

**RIVER VALE BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**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, 2012**

**Prepared by**

**Business Office**

**RIVER VALE BOARD OF EDUCATION  
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**INTRODUCTORY SECTION**



# RIVER VALE PUBLIC SCHOOLS

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Board Secretary  
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River Vale, NJ 07675-5730

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Telephone: 201 / 358 - 4003  
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December 17, 2012

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

Dear Board Members:

The comprehensive annual financial report of the River Vale School District for the fiscal year ended June 30, 2012 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the River Vale Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

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

**REPORTING ENTITY AND ITS SERVICES:** The River Vale School District is an independent reporting entity within the criteria adopted by the GASB. All funds of the district



are included in this report. The River Vale Board of Education and all its schools constitute the district's reporting entity.

The district provides a full range of educational services appropriate to grade levels K through 8. These include regular education as well as special education for handicapped youngsters. The district completed the 2011/2012 fiscal year with an enrollment of 1322 students, which is a decrease of 77 students over the previous year's enrollment.

### **REPORTING ENTITY AND ITS SERVICES (Continued)**

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

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

#### **Average Daily Enrollment**

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2011-2012	1,322	-5.5%
2010-2011	1,399	1.57%
2009-2010	1,375.6	-2.15%
2008-2009	1,405.2	1.6%
2007-2008	1,383	1.50%
2006-2007	1,362	1.18%
2005-2006	1,346	.2%
2004-2005	1,343	-4.2%
2003-2004	1,402	7.4%
2002-2003	1,306	4.5%

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

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

The district has been able to attract excellent teachers over the years. More than half of the teachers are tenured. More than half are on the MA+ level. Enrollment for the 2011/2012 school year was 1322 students including out-of-district special education placements. Enrollment for 2011/2012 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, 2012.

**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, 2012 the River Vale School District had \$7,015,000 in bonded debt.

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

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

**OTHER INFORMATION:**

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

**AWARDS AND ACKNOWLEDGMENTS:**

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

the fiscal year ended June 30, 2011. This was the seventh year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

