |
| Operating Transfer In   | -                          | -                     | -                       | 1,161               | 1,161                                   |
| <b>Total Other Financing Sources</b>  | <u>-</u>                   | <u>-</u>              | <u>-</u>                | <u>1,161</u>        | <u>1,161</u>                            |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures<br>and Other Financing Sources | <u>(253,341)</u>           | <u>(1,349,509)</u>    | <u>(1,602,850)</u>      | <u>993,287</u>      | <u>2,596,137</u>                        |
| Fund Balances, Beginning of Year  | <u>2,265,292</u>           | <u>-</u>              | <u>2,265,292</u>        | <u>2,265,292</u>    | <u>-</u>                                |
| Fund Balances, End of Year  | <u>\$ 2,011,951</u>        | <u>\$ (1,349,509)</u> | <u>\$ 662,442</u>       | <u>\$ 3,258,579</u> | <u>\$ 2,596,137</u>                     |

RIVER VALE BOARD OF EDUCATION  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

|   | Original<br>Budget | Adjustments | Final<br>Budget | Actual       | Variance<br>Final To<br>Actual |
|---|--------------------|-------------|-----------------|--------------|--------------------------------|
| <b>Recapitulation</b>   |                    |             |                 |              |                                |
| Restricted Fund Balance:  |                    |             |                 |              |                                |
| Excess Surplus - Designated for<br>Subsequent Year's Expenditures |                    |             |                 | \$ 283,335   |                                |
| Excess Surplus  |                    |             |                 | 277,370      |                                |
| Capital Reserve   |                    |             |                 | 641,463      |                                |
| Committed Fund Balance  |                    |             |                 |              |                                |
| Year End Encumbrances   |                    |             |                 | 991,418      |                                |
| Assigned Fund Balance   |                    |             |                 |              |                                |
| Year End Encumbrances   |                    |             |                 | 491,864      |                                |
| Unassigned Fund Balance   |                    |             |                 | 573,129      |                                |
|   |                    |             |                 | 3,258,579    |                                |
| Reconciliation to Governmental Funds Statements (GAAP)            |                    |             |                 |              |                                |
| State Aid Public  |                    |             | \$ 38,996       |              |                                |
| Extraordinary Aid Payment   |                    |             | 184,978         |              |                                |
|   |                    |             |                 | 223,974      |                                |
| Fund Balances Per Governmental Funds (GAAP)                       |                    |             |                 | \$ 3,034,605 |                                |



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

|  | <u>Budgeted Amounts</u> |                    |                | <u>Actual</u>  | <u>Variance<br/>Final to Actual</u> |
|--|-------------------------|--------------------|----------------|----------------|-------------------------------------|
|  | <u>Original</u>         | <u>Adjustments</u> | <u>Final</u>   |                |                                     |
| <b>REVENUES</b>                                  |                         |                    |                |                |                                     |
| Intergovernmental                                |                         |                    |                |                |                                     |
| Local  |                         | \$ 5,142           | \$ 5,142       | \$ 1,000       | \$ (4,142)                          |
| Federal  | \$ 287,375              | 147,673            | 435,048        | 221,894        | (213,154)                           |
| Total Revenues                                   | <u>287,375</u>          | <u>152,815</u>     | <u>440,190</u> | <u>222,894</u> | <u>(217,296)</u>                    |
| <b>EXPENDITURES</b>                              |                         |                    |                |                |                                     |
| Instruction                                      |                         |                    |                |                |                                     |
| Salaries & Benefits                              |                         | 4,091              | 4,091          |                | 4,091                               |
| Purchased Professional/Educational Services      | 197,412                 | 100,807            | 298,219        | 138,776        | 159,443                             |
| Tuition  | 63,093                  | 47,046             | 110,139        | 56,429         | 53,710                              |
| General Supplies                                 | -                       | 1,051              | 1,051          | 1,000          | 51                                  |
| Total Instruction                                | <u>260,505</u>          | <u>152,995</u>     | <u>413,500</u> | <u>196,205</u> | <u>217,295</u>                      |
| Support Services                                 |                         |                    |                |                |                                     |
| Purchased Professional/Education Services        | 11,400                  | -                  | 11,400         | 11,400         | -                                   |
| General Supplies                                 | 15,470                  | (180)              | 15,290         | 15,289         | 1                                   |
| Total Support Services                           | <u>26,870</u>           | <u>(180)</u>       | <u>26,690</u>  | <u>26,689</u>  | <u>1</u>                            |
| Facilities Acquisition and Construction Services |                         |                    |                |                |                                     |
| Construction                                     | -                       | -                  | -              | -              | -                                   |
| Total Facilities Acquisition and Construction    | <u>-</u>                | <u>-</u>           | <u>-</u>       | <u>-</u>       | <u>-</u>                            |
| Total Expenditures                               | <u>287,375</u>          | <u>152,815</u>     | <u>440,190</u> | <u>222,894</u> | <u>217,296</u>                      |
| Excess Revenues Over Expenditures                | <u>-</u>                | <u>-</u>           | <u>-</u>       | <u>-</u>       | <u>-</u>                            |
| Fund Balances, Beginning of Year                 | <u>-</u>                | <u>-</u>           | <u>-</u>       | <u>-</u>       | <u>-</u>                            |
| Fund Balances, End of Year                       | <u>\$ -</u>             | <u>\$ -</u>        | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>                         |

**RIVER VALE BOARD OF EDUCATION  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

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

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

|   | <b><u>General<br/>Fund</u></b> | <b><u>Special<br/>Revenue<br/>Fund</u></b> |
|---|--------------------------------|--|
| <b>Sources/inflows of resources</b>   |                                |  |
| Actual amounts (budgetary basis) "revenue"<br>from the budgetary comparison schedule  | (C-1) \$ 22,248,109            | (C-2) \$ 222,894                           |
| Difference - Budget to GAAP   |                                |  |
| State Aid payment and Extraordinary Aid (2011/2012) recognized for<br>GAAP statements, not recognized for budgetary statements  | 288,646                        |  |
| State Aid payments and Extraordinary Aid (2012/2013) recognized for<br>budgetary purposes, not recognized for GAAP statements   | <u>(223,974)</u>               | <u>-</u>                                   |
| Total revenues as reported on the Statement of Revenues, Expenditures   | (B-2) \$ <u>22,312,781</u>     | (B-2) \$ <u>222,894</u>                    |
| <b>Uses/outflows of resources</b>   |                                |  |
| Actual amounts (budgetary basis) "total outflows" from the<br>budgetary comparison schedule                                     | (C-1) \$ <u>21,255,983</u>     | (C-2) \$ <u>222,894</u>                    |
| Total expenditures as reported on the Statement of Revenues,<br>Expenditures, and Changes in Fund Balances - Governmental Funds | (B-2) \$ <u>21,255,983</u>     | (B-2) \$ <u>222,894</u>                    |

**SCHOOL LEVEL SCHEDULES**

**(General Fund)**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**

RIVER VALE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

|  | Actuarial<br>Grant | IDEA<br>Part B-Basic | IDEA<br>Preschool | NCLB<br>Title II | Total             |
|--|--------------------|----------------------|-------------------|------------------|-------------------|
| <b>REVENUES</b>                                  |                    |                      |                   |                  |                   |
| Intergovernmental                                |                    |                      |                   |                  |                   |
| Local  | \$ 1,000           |                      |                   |                  | \$ 1,000          |
| Federal  | -                  | \$ 187,394           | \$ 14,638         | \$ 19,862        | \$ 221,894        |
| Total Revenues                                   | <u>\$ 1,000</u>    | <u>\$ 187,394</u>    | <u>\$ 14,638</u>  | <u>\$ 19,862</u> | <u>\$ 222,894</u> |
| <b>EXPENDITURES</b>                              |                    |                      |                   |                  |                   |
| Instruction                                      |                    |                      |                   |                  |                   |
| Salaries & Benefits                              |                    |                      |                   |                  |                   |
| Purchased Professional & Ed Svcs.                | \$ 128,488         |                      | \$ 10,288         |                  | \$ 138,776        |
| Tuition  |                    | 55,585               | 844               |                  | 56,429            |
| General Supplies                                 | \$ 1,000           | -                    | -                 | -                | 1,000             |
| Total Instruction                                | <u>1,000</u>       | <u>184,073</u>       | <u>11,132</u>     | <u>-</u>         | <u>196,205</u>    |
| Support Services                                 |                    |                      |                   |                  |                   |
| Purchased Professional Educational Svcs.         |                    |                      |                   | \$ 11,400        | 11,400            |
| General Supplies                                 | -                  | 3,321                | 3,506             | 8,462            | 15,289            |
| Total Support Services                           | <u>-</u>           | <u>3,321</u>         | <u>3,506</u>      | <u>19,862</u>    | <u>26,689</u>     |
| Facilities Acquisition and Construction Services |                    |                      |                   |                  |                   |
| Construction                                     | -                  | -                    | -                 | -                | -                 |
| Total Facilities Acquisition and Construction    | <u>-</u>           | <u>-</u>             | <u>-</u>          | <u>-</u>         | <u>-</u>          |
| Total Expenditures                               | <u>\$ 1,000</u>    | <u>\$ 187,394</u>    | <u>\$ 14,638</u>  | <u>\$ 19,862</u> | <u>\$ 222,894</u> |

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

NOT APPLICABLE

**CAPITAL PROJECTS FUND**

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

| <u>Issue/Project Title</u>  | <u>Expenditures To Date</u> |                      |                     | <u>Balance June 30, 2013</u> |                   |
|---|-----------------------------|----------------------|---------------------|------------------------------|-------------------|
|   | <u>Appropriation</u>        | <u>Prior Years</u>   | <u>Current Year</u> |                              |                   |
| Facilities Acquisitions and Construction Services at Holdrum, Woodside and Roberge Schools* | \$ 19,750,000               | \$ 19,649,659        | \$ 1,431            | \$ (6,000)                   | \$ 104,910        |
| Information Technology Project  | 296,573                     | -                    | -                   | -                            | 296,573           |
| Boiler Project  | 380,000                     | -                    | -                   | -                            | 380,000           |
| Total   | <u>\$ 20,426,573</u>        | <u>\$ 19,649,659</u> | <u>\$ 1,431</u>     | <u>\$ (6,000)</u>            | <u>\$ 781,483</u> |
| Project Balances  |                             |                      |                     |                              | \$ 781,483        |
| Less: Unearned Revenue  |                             |                      |                     |                              | (948)             |
| Fund Balance - GAAP   |                             |                      |                     |                              | <u>\$ 780,535</u> |
| Analysis of Unearned Revenue  |                             |                      |                     |                              |                   |
| Debt Authorized But Not Issued  |                             |                      |                     |                              | 948               |
| Analysis of Restricted Fund Balance   |                             |                      |                     |                              |                   |
| Year End Encumbrances   |                             |                      |                     |                              | \$ 349,850        |
| Restricted Fund Balance   |                             |                      |                     |                              | <u>430,685</u>    |
| Fund Balance - GAAP   |                             |                      |                     |                              | <u>\$ 780,535</u> |