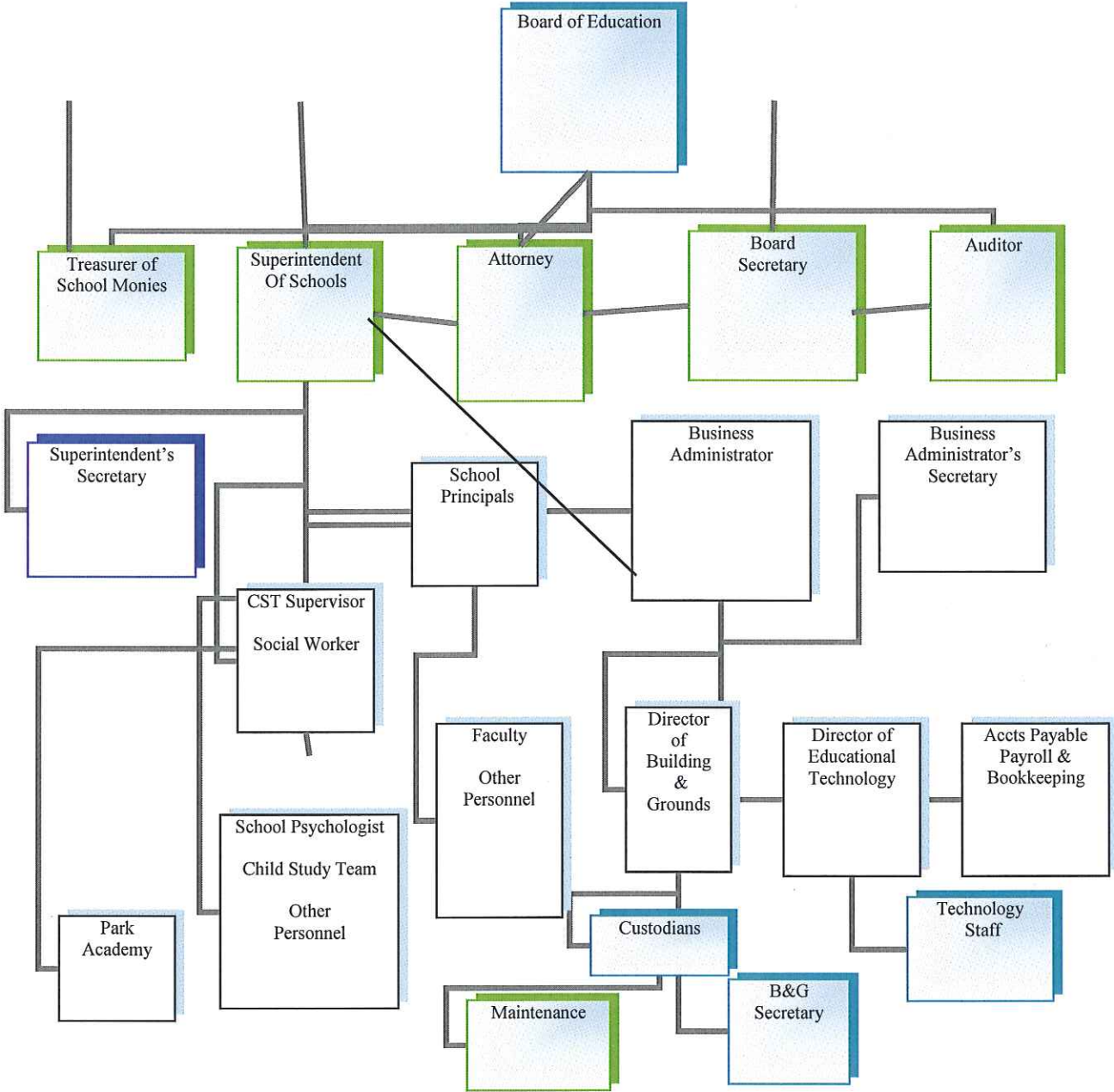
Respectfully submitted,

*Kelly Ippolito*

Kelly Ippolito  
Business Administrator/Board Secretary

RIVER VALE BOARD OF EDUCATION

ORGANIZATION CHART



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

**ROSTER OF OFFICIALS  
JUNE 30, 2012**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Lorraine Waldes, President	2013
Steven Rosini, Vice President	2014
Michael Shirey	2014
Sheryl Eaton	2013
William Ellis	2013
David Moon	2013
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, 2012**

**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**

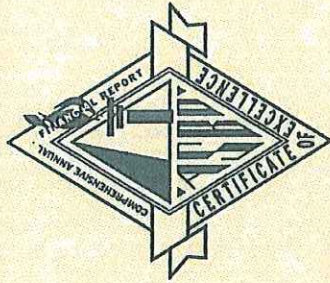
Capital One Bank  
553 Broadway Ave.  
Westwood, NJ 07675

**Risk Manager**

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



ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL



This Certificate of Excellence in Financial Reporting

*is presented to*

**River Vale Board of Education**



For its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2011  
upon recommendation of the Association's Panel of Review  
which has judged that the Report substantially conforms  
to principles and standards of ASBO's Certificate of Excellence

*Bruce Wiser*

President

*John D. Quasso*

Executive Director



**FINANCIAL SECTION**

# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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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  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
RALPH M. PICONE, CPA, RMA, PSA  
EDWARD N. KERE, CPA

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the River Vale Board of Education as of and for the fiscal year ended June 30, 2012, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

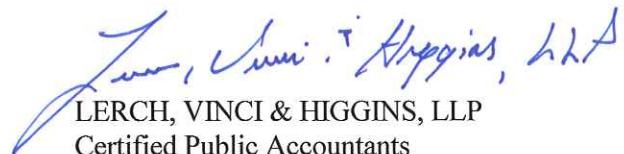
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the River Vale Board of Education's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to 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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 17, 2012 on our consideration of the River Vale Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the River Vale Board of Education's basic financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, financial schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", and are also not a required part of the basic financial statements. 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 combining and individual nonmajor fund financial statements and schedules of expenditures of federal awards and state financial assistance have 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 and 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.



James Vincent Higgins, CPA

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



Paul J. Lerch

Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
December 17, 2012

**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, 2012**

This discussion and analysis of the River Vale School District's financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2012. 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 2012 are as follows:

- District-Wide - Overall revenues were \$22,974,848. General revenues accounted for \$20,047,795 or 87 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2,927,053 or 13 percent of total revenues of \$22,974,848.
- District-Wide - The School District had \$21,416,386 in expenses; only \$2,927,053 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$20,047,795 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 \$2,076,039, an increase of \$584,203 in comparison with the prior year.
- Fund Financials - At the end of June 30, 2012, unassigned fund balance (budgetary basis) for the General Fund was \$639,743, an increase of \$18,874.

# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

### OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the district-wide financial statements, fund financial statements and notes to the financial statements.

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

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

# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

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

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

### District-wide Statements

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

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

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

# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

### District-wide Statements (Continued)

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

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

### Fund Financial Statements

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

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

The District has three kinds of funds:

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

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



# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

### Fund Financial Statements (Continued)

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

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

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

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

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

Table A-1 provides a summary of the school district's net assets for fiscal years 2012 and 2011. Net assets for 2012 and 2011 were \$14,764,550 and \$13,206,088, respectively.

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

# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

**Table A-1**  
**Statement of Net Assets**  
**As of June 30, 2012 and 2011**

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current and Other Assets	\$ 2,664,488	\$ 2,138,990	\$ 164,561	\$ 213,888	\$ 2,829,049	\$ 2,352,878
Capital Assets	20,125,608	20,008,425	2,281	2,049	20,127,889	20,010,474
<b>Total Assets</b>	<u>22,790,096</u>	<u>22,147,415</u>	<u>166,842</u>	<u>215,937</u>	<u>22,956,938</u>	<u>22,363,352</u>
Other Liabilities	604,970	659,333	18,425	42,559	623,395	701,892
Long-Term Liabilities	7,568,993	8,455,372	-	-	7,568,993	8,455,372
<b>Total Liabilities</b>	<u>8,173,963</u>	<u>9,114,705</u>	<u>18,425</u>	<u>42,559</u>	<u>8,192,388</u>	<u>9,157,264</u>
Net Assets:						
Invested in Capital Assets, Net of Related Debt	13,128,780	12,298,108	1,659	2,049	13,130,439	12,300,157
Restricted	716,927	224,076			716,927	224,076
Unrestricted	770,426	510,526	146,758	171,329	917,184	681,855
<b>Total Net Assets</b>	<u>\$ 14,616,133</u>	<u>\$ 13,032,710</u>	<u>\$ 148,417</u>	<u>\$ 173,378</u>	<u>\$ 14,764,550</u>	<u>\$ 13,206,088</u>

# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

**Governmental activities.** Governmental activities increased the District's net assets by \$1,583,423. Key elements of this increase are as follows:

**Table A-2**  
**Changes in Net Assets**  
**For the Fiscal Years Ended June 30, 2012 and 2011**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 20,260	\$ 17,600	\$ 20,979	\$ 715,763	\$ 41,239	\$ 733,363
Operating Grants and Contributions	2,655,210	1,823,995	9,594	11,028	2,664,804	1,835,023
Capital Grants and Contributions	221,010				221,010	-
General Revenues						
Property Taxes	19,881,917	19,525,073			19,881,917	19,525,073
Other	165,724	246,592	154	1,480	165,878	248,072
<b>Total Revenues</b>	<u>22,944,121</u>	<u>21,613,260</u>	<u>30,727</u>	<u>728,271</u>	<u>22,974,848</u>	<u>22,341,531</u>
<b>Expenses</b>						
Instruction						
Regular	9,833,606	9,737,441			9,833,606	9,737,441
Special Education	2,230,343	2,129,638			2,230,343	2,129,638
Other Instruction	677,912	543,070			677,912	543,070
School Sponsored Activities and Ath.	120,488	111,249			120,488	111,249
Support Services						
Student and Instruction Related Serv.	2,329,447	2,178,179			2,329,447	2,178,179
Attendance and Social Work	113,304	118,281			113,304	118,281
Educational Media/School Library	423,129	227,370			423,129	227,370
General Administrative Services	742,344	691,280			742,344	691,280
School Administrative Services	1,133,352	925,318			1,133,352	925,318
Plant Operations and Maintenance	1,965,809	2,046,993			1,965,809	2,046,993
Pupil Transportation	443,474	456,736			443,474	456,736
Central Services	1,099,110	1,132,238			1,099,110	1,132,238
Food Services			48,026	41,891	48,026	41,891
Park Academy			7,662	616,541	7,662	616,541
Interest on Long-Term Debt	248,380	289,404	-	-	248,380	289,404
<b>Total Expenses</b>	<u>21,360,698</u>	<u>20,587,197</u>	<u>55,688</u>	<u>658,432</u>	<u>21,416,386</u>	<u>21,245,629</u>
Change in Net Assets	1,583,423	1,026,063	(24,961)	69,839	1,558,462	1,095,902
Net Assets, Beginning of Year	13,032,710	12,006,647	173,378	103,539	13,206,088	12,110,186
Net Assets, End of Year	<u>\$ 14,616,133</u>	<u>\$ 13,032,710</u>	<u>\$ 148,417</u>	<u>\$ 173,378</u>	<u>\$ 14,764,550</u>	<u>\$ 13,206,088</u>

# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

**Governmental activities.** The District's total governmental revenues were \$22,944,121. The general share of the revenues, that included property taxes, interest, unrestricted state aid and miscellaneous revenue, amounted to \$20,047,641 or 87% of total revenues. Funding from restricted state and federal sources amounted to \$2,896,480 or 13%.

The District's governmental expenses are predominantly related to instruction and support services. Instruction totaled \$12,862,349 (60%), student support services totaled \$8,249,969 (39%) and interest on long-term debt total \$248,380 (1%) of total expenditures. (See Table A-3.)

Table A-2 Revenues by Source- Governmental Activities  
For Fiscal Year 2012

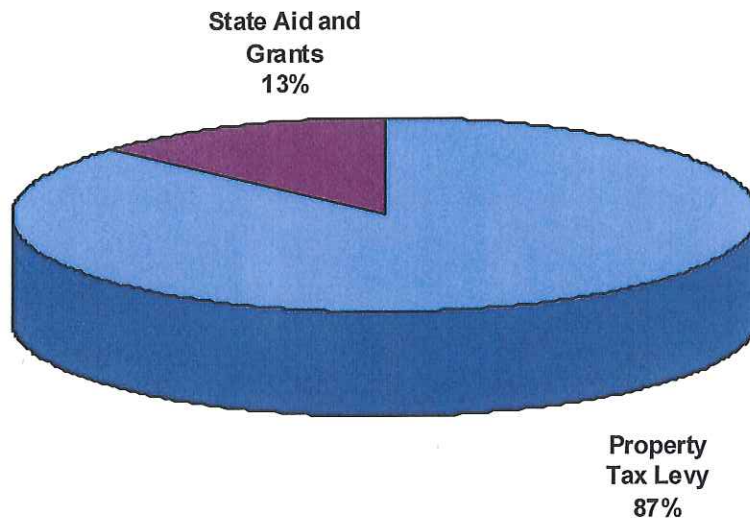
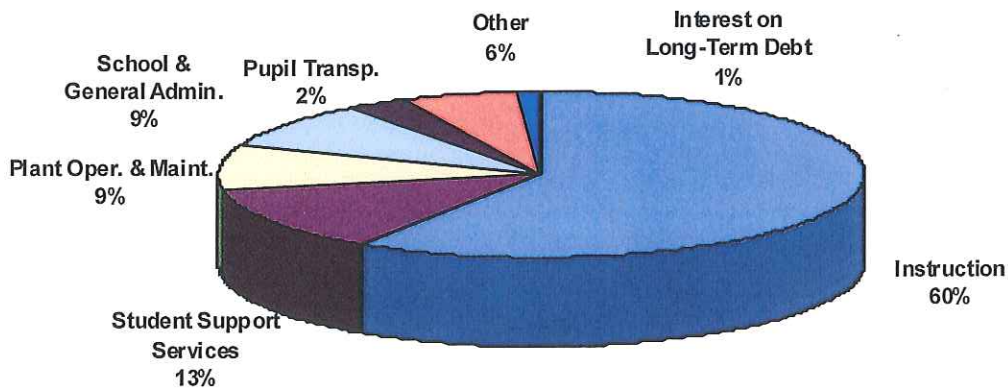