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



**RIVER VALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**Revenues and Other Financing Sources**

|   |                    |
|---|--------------------|
| Lease Proceeds                                | \$ 676,573         |
| Interest                                      | 1,161              |
| Miscellaneous - Prior Years Payable Cancelled | <u>6,000</u>       |
| <br>Total Revenues                            | <br><u>683,734</u> |

**Expenditures and Other Financing Uses**

|                              |                  |
|------------------------------|------------------|
| Construction Services        | 1,431            |
| Transfer Out to General Fund | <u>1,161</u>     |
| <br>Total Expenditures       | <br><u>2,592</u> |

|   |                              |
|---|------------------------------|
| Excess (Deficiency) of Revenue and Other Financing Sources and (Uses)<br>Over/(Under) Expenditures and Other Financing Uses | 681,142                      |
| <br>Fund Balance, Beginning of Year   | <br><u>99,393</u>            |
| <br>Fund Balance, End of Year   | <br><u><u>\$ 780,535</u></u> |

**RIVER VALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS  
IMPROVEMENTS TO THE MIDDLE SCHOOL AND ELEMENTARY SCHOOLS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

|   | <u>Prior Periods</u> | <u>Current Year</u> | <u>Adjustments</u> | <u>Totals</u>     | <u>Revised<br/>Authorized<br/>Cost</u> |
|---|----------------------|---------------------|--------------------|-------------------|--|
| <b>Revenues and Other Financing Sources</b>               |                      |                     |                    |                   |  |
| State Sources - SCC Grants                                | \$ 6,115,052         |                     |                    | \$ 6,115,052      | \$ 6,115,052                           |
| Bond Proceeds and Transfers                               | 12,834,000           |                     |                    | 12,834,000        | 12,834,948                             |
| Transfer from Capital Reserve                             | 800,000              |                     |                    | 800,000           | 800,000                                |
|   | <u>19,749,052</u>    | <u>-</u>            | <u>-</u>           | <u>19,749,052</u> | <u>19,750,000</u>                      |
| <b>Expenditures and Other Financing Uses</b>              |                      |                     |                    |                   |  |
| Construction Services                                     | 19,649,659           | \$ 1,431            | \$ (6,000)         | 19,645,090        | 19,750,000                             |
| Equipment Purchases                                       |                      |                     |                    |                   |  |
|   | <u>19,649,659</u>    | <u>1,431</u>        | <u>(6,000)</u>     | <u>19,645,090</u> | <u>19,750,000</u>                      |
| Excess (deficiency) or Revenues over (under) Expenditures | <u>\$ 99,393</u>     | <u>\$ (1,431)</u>   | <u>\$ 6,000</u>    | <u>\$ 103,962</u> | <u>\$ -</u>                            |

**Additional project information:**

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

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

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

**RIVER VALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS  
INFORMATION TECHNOLOGY PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

|  | <u>Prior Periods</u> | <u>Current Year</u> | <u>Adjustments</u> | <u>Totals</u> | <u>Revised<br/>Authorized<br/>Cost</u> |
|--|----------------------|---------------------|--------------------|---------------|--|
| <b>Revenues and Other Financing Sources</b>                  |                      |                     |                    |               |  |
| Lease Proceeds   |                      | \$ 296,573          |                    | \$ 296,573    | \$ 296,573                             |
| Interest Earnings  | -                    |                     |                    | -             |  |
| Total Revenues   | -                    | 296,573             | -                  | 296,573       | 296,573                                |
| <b>Expenditures and Other Financing Uses</b>                 |                      |                     |                    |               |  |
| Construction Services  | -                    |                     |                    | -             | 296,573                                |
| Total Expenditures   | -                    | -                   | -                  | -             | 296,573                                |
| Excess (deficiency) or Revenues<br>over (under) Expenditures | \$ -                 | \$ 296,573          | \$ -               | \$ 296,573    | \$ -                                   |
| <b>Additional project information:</b>                       |                      |                     |                    |               |  |
| Project Number   | N/A                  |                     |                    |               |  |
| Grant Date   | N/A                  |                     |                    |               |  |
| Bond Authorization Date                                      | N/A                  |                     |                    |               |  |
| Bonds Authorized   | N/A                  |                     |                    |               |  |
| Bonds Issued   | N/A                  |                     |                    |               |  |
| Original Authorized Cost                                     | 296,573              |                     |                    |               |  |
| Additional Authorized Cost                                   | -                    |                     |                    |               |  |
| Revised Authorized Cost                                      | 296,573              |                     |                    |               |  |
| Percentage Increase over Original<br>Authorized Cost         | 0.00%                |                     |                    |               |  |
| Percentage completion  | 0.00%                |                     |                    |               |  |
| Original target completion date                              | June 2014            |                     |                    |               |  |
| Revised target completion date                               | June 2014            |                     |                    |               |  |

**RIVER VALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS  
BOILER REPLACEMENT PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

|   | <u>Prior Periods</u> | <u>Current Year</u> | <u>Adjustments</u> | <u>Totals</u> | <u>Revised<br/>Authorized<br/>Cost</u> |
|---|----------------------|---------------------|--------------------|---------------|--|
| <b>Revenues and Other Financing Sources</b>               |                      |                     |                    |               |  |
| Lease Proceeds  |                      | \$ 380,000          |                    | \$ 380,000    | \$ 380,000                             |
| Interest Earnings   |                      |                     |                    | -             |  |
| Total Revenues  | -                    | 380,000             | -                  | 380,000       | 380,000                                |
| <b>Expenditures and Other Financing Uses</b>              |                      |                     |                    |               |  |
| Construction Services                                     | -                    | -                   |                    | -             | 380,000                                |
| Total Expenditures  | -                    | -                   | -                  | -             | 380,000                                |
| Excess (deficiency) or Revenues over (under) Expenditures | \$ -                 | \$ 380,000          | \$ -               | \$ 380,000    | \$ -                                   |
| <b>Additional project information:</b>                    |                      |                     |                    |               |  |
| Project Number  | N/A                  |                     |                    |               |  |
| Grant Date  | N/A                  |                     |                    |               |  |
| Bond Authorization Date                                   | N/A                  |                     |                    |               |  |
| Bonds Authorized  | N/A                  |                     |                    |               |  |
| Bonds Issued  | N/A                  |                     |                    |               |  |
| Original Authorized Cost                                  | 380,000              |                     |                    |               |  |
| Additional Authorized Cost                                | -                    |                     |                    |               |  |
| Revised Authorized Cost                                   | 380,000              |                     |                    |               |  |
| Percentage Increase over Original Authorized Cost         | 0.00%                |                     |                    |               |  |
| Percentage completion                                     | 0.00%                |                     |                    |               |  |
| Original target completion date                           | June 2014            |                     |                    |               |  |
| Revised target completion date                            | June 2014            |                     |                    |               |  |

**PROPRIETARY FUNDS**

**EXHIBIT G-1**

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

**NOT APPLICABLE**

**EXHIBIT G-2**

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

**NOT APPLICABLE**

**EXHIBIT G-3**

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

**NOT APPLICABLE**

**FIDUCIARY FUNDS**

**RIVER VALE BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING SCHEDULE OF AGENCY ASSETS AND LIABILITIES  
AS OF JUNE 30, 2013**

|                                     | <u>Student<br/>Activity</u> | <u>Payroll</u>   | <u>Total</u>      |
|-------------------------------------|-----------------------------|------------------|-------------------|
| <b>ASSETS</b>                       |                             |                  |                   |
| Cash and Cash Equivalents           | \$ 96,712                   | \$ 90,677        | \$ 187,389        |
| Total Assets                        | <u>\$ 96,712</u>            | <u>\$ 90,677</u> | <u>\$ 187,389</u> |
| <b>LIABILITIES</b>                  |                             |                  |                   |
| Payroll Deductions and Withholdings |                             | \$ 5,685         | \$ 5,685          |
| Accrued Salaries and Wages          |                             | 1,965            | 1,965             |
| Flex Spending Benefits              |                             | 349              | 349               |
| Due to State of New Jersey          |                             | 82,678           | 82,678            |
| Due to Student Groups               | <u>\$ 96,712</u>            | <u>-</u>         | <u>96,712</u>     |
| Total Liabilities                   | <u>\$ 96,712</u>            | <u>\$ 90,677</u> | <u>\$ 187,389</u> |

**FIDUCIARY FUNDS  
COMBINING SCHEDULE OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOT APPLICABLE



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

|                       | <b>Balance,<br/>July 1,<br/><u>2012</u></b> | <b>Cash<br/><u>Receipts</u></b> | <b>Cash<br/><u>Disbursements</u></b> | <b>Balance,<br/>June 30,<br/><u>2013</u></b> |
|-----------------------|---|---------------------------------|--------------------------------------|--|
| <b>SCHOOLS</b>        |   |                                 |                                      |  |
| Roberge Elementary    | \$ 14,317                                   | \$ 20,300                       | \$ 21,048                            | \$ 13,569                                    |
| Woodside Elementary   | 15,702                                      | 18,817                          | 21,962                               | 12,557                                       |
| Holdrum Middle School | <u>61,502</u>                               | <u>173,894</u>                  | <u>164,810</u>                       | <u>70,586</u>                                |
| <br>                  |   |                                 |                                      |  |
| Total All Schools     | <u>\$ 91,521</u>                            | <u>\$ 213,011</u>               | <u>\$ 207,820</u>                    | <u>\$ 96,712</u>                             |

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

|                                     | <b>Balance,<br/>July 1,<br/><u>2012</u></b> | <b>Cash<br/><u>Receipts</u></b> | <b>Cash<br/><u>Disbursements</u></b> | <b>Balance,<br/>June 30,<br/><u>2013</u></b> |
|-------------------------------------|---|---------------------------------|--------------------------------------|--|
| Payroll Deductions and Withholdings | \$ 5,043                                    | \$ 5,016,124                    | \$ 5,015,482                         | \$ 5,685                                     |
| Accrued Salaries and Wages          | 1,705                                       | 7,738,720                       | 7,738,460                            | 1,965  |
| Flex Spending Benefits              |   | 7,100                           | 6,751                                | 349  |
| Due to State of New Jersey          | <u>82,769</u>                               | <u>82,678</u>                   | <u>82,769</u>                        | <u>82,678</u>                                |
| <br>                                |   |                                 |                                      |  |
| Total                               | <u>\$ 89,517</u>                            | <u>\$ 12,844,622</u>            | <u>\$ 12,843,462</u>                 | <u>\$ 90,677</u>                             |

**LONG-TERM DEBT**

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

| <u>Issue</u>                           | <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Annual Maturities Date</u> | <u>Annual Maturities Amount</u> | <u>Interest Rate</u> | <u>Balance, July 1, 2012</u> | <u>Increased</u> | <u>Decreased</u> | <u>Balance, June 30, 2013</u> |
|--|----------------------|------------------------|-------------------------------|---------------------------------|----------------------|------------------------------|------------------|------------------|-------------------------------|
| School District Refunding Bonds - 2009 | 2/25/2010            | \$ 7,080,000           | 9/15/2013                     | \$ 745,000                      | 2.75 %               |                              |                  |                  |                               |
|  |                      |                        | 9/15/2014                     | 765,000                         | 2.75                 |                              |                  |                  |                               |
|  |                      |                        | 9/15/2015                     | 790,000                         | 4.00                 |                              |                  |                  |                               |
|  |                      |                        | 9/15/2016                     | 805,000                         | 4.00                 |                              |                  |                  |                               |
|  |                      |                        | 9/15/2017                     | 470,000                         | 4.00                 |                              |                  |                  |                               |
|  |                      |                        | 9/15/2017                     | 330,000                         | 3.50                 |                              |                  |                  |                               |
|  |                      |                        | 9/15/2018                     | 800,000                         | 4.00                 |                              |                  |                  |                               |
|  |                      |                        | 9/15/2019                     | 355,000                         | 4.50                 |                              |                  |                  |                               |
|  |                      |                        | 9/15/2019                     | 440,000                         | 3.50                 |                              |                  |                  |                               |
|  |                      |                        | 9/15/2020                     | 790,000                         | 4.50                 |                              |                  |                  |                               |
|  |                      |                        |                               |                                 |                      | \$ 7,015,000                 | -                | \$ 725,000       | \$ 6,290,000                  |
|  |                      |                        |                               |                                 |                      | \$ 7,015,000                 | \$ -             | \$ 725,000       | \$ 6,290,000                  |

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

| <u>Description</u>     | <u>Interest<br/>Rate</u> | <u>Amount of<br/>Original<br/>Obligation</u> | <u>Balance,<br/>July 1,<br/>2012</u> | <u>Increased</u>  | <u>Retired</u>   | <u>Balance,<br/>June 30,<br/>2013</u> |
|------------------------|--------------------------|--|--------------------------------------|-------------------|------------------|---------------------------------------|
| Technology Improvement | 3.585%                   | \$ 277,000                                   | \$ 95,247                            |                   | \$ 95,247        |                                       |
| Information Technology | 1.070%                   | 296,573                                      |                                      | \$ 296,573        |                  | \$ 296,573                            |
| Boiler Project         | 1.220%                   | 380,000                                      | -                                    | 380,000           | -                | 380,000                               |
| <b>Total</b>           |                          |  | <u>\$ 95,247</u>                     | <u>\$ 676,573</u> | <u>\$ 95,247</u> | <u>\$ 676,573</u>                     |

**RIVER VALE BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

|   | <u>Original<br/>Budget</u> | <u>Adjustments</u> | <u>Final<br/>Budget</u> | <u>Actual</u> | <u>Variance<br/>Final to Actual</u> |
|---|----------------------------|--------------------|-------------------------|---------------|-------------------------------------|
| <b>REVENUES</b>                         |                            |                    |                         |               |                                     |
| Local Sources                           |                            |                    |                         |               |                                     |
| Local Property Tax Levy                 | \$ 966,850                 | -                  | \$ 966,850              | \$ 966,850    | -                                   |
| Total Revenues                          | 966,850                    | -                  | 966,850                 | 966,850       | -                                   |
| <b>EXPENDITURES</b>                     |                            |                    |                         |               |                                     |
| Regular Debt Service                    |                            |                    |                         |               |                                     |
| Principal                               | 725,000                    |                    | 725,000                 | 725,000       |                                     |
| Interest                                | 241,850                    | -                  | 241,850                 | 241,850       | -                                   |
| Total Expenditures                      | 966,850                    | -                  | 966,850                 | 966,850       | -                                   |
| Excess of Revenues Over<br>Expenditures | -                          | -                  | -                       | -             | -                                   |
| Fund Balance, Beginning of Year         | -                          | -                  | -                       | -             | -                                   |
| Fund Balance, End of Year               | \$ -                       | \$ -               | \$ -                    | \$ -          | \$ -                                |

## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

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

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

J-14 and J-15

#### **Operating Information**

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

J-16 to J-20

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

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

|  | Fiscal Year Ended June 30, |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|--|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | 2004                       | 2005                 | 2006                 | 2007                 | 2008                 | 2009                 | 2010                 | 2011                 | 2012                 | 2013                 |
| <b>Governmental Activities</b>                     |                            |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net Investment in Capital Assets                   | \$ 9,700,501               | \$ 10,100,306        | \$ 10,263,055        | \$ 10,454,235        | \$ 10,920,772        | \$ 11,300,821        | \$ 11,562,104        | \$ 12,298,108        | \$ 13,128,780        | \$ 13,716,329        |
| Restricted   | 199,160                    | 268,376              | 205,507              | 211,903              | 219,144              | 221,823              | 235,897              | 224,076              | 716,927              | 641,463              |
| Unrestricted                                       | 283,950                    | 168,021              | 337,990              | 412,966              | 318,313              | 161,187              | 208,646              | 510,526              | 712,521              | 1,921,197            |
| <b>Total Governmental Activities Net Position</b>  | <b>\$ 10,183,611</b>       | <b>\$ 10,536,703</b> | <b>\$ 10,806,552</b> | <b>\$ 11,079,104</b> | <b>\$ 11,458,229</b> | <b>\$ 11,683,831</b> | <b>\$ 12,006,647</b> | <b>\$ 13,032,710</b> | <b>\$ 14,558,228</b> | <b>\$ 16,278,989</b> |
| <b>Business-Type Activities</b>                    |                            |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net Investment in Capital Assets                   | \$ 2,661                   | \$ 4,412             | \$ 4,163             | \$ 3,732             | \$ 3,301             | \$ 2,870             | \$ 2,439             | \$ 2,049             | \$ 1,659             | \$ 1,270             |
| Restricted   |                            |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Unrestricted                                       | 2,975                      | 6,485                | 9,252                | 29,808               | 76,094               | 99,481               | 101,100              | 171,329              | 146,758              | 6,350                |
| <b>Total Business-Type Activities Net Position</b> | <b>\$ 5,636</b>            | <b>\$ 10,897</b>     | <b>\$ 13,415</b>     | <b>\$ 33,540</b>     | <b>\$ 79,395</b>     | <b>\$ 102,351</b>    | <b>\$ 103,539</b>    | <b>\$ 173,378</b>    | <b>\$ 148,417</b>    | <b>\$ 7,620</b>      |
| <b>District-Wide</b>                               |                            |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net Investment in Capital Assets                   | \$ 9,703,162               | \$ 10,104,718        | \$ 10,267,218        | \$ 10,457,967        | \$ 10,924,073        | \$ 11,303,691        | \$ 11,564,543        | \$ 12,300,157        | \$ 13,130,439        | \$ 13,717,599        |
| Restricted   | 199,160                    | 268,376              | 205,507              | 211,903              | 219,144              | 221,823              | 235,897              | 224,076              | 716,927              | 641,463              |
| Unrestricted                                       | 286,925                    | 174,506              | 347,242              | 442,774              | 394,407              | 260,668              | 309,746              | 681,855              | 859,279              | 1,927,547            |
| <b>Total District Net Position</b>                 | <b>\$ 10,189,247</b>       | <b>\$ 10,547,600</b> | <b>\$ 10,819,967</b> | <b>\$ 11,112,644</b> | <b>\$ 11,537,624</b> | <b>\$ 11,786,182</b> | <b>\$ 12,110,186</b> | <b>\$ 13,206,088</b> | <b>\$ 14,706,645</b> | <b>\$ 16,286,609</b> |

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".

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

|   | Fiscal Year Ended June 30, |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|---|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2004                       | 2005                 | 2006                 | 2007                 | 2008                 | 2009                 | 2010                 | 2011                 | 2012                 | 2013                 |
| <b>Expenses</b>                                       |                            |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Governmental Activities</b>                        |                            |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Instruction</b>                                    |                            |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Regular   | \$ 7,779,019               | \$ 8,389,069         | \$ 8,662,658         | \$ 9,485,795         | \$ 9,562,717         | \$ 9,244,287         | \$ 9,676,884         | \$ 9,737,441         | \$ 9,833,606         | \$ 10,096,119        |
| Special Education                                     | 1,210,878                  | 1,656,779            | 1,319,651            | 1,673,647            | 1,903,183            | 1,857,575            | 2,333,154            | 2,129,638            | 2,230,343            | 2,231,290            |
| Other Instruction                                     | 440,348                    | 406,733              | 518,550              | 549,047              | 571,252              | 469,976              | 538,942              | 543,070              | 677,912              | 672,031              |
| School Sponsored Activities and Athletics             | 173,456                    | 126,116              | 118,763              | 128,705              | 131,806              | 136,354              | 137,292              | 111,249              | 120,488              | 124,146              |
| <b>Support Services:</b>                              |                            |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Student & Instruction Related Services                | 1,344,326                  | 1,511,348            | 1,631,621            | 1,766,408            | 1,914,871            | 1,861,330            | 1,867,320            | 2,178,179            | 2,329,447            | 2,444,437            |
| Attendance and Social Work                            | 60,565                     | 63,456               | 80,746               | 87,303               | 102,585              | 152,102              | 168,345              | 118,281              | 113,304              | 200,410              |
| Educational Media/School Library                      | 720,471                    | 252,368              | 293,549              | 317,648              | 327,141              | 313,761              | 336,393              | 227,370              | 423,129              | 297,026              |
| School Administrative Services                        | 799,750                    | 761,119              | 797,799              | 924,889              | 943,170              | 901,583              | 951,097              | 925,318              | 1,133,352            | 1,192,633            |
| General Administration                                | 599,473                    | 690,539              | 673,008              | 676,129              | 615,720              | 762,636              | 635,394              | 691,280              | 742,344              | 724,425              |
| Central Services                                      |                            | 656,940              | 837,282              | 877,481              | 892,744              | 895,645              | 968,795              | 1,132,238            | 1,099,110            | 1,095,091            |
| Plant Operations and Maintenance                      | 1,906,270                  | 1,664,260            | 1,789,695            | 1,915,028            | 2,092,545            | 2,074,072            | 2,148,125            | 2,046,993            | 1,965,809            | 2,078,059            |
| Pupil Transportation                                  | 320,888                    | 344,106              | 360,512              | 376,815              | 471,600              | 506,282              | 531,200              | 456,736              | 443,474              | 397,901              |
| Other Support Services                                | 400,183                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Interest on Long-Term Debt                            | 550,506                    | 512,035              | 497,049              | 463,080              | 457,397              | 427,156              | 363,885              | 289,404              | 248,380              | 229,357              |
| <b>Total Governmental Activities Expenses</b>         | <u>16,306,213</u>          | <u>17,034,868</u>    | <u>17,580,883</u>    | <u>19,241,975</u>    | <u>19,986,731</u>    | <u>19,602,759</u>    | <u>20,656,826</u>    | <u>20,587,197</u>    | <u>21,360,698</u>    | <u>21,782,925</u>    |
| <b>Business-Type Activities:</b>                      |                            |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Food Service  | 21,915                     | 18,132               | 26,722               | 19,677               | 26,967               | 22,377               | 55,526               | 41,891               | 48,026               | 22,039               |
| Safety Town   |                            | 1,482                | 2,060                | 2,404                | 2,243                | 2,151                | 7,856                | -                    | -                    | -                    |
| Park Academy  |                            |                      | 234,349              | 192,961              | 209,428              | 219,897              | 245,975              | 616,541              | 7,662                | 4,899                |
| <b>Total Business-Type Activities Expense</b>         | <u>21,915</u>              | <u>19,614</u>        | <u>263,131</u>       | <u>215,042</u>       | <u>238,638</u>       | <u>244,425</u>       | <u>289,357</u>       | <u>658,432</u>       | <u>55,688</u>        | <u>26,938</u>        |
| <b>Total District Expenses</b>                        | <u>\$ 16,328,128</u>       | <u>\$ 17,054,482</u> | <u>\$ 17,844,014</u> | <u>\$ 19,457,017</u> | <u>\$ 20,225,369</u> | <u>\$ 19,847,184</u> | <u>\$ 20,946,183</u> | <u>\$ 21,245,629</u> | <u>\$ 21,416,386</u> | <u>\$ 21,809,863</u> |
| <b>Program Revenues</b>                               |                            |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Governmental Activities:</b>                       |                            |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Charges for Services:</b>                          |                            |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Instruction (tuition)                                 | \$ 201,738                 | \$ 268,073           | \$ 15,087            | \$ 15,087            | \$ 13,455            | \$ 12,794            | \$ 2,373,202         | \$ 17,600            | \$ 20,260            | \$ 27,350            |
| Operating Grants and Contributions                    | 1,935,006                  | 2,075,656            | 2,184,228            | 2,824,689            | 2,956,062            | 1,946,518            | -                    | 1,823,995            | 2,655,210            | 2,940,129            |
| Capital Grants and Contributions                      | 1,467,563                  | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 221,010              | 100,000              |
| <b>Total Governmental Activities Program Revenues</b> | <u>3,604,307</u>           | <u>2,343,729</u>     | <u>2,184,228</u>     | <u>2,839,776</u>     | <u>2,969,497</u>     | <u>1,959,312</u>     | <u>2,373,202</u>     | <u>1,841,595</u>     | <u>2,896,480</u>     | <u>3,067,479</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".