Table A-2 Expenditures by Type- Governmental Activities  
For Fiscal Year 2012



**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, 2012 and 2011**

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Governmental Activities				
Instruction				
Regular	\$ 9,833,606	\$ 9,737,441	\$ 8,731,497	\$ 8,813,892
Special Education	2,230,343	2,129,638	1,098,275	1,590,686
Other Instruction	677,912	543,070	601,009	488,541
School Sponsored Activities and Athletics	120,488	111,249	120,488	111,249
Support Services				
Student and Instruction Related Svcs.	2,329,447	2,178,179	2,187,299	2,043,026
Attendance and Social Work	113,304	118,281	86,895	82,173
Educational Media/School Library	423,129	227,370	379,577	209,945
General Administrative Services	742,344	691,280	653,628	665,963
School Administrative Services	1,133,352	925,318	1,101,611	866,965
Plant Operations and Maintenance	1,965,809	2,046,993	1,744,799	2,036,523
Pupil Transportation	443,474	456,736	439,472	437,285
Central Services	1,099,110	1,132,238	1,071,288	1,109,950
Interest on Long-Term Debt	248,380	289,404	248,380	289,404
	<u>21,360,698</u>	<u>20,587,197</u>	<u>18,464,218</u>	<u>18,745,602</u>
Total Governmental Activities	<u>\$ 21,360,698</u>	<u>\$ 20,587,197</u>	<u>\$ 18,464,218</u>	<u>\$ 18,745,602</u>

**Business-Type Activities**

The cost of Business-Type Activities for the fiscal year ended June 30, 2012 was \$55,688. These costs were funded by operating grants and charges for services (Detailed on Table A-2). The operations resulted in a decrease in net assets of \$24,961.

**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 \$2,076,039. At June 30, 2011 the fund balance was \$1,491,836.

**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 \$22,945,457 and expenditures were \$22,361,254.

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, 2012 and 2011.

	<u>Year Ended</u> <u>June 30, 2012</u>	<u>Year Ended</u> <u>June 30, 2011</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Increase</u> <u>(Decrease)</u>
Local Sources	\$ 20,073,543	\$ 19,612,944	\$ 460,599	2.35%
State Sources	2,389,274	1,614,682	774,592	47.97%
Federal Sources	<u>482,640</u>	<u>208,807</u>	<u>273,833</u>	131.14%
 Total Revenues	 <u>\$ 22,945,457</u>	 <u>\$ 21,436,433</u>	 <u>\$ 1,509,024</u>	 7.04%

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, 2012 and 2011.

	<u>Year Ended</u> <u>June 30, 2012</u>	<u>Year Ended</u> <u>June 30, 2011</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Increase</u> <u>(Decrease)</u>
Instruction	\$ 12,600,045	\$ 12,241,297	\$ 358,748	2.93%
Undistributed	8,027,331	7,629,605	397,726	5.21%
Capital Outlay	671,042	239,102	431,940	180.65%
Debt Service				
Principal	792,303	817,134	(24,831)	-3.04%
Interest	<u>270,533</u>	<u>319,982</u>	<u>(49,449)</u>	-15.45%
 Total Expenditures	 <u>\$ 22,361,254</u>	 <u>\$ 21,247,120</u>	 <u>\$ 1,114,134</u>	 5.24%

# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

### General and Special Revenue Fund

#### Budgetary Highlights

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

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

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

- \* The District applied for and received \$254,741 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, 2012 amounts to \$20,127,267 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and building improvements, and machinery and equipment.