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

|   | Fiscal Year Ended June 30, |                        |                        |                        |                        |                        |                        |                        |                        |                        |
|---|----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|   | 2004                       | 2005                   | 2006                   | 2007                   | 2008                   | 2009                   | 2010                   | 2011                   | 2012                   | 2013                   |
| <b>Business-Type Activities:</b>                          |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Charges for Services                                      |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Food Service  | \$ 8,638                   | \$ 8,563               | \$ 20,812              | \$ 9,258               | \$ 19,260              | \$ 17,671              | \$ 28,932              | \$ 25,835              | \$ 19,804              | \$ 17,169              |
| Safety Town   |                            | 1,275                  | 750                    | 2,018                  | 4,250                  | 5,350                  | 2,300                  |                        |                        |                        |
| Park Academy  |                            |                        | 244,087                | 209,855                | 244,670                | 227,724                | 246,947                | 689,928                | 1,175                  | 7,865                  |
| Operating Grants and Contributions                        | 10,541                     | 12,921                 |                        | 11,457                 | 14,076                 | 15,663                 | 11,168                 | 11,028                 | 9,594                  | 8,147                  |
| <b>Total Business Type Activities Program Revenues</b>    | <b>19,179</b>              | <b>22,759</b>          | <b>265,649</b>         | <b>232,588</b>         | <b>282,256</b>         | <b>266,408</b>         | <b>289,347</b>         | <b>726,791</b>         | <b>30,573</b>          | <b>33,181</b>          |
| <b>Total District Program Revenues</b>                    | <b>\$ 3,623,486</b>        | <b>\$ 2,366,488</b>    | <b>\$ 2,449,877</b>    | <b>\$ 3,072,364</b>    | <b>\$ 3,251,753</b>    | <b>\$ 2,225,720</b>    | <b>\$ 2,662,549</b>    | <b>\$ 2,568,386</b>    | <b>\$ 2,927,053</b>    | <b>\$ 3,100,660</b>    |
| <b>Net (Expense)/Revenue</b>                              |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental Activities                                   | \$ (12,701,906)            | \$ (14,691,139)        | \$ (15,396,655)        | \$ (16,402,199)        | \$ (17,017,234)        | \$ (17,643,447)        | \$ (18,283,624)        | \$ (18,745,602)        | \$ (18,464,218)        | \$ (18,715,446)        |
| Business-Type Activities                                  | (2,736)                    | 3,145                  | 2,518                  | 17,546                 | 43,618                 | 21,983                 | (10)                   | 68,359                 | (25,115)               | 6,243                  |
| <b>Total district-wide net expense</b>                    | <b>\$ (12,704,642)</b>     | <b>\$ (14,687,994)</b> | <b>\$ (15,394,137)</b> | <b>\$ (16,384,653)</b> | <b>\$ (16,973,616)</b> | <b>\$ (17,621,464)</b> | <b>\$ (18,283,634)</b> | <b>\$ (18,677,243)</b> | <b>\$ (18,489,333)</b> | <b>\$ (18,709,203)</b> |
| <b>General Revenues and Other Changes in Net Position</b> |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental Activities:                                  |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Property Taxes Levied for General Purposes, net           | \$ 14,104,873              | \$ 14,890,207          | \$ 15,413,445          | \$ 16,414,093          | \$ 17,151,984          | \$ 17,795,531          | \$ 18,524,538          | \$ 19,525,073          | \$ 19,881,917          | \$ 20,258,781          |
| Unrestricted Grants and Contributions                     |                            | 93,500                 | 93,702                 | 93,322                 | 114,890                | 5,672                  |                        | 3,800                  |                        |                        |
| Donation of Capital Assets                                |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Consolidated Aid  | 70,266                     |                        |                        |                        |                        | (4,710)                |                        | 176,827                | (1,336)                |                        |
| Net Gain/(Loss) on Contributed Asset                      |                            |                        | 73,300                 | 131,320                | 100,886                | 32,426                 | 18,264                 | 20,188                 | 6,358                  | 14,022                 |
| Investment Earnings                                       |                            |                        | 86,057                 | 36,016                 | 28,599                 | 40,130                 | 63,638                 | 45,777                 | 160,702                | 163,404                |
| Miscellaneous Income                                      | 89,042                     | 50,834                 |                        |                        |                        |                        |                        |                        |                        |                        |
| <b>Total Governmental Activities</b>                      | <b>14,264,181</b>          | <b>15,044,231</b>      | <b>15,666,504</b>      | <b>16,674,751</b>      | <b>17,396,359</b>      | <b>17,869,049</b>      | <b>18,606,440</b>      | <b>19,771,665</b>      | <b>20,047,641</b>      | <b>20,436,207</b>      |
| <b>Business-Type Activities:</b>                          |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Transfer to Participating Districts                       | 19                         | 16                     |                        | 2,579                  | 2,237                  | 973                    | 1,198                  | 1,480                  | 154                    | (147,126)              |
| Investment Earnings                                       |                            |                        |                        |                        |                        |                        |                        |                        |                        | 86                     |
| <b>Total Business-Type Activities</b>                     | <b>19</b>                  | <b>16</b>              | <b>-</b>               | <b>2,579</b>           | <b>2,237</b>           | <b>973</b>             | <b>1,198</b>           | <b>1,480</b>           | <b>154</b>             | <b>(147,040)</b>       |
| <b>Total District-Wide</b>                                | <b>\$ 14,264,200</b>       | <b>\$ 15,044,247</b>   | <b>\$ 15,666,504</b>   | <b>\$ 16,677,330</b>   | <b>\$ 17,398,596</b>   | <b>\$ 17,870,022</b>   | <b>\$ 18,607,638</b>   | <b>\$ 19,773,145</b>   | <b>\$ 20,047,795</b>   | <b>\$ 20,289,167</b>   |
| <b>Change in Net Position</b>                             |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental Activities                                   | \$ 1,562,275               | \$ 353,092             | \$ 269,849             | \$ 272,552             | \$ 379,125             | \$ 225,602             | \$ 322,816             | \$ 1,026,063           | \$ 1,583,423           | \$ 1,720,761           |
| Business-Type Activities                                  | (2,717)                    | 3,161                  | 2,518                  | 20,125                 | 45,855                 | 22,956                 | 1,188                  | 69,839                 | (24,961)               | (140,797)              |
| <b>Total District</b>                                     | <b>\$ 1,559,558</b>        | <b>\$ 356,253</b>      | <b>\$ 272,367</b>      | <b>\$ 292,677</b>      | <b>\$ 424,980</b>      | <b>\$ 248,558</b>      | <b>\$ 324,004</b>      | <b>\$ 1,095,902</b>    | <b>\$ 1,558,462</b>    | <b>\$ 1,579,964</b>    |

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".

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

(Unaudited)

(modified accrual basis of accounting)

|                                    | Fiscal Year Ended June 30, |              |              |              |              |            |              |              |              |              |
|------------------------------------|----------------------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|--------------|--------------|
|                                    | 2004                       | 2005         | 2006         | 2007         | 2008         | 2009       | 2010         | 2011         | 2012         | 2013         |
| General Fund                       |                            |              |              |              |              |            |              |              |              |              |
| Reserved                           | \$ 693,929                 | \$ 702,037   | \$ 864,009   | \$ 879,700   | \$ 783,312   | \$ 812,576 | \$ 923,012   | \$ 736,062   | \$ 1,253,603 | \$ 1,202,168 |
| Unreserved                         | 386,058                    | 360,892      | 236,968      | 296,609      | 315,266      | 143,275    | 134,847      | 39,020       | 203,890      | 991,418      |
| Restricted                         |                            |              |              |              |              |            |              |              |              |              |
| Committed                          |                            |              |              |              |              |            |              |              |              |              |
| Assigned                           |                            |              |              |              |              |            |              | 164,666      | 168,056      | 491,864      |
| Unassigned                         |                            |              |              |              |              |            |              | 377,532      | 351,097      | 349,155      |
| Total General Fund                 | \$ 1,079,987               | \$ 1,062,929 | \$ 1,100,977 | \$ 1,176,309 | \$ 1,098,578 | \$ 955,851 | \$ 1,057,859 | \$ 1,317,280 | \$ 1,976,646 | \$ 3,034,605 |
| All Other Governmental Funds       |                            |              |              |              |              |            |              |              |              |              |
| Reserved                           | \$ 814,388                 | \$ 612,252   | \$ 608,693   | \$ 251,843   | \$ 246,158   | \$ 8,000   | \$ 32,528    |              |              |              |
| Unreserved                         | 167,892                    | 16,245       | 192,774      | 103,738      | 38,788       | 21,715     | 212,136      |              |              |              |
| Restricted                         |                            |              |              |              |              |            |              | 174,556      | 99,393       | 780,535      |
| Total All Other Governmental Funds | \$ 982,280                 | \$ 628,497   | \$ 801,467   | \$ 355,581   | \$ 284,946   | \$ 29,715  | \$ 244,664   | \$ 174,556   | \$ 99,393    | \$ 780,535   |

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

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

|   | Fiscal Year Ended June 30, |                   |                   |                   |                   |                   |                   |                   |                   |                   |
|---|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 2004                       | 2005              | 2006              | 2007              | 2008              | 2009              | 2010              | 2011              | 2012              | 2013              |
| <b>Revenues</b>                           |                            |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Tax Levy                                  | \$ 14,104,873              | \$ 14,890,207     | \$ 15,413,445     | \$ 16,414,093     | \$ 17,151,984     | \$ 17,795,531     | \$ 18,524,538     | \$ 19,525,073     | \$ 19,881,917     | \$ 20,258,781     |
| Tuition Charges                           | 201,738                    | 268,073           |                   | 15,087            | 13,435            | 12,794            | 17,600            | 20,260            | 27,350            |                   |
| Interest Earnings                         |                            |                   | 73,300            | 131,320           | 100,886           | 32,426            | 18,264            | 20,188            | 6,358             | 14,022            |
| Miscellaneous                             | 89,042                     | 52,084            | 86,361            | 37,169            | 29,946            | 40,930            | 69,261            | 50,083            | 165,008           | 270,404           |
| State Sources                             | 3,229,063                  | 1,901,074         | 2,066,927         | 2,656,768         | 2,719,628         | 1,683,813         | 1,988,656         | 1,614,682         | 2,389,274         | 2,717,235         |
| Federal Sources                           | 243,772                    | 266,832           | 210,699           | 260,088           | 349,977           | 267,577           | 378,923           | 208,807           | 482,640           | 221,894           |
| <b>Total revenues</b>                     | <b>17,868,488</b>          | <b>17,378,270</b> | <b>17,850,732</b> | <b>19,514,525</b> | <b>20,365,856</b> | <b>19,833,071</b> | <b>20,979,642</b> | <b>21,436,433</b> | <b>22,945,457</b> | <b>23,509,686</b> |
| <b>Expenditures</b>                       |                            |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| <b>Instruction</b>                        |                            |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Regular Instruction                       | 7,568,911                  | 8,222,473         | 8,373,221         | 9,176,613         | 9,239,618         | 8,918,736         | 9,349,456         | 9,501,344         | 9,632,797         | 9,783,099         |
| Special Education Instruction             | 1,197,063                  | 1,637,877         | 1,293,263         | 1,645,822         | 1,878,856         | 1,826,679         | 2,297,602         | 2,093,252         | 2,196,405         | 2,196,058         |
| Other Instruction                         | 431,782                    | 398,717           | 500,910           | 532,102           | 545,309           | 453,279           | 521,366           | 535,452           | 650,355           | 649,412           |
| School Sponsored Activities and Athletics | 170,987                    | 123,399           | 118,763           | 128,705           | 131,806           | 136,354           | 137,292           | 111,249           | 120,488           | 124,146           |
| <b>Support Services:</b>                  |                            |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Student & Inst. Related Services          | 1,322,974                  | 1,486,744         | 1,593,227         | 1,711,437         | 1,847,569         | 1,822,801         | 1,821,328         | 2,135,150         | 2,267,078         | 2,377,621         |
| Attendance and Social Work                | 59,335                     | 61,938            | 77,964            | 84,464            | 98,831            | 146,193           | 156,757           | 107,755           | 109,653           | 193,460           |
| Educational Media/School Library          | 711,230                    | 246,959           | 284,211           | 307,818           | 316,369           | 303,359           | 326,303           | 234,664           | 410,009           | 287,810           |
| General Administration                    | 596,088                    | 684,585           | 662,132           | 664,416           | 604,394           | 751,340           | 593,714           | 658,334           | 713,172           | 734,678           |
| School Administrative Services            | 768,615                    | 746,104           | 770,855           | 894,225           | 942,283           | 874,501           | 919,633           | 895,576           | 1,094,797         | 1,142,196         |
| Central Services                          | 1,883,928                  | 656,940           | 815,134           | 853,956           | 866,266           | 867,274           | 947,671           | 1,121,085         | 1,066,219         | 1,063,281         |
| Plant Operations and Maintenance          | 320,888                    | 1,642,485         | 1,751,119         | 1,873,210         | 2,045,237         | 2,034,298         | 2,109,046         | 2,020,305         | 1,922,929         | 2,041,453         |
| Pupil Transportation                      | 392,312                    | 332,221           | 360,512           | 376,815           | 471,600           | 506,282           | 531,200           | 456,736           | 443,474           | 397,901           |
| Other Support Services                    | 5,111,321                  | 419,742           | 519,651           | 529,153           | 203,956           | 363,301           | 164,005           | 239,102           | 671,042           | 390,908           |
| <b>Debt Service:</b>                      |                            |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Principal                                 | 653,070                    | 568,888           | 596,630           | 641,987           | 848,073           | 787,869           | 670,127           | 817,134           | 792,303           | 820,247           |
| Interest and Other Charges                | 547,536                    | 520,019           | 500,122           | 464,356           | 474,055           | 438,563           | 394,185           | 319,982           | 270,533           | 244,888           |
| Cost of Issuance                          |                            |                   |                   |                   |                   |                   | 107,344           |                   |                   |                   |
| Advance Refunding Escrow                  |                            |                   |                   |                   |                   |                   | 409,817           |                   |                   |                   |
| <b>Total Expenditures</b>                 | <b>21,736,040</b>          | <b>17,749,111</b> | <b>18,219,714</b> | <b>19,885,079</b> | <b>20,514,222</b> | <b>20,231,029</b> | <b>21,456,846</b> | <b>21,247,120</b> | <b>22,361,254</b> | <b>22,447,158</b> |

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

|   | Fiscal Year Ended June 30, |              |              |              |              |              |              |            |            |              |
|---|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|------------|--------------|
|   | 2004                       | 2005         | 2006         | 2007         | 2008         | 2009         | 2010         | 2011       | 2012       | 2013         |
| Excess (Deficiency) of Revenues over (under) Expenditures | \$ (3,867,522)             | \$ (370,841) | \$ (368,982) | \$ (370,554) | \$ (148,366) | \$ (397,958) | \$ (477,204) | \$ 189,313 | \$ 584,203 | \$ 1,062,528 |
| <b>Other Financing Sources (uses)</b>                     |                            |              | 580,000      |              |              |              | 277,000      |            |            | 676,573      |
| Capital Leases (non-budgeted)                             |                            |              |              |              |              |              | 7,080,000    |            |            |              |
| Refunding Bond Proceeds                                   |                            |              |              |              |              |              | 491,161      |            |            |              |
| Premium on Notes/Bonds                                    |                            |              |              |              |              |              | (7,054,000)  |            |            |              |
| Bonds Refunded  |                            |              |              |              |              |              | 885          |            |            |              |
| Transfers In  | 823,837                    | 12,510       | 122,239      | 20,298       | 12,724       | 3,564        | 885          | 212,762    | 8,066      | 1,161        |
| Transfers Out   | (823,837)                  | (12,510)     | (122,239)    | (20,298)     | (12,724)     | (3,564)      | (885)        | (212,762)  | (8,066)    | (1,161)      |
| Total Other Financing Sources (uses)                      | -                          | -            | 580,000      | -            | -            | -            | 794,161      | -          | -          | 676,573      |
| Net Change in Fund Balances                               | \$ (3,867,522)             | \$ (370,841) | \$ 211,018   | \$ (370,554) | \$ (148,366) | \$ (397,958) | \$ 316,957   | \$ 189,313 | \$ 584,203 | \$ 1,739,101 |
| Debt Service as a Percentage of Noncapital Expenditures   | 7.22%                      | 6.28%        | 6.20%        | 5.72%        | 6.51%        | 6.17%        | 7.43%        | 5.41%      | 4.90%      | 4.83%        |

\* Noncapital expenditures are total expenditures less capital outlay.

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

| <u>Ended June 30</u> | <u>Tuition</u> | <u>Interest on<br/>Investments</u> | <u>Donations</u> | <u>Administration<br/>Fee</u> | <u>E-Rate<br/>Rebate</u> | <u>Insurance<br/>Refund</u> | <u>Rentals</u> | <u>Miscellaneous</u> | <u>Total</u> |
|----------------------|----------------|------------------------------------|------------------|-------------------------------|--------------------------|-----------------------------|----------------|----------------------|--------------|
| 2004                 | \$ 201,738     | \$ 15,191                          |                  |                               |                          | \$ 27,096                   |                | \$ 20,915            | \$ 264,940   |
| 2005                 | 268,073        | 27,964                             |                  |                               |                          |                             |                | 10,360               | 306,397      |
| 2006                 |                | 73,300                             |                  |                               |                          |                             |                | 52,792               | 126,092      |
| 2007                 | 15,087         | 101,171                            |                  |                               |                          |                             |                | 36,016               | 152,274      |
| 2008                 | 13,435         | 85,840                             |                  |                               | \$ 20,698                |                             |                | 7,901                | 127,874      |
| 2009                 | 12,794         | 28,739                             |                  |                               | 13,608                   | 8,337                       |                | 18,185               | 81,663       |
| 2010                 |                | 17,343                             |                  |                               | 15,911                   | 399                         |                | 47,328               | 80,981       |
| 2011                 | 17,600         | 19,002                             |                  | \$ 15,057                     | 783                      | 6,352                       |                | 23,585               | 82,379       |
| 2012                 | 20,260         | 6,292                              |                  |                               | 26,105                   | 21,163                      | \$ 102,900     | 10,534               | 187,254      |
| 2013                 | 27,350         | 12,861                             | \$ 100,000       |                               | 22,575                   | 7,316                       | 102,900        | 30,613               | 303,615      |