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

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

	Governmental Activities		Business-Type Activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	\$ 43,525	\$ 43,525			\$ 43,525	\$ 43,525
Land Improvements	573,030	573,030			573,030	573,030
Buildings and Building Improvements	24,254,307	23,776,134			24,254,307	23,776,134
Machinery, Equipment and Vehicles	<u>2,083,411</u>	<u>1,909,224</u>	\$ 15,258	\$ 15,258	<u>2,098,669</u>	<u>1,924,482</u>
 Total	 26,954,273	 26,301,913	 15,258	 15,258	 26,969,531	 26,317,171
Less: Accumulated Depreciation	<u>6,828,665</u>	<u>6,293,488</u>	<u>13,599</u>	<u>13,209</u>	<u>6,842,264</u>	<u>6,306,697</u>
 Total	 <u>\$ 20,125,608</u>	 <u>\$ 20,008,425</u>	 <u>\$ 1,659</u>	 <u>\$ 2,049</u>	 <u>\$ 20,127,267</u>	 <u>\$ 20,010,474</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, 2012 the school district had long-term debt and outstanding long-term liabilities in the amount of \$7,525,114 as stated in Table A-5.

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

	<u>2012</u>	<u>2011</u>
Serial Bonds	\$ 7,015,000	\$ 7,715,000
Capital Leases	95,247	187,550
Compensated Absences Payable	<u>414,867</u>	<u>497,520</u>
 Total	 <u>\$ 7,525,114</u>	 <u>\$ 8,400,070</u>



# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

### Debt Administration (Continued)

The District has outstanding general obligation serial bonds in the amount of \$7,015,000. These bonds were used to finance the facilities acquisitions and construction services at Holdrum, Woodside and Roberge Schools. The capital leases are comprised of technology improvements and a boiler upgrade. The compensated absences represents the District's liability for unused accrued sick leave and unused vacation.

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

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

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

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

### FOR THE FUTURE

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

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

### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

**BASIC FINANCIAL STATEMENTS**

**RIVER VALE BOARD OF EDUCATION**  
**STATEMENT OF NET ASSETS**  
**AS OF JUNE 30, 2012**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,133,305	\$ 164,561	\$ 2,297,866
Receivables, net			
Receivables from Other Governments	473,078	622	473,700
Other	200		200
Deferred Charges	57,905		57,905
Capital Assets, Not Being Depreciated	43,525		43,525
Capital Assets, Being Depreciated, Net	<u>20,082,083</u>	<u>1,659</u>	<u>20,083,742</u>
Total Assets	<u>22,790,096</u>	<u>166,842</u>	<u>22,956,938</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	255,520	3,953	259,473
Note Payable	275,000		275,000
Accrued Interest Payable	74,426		74,426
Unearned Revenue	24	14,472	14,496
Noncurrent Liabilities			
Due Within One Year	820,247		820,247
Due Beyond One Year	<u>6,748,746</u>	<u>-</u>	<u>6,748,746</u>
Total Liabilities	<u>8,173,963</u>	<u>18,425</u>	<u>8,192,388</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	13,128,780	1,659	13,130,439
Restricted for			
Capital Projects	716,927		716,927
Unrestricted	<u>770,426</u>	<u>146,758</u>	<u>917,184</u>
Total Net Assets	<u>\$ 14,616,133</u>	<u>\$ 148,417</u>	<u>\$ 14,764,550</u>