Source: School District's Financial Statements

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

| Fiscal Year Ended June 30, | Vacant Land   | Residential    | Farm Reg.  | Commercial    | Industrial | Apartment  | Total Assessed Value | Public Utilities | Net Valuation Taxable | Estimated Actual (County Equalized) Value | Total Direct School Tax Rate <sup>a</sup> |
|----------------------------|---------------|----------------|------------|---------------|------------|------------|----------------------|------------------|-----------------------|---|---|
| 2004                       | \$ 17,591,750 | \$ 918,378,267 | \$ 714,000 | \$ 48,799,150 | -          | 4,834,400  | \$ 990,317,567       | -                | \$ 990,317,567        | \$ 1,720,035,503                          | \$ 2.240                                  |
| 2005                       | 17,591,750    | 918,378,267    | 714,000    | 48,799,150    | -          | 4,834,400  | 990,317,567          | -                | 990,317,567           | 1,933,744,455                             | 2.364                                     |
| 2006                       | 16,638,050    | 930,721,467    | 714,000    | 49,179,450    | -          | 4,834,400  | 1,002,087,367        | -                | 1,002,087,367         | 2,142,448,500                             | 2.493                                     |
| 2007                       | 14,660,850    | 937,134,067    | 714,000    | 44,232,950    | -          | 5,219,700  | 1,001,961,567        | -                | 1,001,961,567         | 2,144,817,497                             | 2.680                                     |
| 2008                       | 27,018,600    | 1,958,207,600  | 1,791,500  | 103,944,500   | -          | 13,034,700 | 2,103,996,900        | -                | 2,103,996,900         | 2,357,792,210                             | 1.295                                     |
| 2009                       | 30,596,900    | 1,956,094,500  | 1,791,500  | 101,944,500   | -          | 13,034,700 | 2,103,462,100        | -                | 2,103,462,100         | 2,230,833,059                             | 1.335                                     |
| 2010                       | 30,632,200    | 1,963,018,600  | -          | 104,445,700   | -          | 13,034,700 | 2,111,131,200        | -                | 2,111,131,200         | 2,179,123,352                             | 1.372                                     |
| 2011                       | 27,416,700    | 1,969,780,400  | -          | 70,900,800    | -          | 13,034,700 | 2,081,132,600        | -                | 2,081,132,600         | 2,075,161,024                             | 1.433                                     |
| 2012                       | 28,687,500    | 1,961,429,200  | -          | 76,456,600    | -          | 13,034,700 | 2,079,608,000        | -                | 2,079,608,000         | 2,043,697,829                             | 1.478                                     |
| 2013                       | 24,311,200    | 1,966,807,500  | -          | 70,238,400    | -          | 13,034,700 | 2,074,391,800        | -                | 2,074,391,800         | 1,984,898,947                             | 1.510                                     |

Source: County Abstract of Rates

<sup>a</sup> Tax rates are per \$100, includes local school district and regional school district.

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

| <u>Calendar<br/>Year</u> | <u>Total</u> | <u>Local<br/>School<br/>District</u> | <u>Regional<br/>School<br/>District</u> | <u>Municipality (2)</u> | <u>County (1)</u> |
|--------------------------|--------------|--------------------------------------|---|-------------------------|-------------------|
| 2004                     | \$3.16       | \$ 1.470                             | \$ 0.770                                | \$ 0.600                | \$ 0.320          |
| 2005                     | 3.36         | 1.517                                | 0.847                                   | 0.646                   | 0.350             |
| 2006                     | 3.55         | 1.589                                | 0.904                                   | 0.705                   | 0.520             |
| 2007                     | 3.85         | 1.680                                | 1.000                                   | 0.800                   | 0.380             |
| 2008                     | 1.891        | 0.831                                | 0.464                                   | 0.388                   | 0.208             |
| 2009                     | 1.945        | 0.863                                | 0.472                                   | 0.407                   | 0.203             |
| 2010                     | 2.001        | 0.902                                | 0.470                                   | 0.427                   | 0.202             |
| 2011                     | 2.101        | 0.947                                | 0.486                                   | 0.461                   | 0.207             |
| 2012                     | 2.170        | 0.965                                | 0.513                                   | 0.476                   | 0.216             |
| 2013                     | 2.229        | 0.990                                | 0.520                                   | 0.500                   | 0.219             |

Source: Tax Duplicate, Township of River Vale

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

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

| Taxpayer                             | 2013                         |  | 2008                         |  |
|--------------------------------------|------------------------------|--|------------------------------|--|
|                                      | Taxable<br>Assessed<br>Value | % of Total<br>District Net<br>Assessed Value | Taxable<br>Assessed<br>Value | % of Total<br>District Net<br>Assessed Value |
| Edgewood Country Club, Inc.          | \$ 25,235,400                | 1.21%  | \$ 27,235,400                | 1.29%  |
| United Water Co of NJ                |                              |  | 11,247,800                   | 0.53%  |
| River Vale Dev LLC % Garden Homes    | 9,899,100                    | 0.48%  |                              |  |
| Chemitek 2006, LLC C/O Palisades Fin |                              |  | 9,136,400                    | 0.43%  |
| Gal-Ben Associates                   | 7,672,000                    | 0.37%  | 7,672,000                    | 0.36%  |
| Village on the Green                 | 7,266,400                    | 0.35%  | 7,266,400                    | 0.35%  |
| United Water Co of NJ                | 6,850,600                    | 0.33%  |                              |  |
| Chemitek 2006, LLC C/O Palisades Fin |                              | 0.00%  | 6,742,400                    | 0.32%  |
| 688 Westwood Ave LLC c/o V Luppino   | 5,548,200                    | 0.27%  |                              |  |
| Florentine, Inc.                     | 5,187,100                    | 0.25%  | 5,187,100                    | 0.25%  |
| River Vale Dev LLC                   |                              |  | 5,063,500                    | 0.24%  |
| River Vale Dev LLC                   |                              |  | 5,000,000                    | 0.24%  |
| Lindvale Gardens                     | 4,875,400                    | 0.23%  | 4,165,300                    | 0.20%  |
| MWD River Vale One LLC               | 3,222,800                    | 0.15%  |                              |  |
| Rudd-O'Connor LLC NJ                 | 2,514,600                    | 0.12%  |                              |  |
|                                      | <u>\$ 78,271,600</u>         | <u>3.76%</u>                                 | <u>\$ 88,716,300</u>         | <u>4.21%</u>                                 |

Source: Municipal Tax Assessor



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

| Fiscal<br>Year<br>Ended<br>June 30, | Taxes Levied for<br>the Fiscal Year | Collected within the Fiscal Year of the<br>Levy |                       | Collections in<br>Subsequent<br>Years |
|-------------------------------------|-------------------------------------|---|-----------------------|---------------------------------------|
|                                     |                                     | Amount  | Percentage of<br>Levy |                                       |
| 2004                                | \$ 14,104,873                       | \$ 14,104,873                                   | 100.00%               | -                                     |
| 2005                                | 14,890,207                          | 14,890,207                                      | 100.00%               | -                                     |
| 2006                                | 15,413,445                          | 15,413,445                                      | 100.00%               | -                                     |
| 2007                                | 15,429,737                          | 15,429,737                                      | 100.00%               | -                                     |
| 2008                                | 17,151,984                          | 17,151,984                                      | 100.00%               | -                                     |
| 2009                                | 17,795,531                          | 17,795,531                                      | 100.00%               | -                                     |
| 2010                                | 18,524,538                          | 18,524,538                                      | 100.00%               | -                                     |
| 2011                                | 19,525,073                          | 19,525,073                                      | 100.00%               | -                                     |
| 2012                                | 19,881,917                          | 19,881,917                                      | 100.00%               | -                                     |
| 2013                                | 20,258,781                          | 20,258,781                                      | 100.00%               | -                                     |

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

| Fiscal<br>Year<br>Ended<br>June 30, | Governmental Activities     |                | Business-Type<br>Activities |               | Total District | Population | Per Capita |
|-------------------------------------|-----------------------------|----------------|-----------------------------|---------------|----------------|------------|------------|
|                                     | General Obligation<br>Bonds | Capital Leases | Capital Leases              |               |                |            |            |
| 2005                                | \$ 11,074,000               | \$ 307,370     | N/A                         | \$ 11,381,370 | 9,619          | \$ 1,183   |            |
| 2006                                | 10,579,000                  | 785,740        | N/A                         | 11,364,740    | 9,561          | 1,189      |            |
| 2007                                | 10,059,000                  | 663,753        | N/A                         | 10,722,753    | 9,580          | 1,119      |            |
| 2008                                | 9,514,000                   | 360,680        | N/A                         | 9,874,680     | 9,593          | 1,029      |            |
| 2009                                | 8,944,000                   | 142,811        | N/A                         | 9,086,811     | 9,655          | 941        |            |
| 2010                                | 8,370,000                   | 349,684        | N/A                         | 8,719,684     | 9,670          | 902        |            |
| 2011                                | 7,715,000                   | 187,550        | N/A                         | 7,902,550     | 9,723          | 813        |            |
| 2012                                | 7,015,000                   | 95,247         | N/A                         | 7,110,247     | 9,821          | 724        |            |
| 2013                                | 6,290,000                   | 676,573        | N/A                         | 6,966,573     | 9,821 *        | 709        |            |

Source: District records

Note: \* Estimate

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

| Fiscal<br>Year<br>Ended<br>June 30, | General Bonded Debt Outstanding |            |   | Percentage of<br>Actual Taxable<br>Value of<br>Property | Per Capita |
|-------------------------------------|---------------------------------|------------|---|---|------------|
|                                     | General<br>Obligation<br>Bonds  | Deductions | Net General<br>Bonded Debt<br>Outstanding |   |            |
| 2005                                | \$ 11,074,000                   | \$ -       | \$ 11,074,000                             | 1.12%   | \$ 1,151   |
| 2006                                | 10,579,000                      |            | 10,579,000                                | 1.06%   | 1,106      |
| 2007                                | 10,059,000                      |            | 10,059,000                                | 1.00%   | 1,050      |
| 2008                                | 9,514,000                       |            | 9,514,000                                 | 0.45%   | 992        |
| 2009                                | 8,944,000                       |            | 8,944,000                                 | 0.43%   | 926        |
| 2010                                | 8,370,000                       |            | 8,370,000                                 | 0.40%   | 866        |
| 2011                                | 7,715,000                       |            | 7,715,000                                 | 0.37%   | 793        |
| 2012                                | 7,015,000                       |            | 7,015,000                                 | 0.34%   | 714        |
| 2013                                | 6,290,000                       |            | 6,290,000                                 | 0.30%   | 640        |

Source: District records

**RIVER VALE BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2012  
(Unaudited)**

|   | <u>Gross Debt</u>    | <u>Deductions</u>    | <u>Net Debt</u>          |
|---|----------------------|----------------------|--------------------------|
| Municipal Debt: (1)                               |                      |                      |                          |
| Local and Regional School                         | \$ 14,686,500        | \$ 14,686,500        |                          |
| Borough of River Vale                             | <u>6,011,557</u>     | <u>-</u>             | <u>\$ 6,011,557</u>      |
|   | <u>\$ 20,698,057</u> | <u>\$ 14,686,500</u> | <u>6,011,557</u>         |
| Overlapping Debt Apportioned to the Municipality: |                      |                      |                          |
| Bergen County:                                    |                      |                      |                          |
| County of Bergen                                  |                      |                      | 9,528,793                |
| Bergen Utilities Authority - Water Pollution (B)  |                      |                      | <u>3,090,239</u>         |
|   |                      |                      | <u>12,619,032</u>        |
| <br>Total Direct and Overlapping Debt             |                      |                      | <br><u>\$ 18,630,589</u> |