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

RIVER VALE BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 9,833,606	\$ 20,260	\$ 1,102,109		\$ (8,731,497)		\$ (8,731,497)
Special Education	2,230,343		1,111,808		(1,098,275)		(1,098,275)
Other Instruction	677,912		76,903		(601,009)		(601,009)
School Sponsored Activities and Athletics	120,488				(120,488)		(120,488)
Support Services							
Student and Instruction Related Services	2,329,447		142,148		(2,187,299)		(2,187,299)
Attendance and Social Work	113,304		26,409		(86,895)		(86,895)
Educational Media/School Library	423,129		43,552		(379,577)		(379,577)
School Administrative Services	1,133,352		31,741		(1,101,611)		(1,101,611)
General and Business Administrative Services	742,344		88,716		(653,628)		(653,628)
Plant Operations and Maintenance	1,965,809		\$ 221,010		(1,744,799)		(1,744,799)
Pupil Transportation	443,474		4,002		(439,472)		(439,472)
Central Services	1,099,110		27,822		(1,071,288)		(1,071,288)
Interest on Long-Term Debt	248,380				(248,380)		(248,380)
<b>Total Governmental Activities</b>	<b>21,360,698</b>	<b>20,260</b>	<b>2,655,210</b>	<b>221,010</b>	<b>(18,464,218)</b>	<b>-</b>	<b>(18,464,218)</b>
<b>Business-Type Activities</b>							
Food Service- Non Major	48,026	19,804	9,594	-	-	\$ (18,628)	(18,628)
Park Academy	7,662	1,175	-	-	-	(6,487)	(6,487)
<b>Total Business-Type Activities</b>	<b>55,688</b>	<b>20,979</b>	<b>9,594</b>	<b>-</b>	<b>-</b>	<b>(25,115)</b>	<b>(25,115)</b>
<b>Total Primary Government</b>	<b>\$ 21,416,386</b>	<b>\$ 41,239</b>	<b>\$ 2,664,804</b>	<b>\$ 221,010</b>	<b>(18,464,218)</b>	<b>(25,115)</b>	<b>(18,489,333)</b>
General Revenues							
Property Taxes					19,881,917		19,881,917
Interest on Investments					6,358	154	6,512
Miscellaneous Income					160,702		160,702
Net Effect of Gain on Contributed Assets/Loss on Disposal of Assets					(1,336)		(1,336)
<b>Total General Revenues</b>					<b>20,047,641</b>	<b>154</b>	<b>20,047,795</b>
<b>Change in Net Assets</b>					<b>1,583,423</b>	<b>(24,961)</b>	<b>1,558,462</b>
<b>Net Assets, Beginning of Year</b>					<b>13,032,710</b>	<b>173,378</b>	<b>13,206,088</b>
<b>Net Assets, End of Year</b>					<b>\$ 14,616,133</b>	<b>\$ 148,417</b>	<b>\$ 14,764,550</b>

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

**FUND FINANCIAL STATEMENTS**

**RIVER VALE BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2012**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 2,029,569		\$ 103,736		\$ 2,133,305
Due from Other Funds	159,157		1,657		160,814
Other Receivables	200				200
Receivables from Other Governments	38,897	\$ 159,181	275,000	-	473,078
	<u>2,227,823</u>	<u>159,181</u>	<u>380,393</u>	<u>-</u>	<u>2,767,397</u>
Total Assets	<u>\$ 2,227,823</u>	<u>\$ 159,181</u>	<u>\$ 380,393</u>	<u>\$ -</u>	<u>\$ 2,767,397</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable	\$ 104,917		\$ 6,000		\$ 110,917
Accrued Salaries & Wages	144,603				144,603
Due to Other Funds	1,657	\$ 159,157			160,814
Note Payable			275,000		275,000
Deferred Revenue	-	24	-	-	24
	<u>251,177</u>	<u>159,181</u>	<u>281,000</u>	<u>-</u>	<u>691,358</u>
Total Liabilities	<u>251,177</u>	<u>159,181</u>	<u>281,000</u>	<u>-</u>	<u>691,358</u>
Fund Balance					
Restricted:					
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	253,341				253,341
Reserved Excess Surplus	283,335				283,335
Capital Reserve	716,927				716,927
Capital Projects Fund			99,393		99,393
Committed Fund Balance					
Year End Encumbrances	203,890				203,890
Assigned Fund Balance					
Year End Encumbrances	168,056				168,056
Unassigned Fund Balance					
General Fund	351,097	-	-	-	351,097
	<u>1,976,646</u>	<u>-</u>	<u>99,393</u>	<u>-</u>	<u>2,076,039</u>
Total Fund Balances	<u>1,976,646</u>	<u>-</u>	<u>99,393</u>	<u>-</u>	<u>2,076,039</u>
Total Liabilities and Fund Balances	<u>\$ 2,227,823</u>	<u>\$ 159,181</u>	<u>\$ 380,393</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$26,954,273 and the accumulated depreciation is \$6,828,665. 20,125,608