## Source:

(1) Township of River Vale's 2012 Annual Debt Statement

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

|   | Fiscal Year   |               |               |               |               |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | 2004          | 2005          | 2006          | 2007          | 2008          | 2009          | 2010          | 2011          | 2012          | 2013          |
| Debt limit  | \$ 41,368,590 | \$ 46,283,399 | \$ 48,682,888 | \$ 48,682,888 | \$ 63,127,446 | \$ 66,064,488 | \$ 66,755,947 | \$ 64,922,645 | \$ 63,067,746 | \$ 61,266,214 |
| Total net debt applicable to limit                                      | 13,134,862    | 11,350,125    | 10,579,000    | 10,059,000    | 9,514,000     | 8,944,000     | 8,370,000     | 7,715,948     | 7,015,948     | 6,290,948     |
| Legal debt margin   | \$ 28,233,728 | \$ 34,933,274 | \$ 38,103,888 | \$ 38,623,888 | \$ 53,613,446 | \$ 57,120,488 | \$ 58,385,947 | \$ 57,206,697 | \$ 56,051,798 | \$ 54,975,266 |
| Total net debt applicable to the limit<br>as a percentage of debt limit | 31.75%        | 24.52%        | 21.73%        | 20.66%        | 15.07%        | 13.54%        | 12.54%        | 11.88%        | 11.12%        | 10.27%        |

Legal Debt Margin Calculation for Fiscal Year 2012

|   |                         |
|---|-------------------------|
| Equalized valuation basis                       |                         |
| 2012  | \$ 1,985,685,095        |
| 2011  | 2,040,726,221           |
| 2010  | 2,100,210,107           |
|   | <u>\$ 6,126,621,423</u> |
| Average equalized valuation of taxable property | \$ 2,042,207,141        |
| Debt limit (3 % of average equalization value)  | 61,266,214              |
| Total Net Debt Applicable to Limit              | <u>6,290,948</u>        |
| Legal debt margin                               | <u>\$ 54,975,266</u>    |

Source: Annual Debt Statements

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

| <u>Year</u> | <u>Population</u> | <u>County Per<br/>Capita Personal<br/>Income</u> | <u>Unemployment<br/>Rate</u> |
|-------------|-------------------|--|------------------------------|
| 2003        | 9,681             | \$ 51,132  | 4.1%                         |
| 2004        | 9,691             | 54,462   | 3.4%                         |
| 2005        | 9,619             | 56,706   | 2.1%                         |
| 2006        | 9,561             | 62,714   | 2.3%                         |
| 2007        | 9,580             | 67,394   | 2.5%                         |
| 2008        | 9,593             | 68,227   | 2.7%                         |
| 2009        | 9,655             | 63,198   | 4.8%                         |
| 2010        | 9,670             | 65,486   | 4.9%                         |
| 2011        | 9,723             | 66,096   | 4.9%                         |
| 2012        | 9,821             | 66,096 *   | 4.9%                         |

Source: New Jersey State Department of Education

\* Estimate

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

**NOT APPLICABLE**

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

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

Source: District Personnel Records



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

| Fiscal Year | Teacher/Pupil Ratio     |                                     |                             |                   |                |            |               |                                |                                |                                      |                               |
|-------------|-------------------------|-------------------------------------|-----------------------------|-------------------|----------------|------------|---------------|--------------------------------|--------------------------------|--------------------------------------|-------------------------------|
|             | Enrollment <sup>a</sup> | Operating Expenditures <sup>b</sup> | Cost Per Pupil <sup>c</sup> | Percentage Change | Teaching Staff | Elementary | Middle School | Average Daily Enrollment (ADE) | Average Daily Attendance (ADA) | % Change in Average Daily Enrollment | Student Attendance Percentage |
| 2004        | 1,402.2                 | \$ 15,424,113                       | \$ 11,000                   | 2.89%             | 121            | 15.0       | 11.1          | 1,402.2                        | 1,277.2                        | 7.41%                                | 91.09%                        |
| 2005        | 1,342.8                 | 16,240,462                          | 12,094                      | 9.95%             | 129            | 14.2       | 10.9          | 1,342.8                        | 1,290.9                        | -4.24%                               | 96.13%                        |
| 2006        | 1,346.0                 | 16,603,311                          | 12,335                      | 1.99%             | 126            | 14.2       | 10.9          | 1,346.0                        | 1,346.0                        | 0.24%                                | 100.00%                       |
| 2007        | 1,362.0                 | 18,249,583                          | 13,399                      | 8.62%             | 126            | 14.2       | 10.9          | 1,316.4                        | 1,271.8                        | -2.20%                               | 96.61%                        |
| 2008        | 1,383.0                 | 18,988,138                          | 13,730                      | 2.47%             | 120            | 14.1       | 10            | 1,390.5                        | 1,337.5                        | 5.63%                                | 96.19%                        |
| 2009        | 1,405.0                 | 18,641,096                          | 13,268                      | -3.36%            | 120            | 14.1       | 10            | 1,405.2                        | 1,352.9                        | 1.06%                                | 96.28%                        |
| 2010        | 1,375.0                 | 19,711,368                          | 14,336                      | 8.05%             | 120            | 14.1       | 10.9          | 1,375.6                        | 1,327.5                        | -2.11%                               | 96.50%                        |
| 2011        | 1,383.0                 | 19,870,902                          | 14,368                      | 0.23%             | 127            | 13.45      | 11.8          | 1,398.9                        | 1,351.3                        | 1.69%                                | 96.60%                        |
| 2012        | 1,337.0                 | 20,627,376                          | 15,428                      | 7.38%             | 127            | 13.45      | 11.8          | 1,230.4                        | 1,192.4                        | -12.05%                              | 96.91%                        |
| 2013        | 1,239.0                 | 20,991,115                          | 16,673                      | 8.07%             | 127            | 13.45      | 11.8          | 1,293.5                        | 1,247.6                        | 5.13%                                | 96.45%                        |

Sources: District records

Note: a Enrollment based on annual October district count.

b Operating expenditures equal total expenditures (modified accrual) less debt service and capital outlay.

c Cost per pupil represents operating expenditures divided by enrollment.

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

|                            | 2004   | 2005   | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <u>District Building</u>   |        |        |        |        |        |        |        |        |        |        |
| <u>Elementary</u>          |        |        |        |        |        |        |        |        |        |        |
| <u>Roberge Elementary</u>  |        |        |        |        |        |        |        |        |        |        |
| Square Feet                | 54,817 | 54,817 | 54,817 | 54,817 | 54,817 | 54,817 | 54,817 | 54,817 | 54,817 | 54,817 |
| Capacity (students)        | 407    | 407    | 407    | 407    | 407    | 407    | 407    | 407    | 407    | 407    |
| Enrollment                 |        |        |        |        |        |        |        |        |        |        |
| <u>Woodside Elementary</u> |        |        |        |        |        |        |        |        |        |        |
| Square Feet                | 46,273 | 46,273 | 46,273 | 46,273 | 46,273 | 46,273 | 46,273 | 46,273 | 46,273 | 46,273 |
| Capacity (students)        | 454    | 454    | 454    | 454    | 454    | 454    | 454    | 454    | 454    | 454    |
| Enrollment <sup>a</sup>    |        |        |        |        |        |        |        |        |        |        |
| <u>Middle School</u>       |        |        |        |        |        |        |        |        |        |        |
| Square Feet                | 62,133 | 62,133 | 62,133 | 62,133 | 62,133 | 62,133 | 62,133 | 62,133 | 62,133 | 62,133 |
| Capacity (students)        | 363    | 363    | 363    | 363    | 363    | 363    | 363    | 363    | 363    | 363    |
| Enrollment                 |        |        |        |        |        |        |        |        |        |        |

Number of Schools at June 30, 2013  
 Elementary = 2  
 Middle School = 1  
 Senior High School = None  
 Other = None

Source: District Records

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

|                            | 2004       | 2005       | 2006       | 2007       | 2008       | 2009       | 2010       | 2011       | 2012       | 2013       |
|----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| School Facilities          |            |            |            |            |            |            |            |            |            |            |
| Roberge Elementary School  | \$ 59,414  | \$ 49,159  | \$ 99,796  | \$ 74,527  | \$ 77,324  | \$ 63,965  | \$ 79,589  | \$ 138,622 | \$ 77,219  | \$ 88,851  |
| Woodside Elementary School | 68,802     | 60,191     | 66,154     | 93,211     | 85,892     | 73,755     | 123,032    | 53,884     | 66,414     | 84,313     |
| Holdrum Middle School      | 52,827     | 58,888     | 81,116     | 71,417     | 72,412     | 64,675     | 108,700    | 91,209     | 83,135     | 76,927     |
| Grand Total                | \$ 181,043 | \$ 168,238 | \$ 247,066 | \$ 239,155 | \$ 235,628 | \$ 202,395 | \$ 311,321 | \$ 283,715 | \$ 226,768 | \$ 250,091 |

Source: District Records

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

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

Source: District's records

**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

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

## 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  
River Vale Board of Education  
River Vale, 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 River Vale Board of Education as of and for the fiscal year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the River Vale Board of Education's basic financial statements and have issued our report thereon dated November 8, 2013.

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

In planning and performing our audit of the financial statements, we considered the River Vale 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 River Vale Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the River Vale 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 River Vale 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.

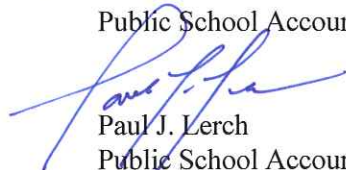
We noted certain matters that we reported to management of the River Vale Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated November 8, 2013.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the River Vale 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 River Vale 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



Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
November 8, 2013





# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
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EDWARD N. KERE, CPA  
LORI T. MANUKIAN, CPA, PSA  
MARK SACO, CPA

**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  
River Vale Board of Education  
River Vale, New Jersey

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

We have audited the River Vale 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 River Vale Board of Education's major state programs for the fiscal year ended June 30, 2013. The River Vale Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the River Vale 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 Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the River Vale Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.



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

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

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

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

Management of the River Vale 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 River Vale 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 River Vale Board of Education's internal control over compliance.

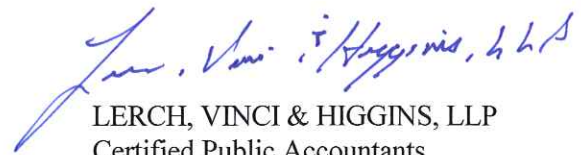
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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.

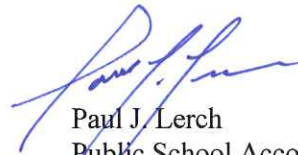
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

**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 River Vale Board of Education as of and for the fiscal year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated November 8, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 04-04 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
November 8, 2013

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

| Federal/Grantor/Pass-Through Grantor/<br>Program Title                          | Federal<br>CFDA<br>Number | Grant<br>Period | Award<br>Amount | Balance<br>July 1, 2012 |                        | Cash<br>Received | Budgetary<br>Expenditures | Balance, June 30, 2013  |                     | Memo<br>GAAP<br>Receivable |
|---|---------------------------|-----------------|-----------------|-------------------------|------------------------|------------------|---------------------------|-------------------------|---------------------|----------------------------|
|   |                           |                 |                 | Unearned<br>Revenue     | Accounts<br>Receivable |                  |                           | (Account<br>Receivable) | Unearned<br>Revenue |                            |
| U.S. Department of Education<br>Passed-through State Department<br>of Education |                           |                 |                 |                         |                        |                  |                           |                         |                     |                            |
| Special Milk Program  | 10.556                    | 7/1/11-6/30/12  | \$ 9,594        | \$ -                    | \$ (622)               | \$ 622           | \$ 8,147                  | \$ -                    | \$ -                | \$ (688)                   |
| Special Milk Program  | 10.556                    | 7/1/12-6/30/13  | 8,147           | -                       | -                      | 7,459            | 8,147                     | (688)                   | -                   | (688)                      |
| Total U.S. Department of Agriculture  |                           |                 |                 |                         |                        | 7,459            | 8,147                     | (688)                   | -                   | (688)                      |
| U.S. Department of Education<br>Passed-through State Department<br>of Education |                           |                 |                 |                         |                        |                  |                           |                         |                     |                            |
| I.D.E.A. Part B, Basic  | 84.027A                   | 9/1/12-8/31/13  | 250,882         | \$ 149,667              | \$ -                   | -                | 187,394                   | (250,882)               | 213,155             | (37,227)                   |
| I.D.E.A. Part B, Basic  | 84.027A                   | 9/1/11-8/31/12  | 256,064         | \$ 149,667              | (292,072)              | 247,041          |                           | (45,031)                |                     | (45,031)                   |
| I.D.E.A. Part B, Preschool  | 84.173A                   | 9/1/12-8/31/13  | 13,794          | 844                     | -                      | 2,705            | 14,638                    | (11,089)                |                     | (11,089)                   |
| I.D.E.A. Part B, Preschool  | 84.173A                   | 9/1/11-8/31/12  | 13,873          | 844                     | (844)                  | 844              |                           |                         |                     |                            |
| NCLB Title II   | 84.367A                   | 9/1/12-8/31/13  | 19,862          | -                       | -                      | 19,862           |                           | (19,862)                |                     | (19,862)                   |
| NCLB Title II   | 84.367A                   | 9/1/11-8/31/12  | 22,276          | (16,776)                | -                      | 16,776           |                           |                         |                     |                            |
| Total U.S. Department of Education  |                           |                 |                 | 133,735                 | (292,916)              | 267,366          | 221,894                   | (326,864)               | 213,155             | (113,709)                  |
| Total   |                           |                 |                 | \$ 133,735              | \$ (292,916)           | \$ 274,825       | \$ 230,041                | \$ (327,552)            | \$ 213,155          | \$ (114,397)               |

Note: Not subject to Federal Single Audit

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

| State Grantor/Program Title  | Grant or State Project Number | Grant Period   | Award Amount | Balance, July 1, 2012 |                  |                | Cash Received | Budgetary Expenditures | Refund of Prior Year's Balances | Balance, June 30, 2013 |                  | Memo       |                |
|--|-------------------------------|----------------|--------------|-----------------------|------------------|----------------|---------------|------------------------|---------------------------------|------------------------|------------------|------------|----------------|
|  |                               |                |              | (Accounts Receivable) | Unearned Revenue | Due to Grantor |               |                        |                                 | (Accounts Receivable)  | Unearned Revenue |            | Due to Grantor |
| <b>State Department of Education</b>                                 |                               |                |              |                       |                  |                |               |                        |                                 |                        |                  |            |                |
| <b>General Fund</b>  |                               |                |              |                       |                  |                |               |                        |                                 |                        |                  |            |                |
| Special Education Aid  | 13-495-034-5120-089           | 7/1/12-6/30/13 | \$ 396,910   |                       |                  |                | \$ 361,772    | \$ 396,910             |                                 | \$ (35,138)            |                  | \$ 396,910 |                |
| Special Education Aid  | 12-495-034-5120-089           | 7/1/11-6/30/12 | 372,201      | (33,905)              |                  | 33,905         |               |                        |                                 |                        |                  |            |                |
| Security Aid   | 13-495-034-5120-084           | 7/1/12-6/30/13 | 19,276       |                       |                  | 17,568         |               | 19,276                 |                                 | (1,708)                |                  | 19,276     |                |
| Transportation Aid   | 13-495-034-5120-014           | 7/1/12-6/30/13 | 24,269       |                       |                  | 22,119         |               | 24,269                 |                                 | (2,150)                |                  | 24,269     |                |
| Extraordinary Aid  | 13-100-034-5120-473           | 7/1/12-6/30/13 | 184,978      |                       |                  |                |               | 184,978                |                                 | (184,978)              |                  | 184,978    |                |
| Extraordinary Aid  | 12-100-034-5120-473           | 7/1/11-6/30/12 | 254,741      | (254,741)             |                  |                |               |                        |                                 |                        |                  |            |                |
| Nonpublic School Transportation Aid                                  | N/A                           | 7/1/12-6/30/13 | 3,470        |                       |                  |                |               | 3,470                  |                                 | (3,470)                |                  | 3,470      |                |
| Nonpublic School Transportation Aid                                  | N/A                           | 7/1/11-6/30/12 | 4,002        | (4,002)               |                  |                |               |                        |                                 |                        |                  |            |                |
| Homeless Tuition Aid   | N/A                           | 7/1/12-6/30/13 | 1,709        |                       |                  | 641,391        |               | 1,709                  |                                 | (1,709)                |                  | 1,709      |                |
| On-Behalf TPAF Social Security Aid                                   | 13-495-034-5095-002           | 7/1/12-6/30/13 | 675,114      |                       |                  | 34,895         |               | 675,114                |                                 | (33,723)               |                  | 675,114    |                |
| On-Behalf TPAF Social Security Aid                                   | 12-495-034-5095-002           | 7/1/11-6/30/12 | 700,004      | (34,895)              |                  |                |               |                        |                                 |                        |                  |            |                |
| TPAF Pension Benefit Contributions                                   | 13-495-034-5095-006           | 7/1/12-6/30/13 | 600,501      |                       |                  |                |               | 600,501                |                                 |                        |                  | 600,501    |                |
| TPAF Pension - NCGI Premium  | 13-100-034-5095-007           | 7/1/12-6/30/13 | 31,595       |                       |                  |                |               | 31,595                 |                                 |                        |                  | 31,595     |                |
| TPAF Pension-Post Retirement Medical                                 | 13-100-034-5095-001           | 7/1/12-6/30/13 | 714,741      |                       |                  |                |               | 714,741                |                                 |                        |                  | 714,741    |                |
| <b>Total General Fund</b>  |                               |                |              | (327,543)             |                  | 2,717,230      |               | 2,652,563              |                                 | (262,876)              |                  | (38,902)   | 2,652,563      |
| <b>Capital Project Fund</b>  |                               |                |              |                       |                  |                |               |                        |                                 |                        |                  |            |                |
| <b>Educational Facilities Construction and Financing Act of 2000</b> |                               |                |              |                       |                  |                |               |                        |                                 |                        |                  |            |                |
|  | 4430-060-01-0393/0394/0395-00 | N/A            | 6,115,052    | (275,000)             |                  | 275,000        |               |                        |                                 |                        |                  |            |                |
|  |                               |                |              | (275,000)             |                  | 275,000        |               |                        |                                 |                        |                  |            |                |
| <b>State Financial Assistance</b>                                    |                               |                |              |                       |                  |                |               |                        |                                 |                        |                  |            |                |
| <b>Not Subject to Single Audit Determination</b>                     |                               |                |              |                       |                  |                |               |                        |                                 |                        |                  |            |                |
| <b>General Fund</b>  |                               |                |              |                       |                  |                |               |                        |                                 |                        |                  |            |                |
| TPAF Pension Benefit Contributions                                   | 13-495-034-5095-006           | 7/1/12-6/30/13 | 600,501      |                       |                  |                |               | (600,501)              |                                 |                        |                  | (600,501)  |                |
| TPAF Pension - NCGI Premium  | 13-100-034-5095-007           | 7/1/12-6/30/13 | 31,595       |                       |                  |                |               | (31,595)               |                                 |                        |                  | (31,595)   |                |
| TPAF Pension-Post Retirement Medical                                 | 13-100-034-5095-001           | 7/1/12-6/30/13 | 714,741      |                       |                  |                |               | (714,741)              |                                 |                        |                  | (714,741)  |                |
| <b>Total State Financial Assistance Subject to Single Audit</b>      |                               |                |              | (602,543)             |                  | 1,645,393      |               | 1,305,726              |                                 | (262,876)              |                  | (38,902)   | 1,305,726      |

See Accompanying Notes to the Schedule of Expenditures of Federal Awards and Expenditures of State Financial Assistance

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

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are 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 basic 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 basic financial statements.

**NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$64,672 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

|                            | <u>Federal</u>    | <u>State</u>        | <u>Total</u>        |
|----------------------------|-------------------|---------------------|---------------------|
| General Fund               |                   | \$ 2,717,235        | \$ 2,717,235        |
| Special Revenue Fund       | \$ 221,894        |                     | 221,894             |
| Food Service Fund          | <u>8,147</u>      | <u>-</u>            | <u>8,147</u>        |
| Total Financial Assistance | <u>\$ 230,041</u> | <u>\$ 2,717,235</u> | <u>\$ 2,947,276</u> |

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

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

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

**NOTE 5 OTHER INFORMATION**

TPAF Social Security contributions in the amount of \$675,114 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2013. The amount reported as TPAF Pension System Contributions in the amount of \$632,096 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$714,741 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2013.

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

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

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

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

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

**Federal Awards Section - Not Applicable**

Internal Control over compliance:

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

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

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

Identification of major federal programs:

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

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

Auditee qualified as low-risk auditee?            yes            no

**RIVER VALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

*Part I – Summary of Auditor’s Results*

**State Awards Section**

Internal Control over compliance:

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

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

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

Identification of major programs:

| <u>State Grant/Project Number</u> | <u>Name of State Program</u> |
|-----------------------------------|------------------------------|
| 13-495-034-5095-002               | TPAF Social Security Aid     |
| 13-495-034-5120-089               | Special Education Aid        |
| 13-495-034-5120-084               | Security Aid                 |
|                                   |                              |
|                                   |                              |
|                                   |                              |
|                                   |                              |

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

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



**RIVER VALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

*Part 2 - Schedule of Financial Statement Findings*

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

There are none.

**RIVER VALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

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

**CURRENT YEAR FEDERAL AWARDS**

Not applicable.

**RIVER VALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

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

**CURRENT YEAR STATE AWARDS**

There are none.

**RIVER VALE BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

**STATUS OF PRIOR YEAR FINDINGS**

There were none.