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (74,426)

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

General Obligation Bonds Payable, Net	\$ 7,058,879
Deferred Charge-	
Unamortized Bond Issuance Costs	(57,905)
Capital Leases Payable	95,247
Compensated Absences	414,867
	<u>(7,511,088)</u>
<b>Net assets of governmental activities (Exhibit A-1)</b>	<u>\$ 14,616,133</u>

**RIVER VALE BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Local Property Tax Levy	\$ 18,917,367			\$ 964,550	\$ 19,881,917
Tuition	20,260				20,260
Interest on Investment	6,292		\$ 66		6,358
Miscellaneous	160,702	\$ 4,306	-	-	165,008
<b>Total - Local Sources</b>	<b>19,104,621</b>	<b>4,306</b>	<b>66</b>	<b>964,550</b>	<b>20,073,543</b>
State Sources	2,168,264		221,010		2,389,274
Federal Sources	22,168	460,472	-	-	482,640
<b>Total Revenues</b>	<b>21,295,053</b>	<b>464,778</b>	<b>221,076</b>	<b>964,550</b>	<b>22,945,457</b>
<b>EXPENDITURES</b>					
Current					
Regular Instruction	9,628,491	4,306			9,632,797
Special Education Instruction	1,937,201	259,204			2,196,405
Other Instruction	650,355				650,355
School-Sponsored Activities and Athletics	120,488				120,488
Support Services					
Student and Instruction Related Services	2,243,740	23,338			2,267,078
Attendance and Social Work	109,653				109,653
Educational Media/School Library	410,009				410,009
School Administrative Services	1,094,797				1,094,797
General Administrative Services	713,172				713,172
Plant Operations and Maintenance	1,922,929				1,922,929
Pupil Transportation	443,474				443,474
Central Services	1,066,219				1,066,219
Debt Service					
Principal	92,303			700,000	792,303
Interest and Other Charges	5,983			264,550	270,533
Capital Outlay	188,819	177,930	304,293	-	671,042
<b>Total Expenditures</b>	<b>20,627,633</b>	<b>464,778</b>	<b>304,293</b>	<b>964,550</b>	<b>22,361,254</b>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	667,420	-	(83,217)	-	584,203
Other Financing Sources and (Uses)					
Transfers In	6		8,060		8,066
Transfers Out	(8,060)	-	(6)	-	(8,066)
<b>Total Other Financing Sources and Uses</b>	<b>(8,054)</b>	<b>-</b>	<b>8,054</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>659,366</b>	<b>-</b>	<b>(75,163)</b>	<b>-</b>	<b>584,203</b>
Fund Balance, Beginning of Year	1,317,280	-	174,556	-	1,491,836
<b>Fund Balance, End of Year</b>	<b>\$ 1,976,646</b>	<b>\$ -</b>	<b>\$ 99,393</b>	<b>\$ -</b>	<b>\$ 2,076,039</b>

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

**RIVER VALE BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

<b>Total net change in fund balances - governmental funds (Exhibit B-2)</b>	\$	584,203
<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 capital outlay exceeds depreciation in the current period.</p>		
Capital Outlay	\$ 671,042	
Depreciation Expense	(552,523)	
Net Effect of Gain on Contributed Assets and Loss on Disposal of Assets	(1,336)	117,183
<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		82,654
<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 assets and does not affect the statement of activities.</p>		
Reduction on Long-Term Debt		792,303
<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 assets. Also, governmental funds report the effect of issuance costs, premiums and other such items related to the refunding bonds when they are first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>		
Amortization of Bond Premium	68,972	
Amortization of Deferred Amounts on Refunding	(57,549)	
Amortization of Cost of Issuance	(15,074)	(3,651)
<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		10,731
<b>Change in net assets of governmental activities (Exhibit A-2)</b>	<b>\$</b>	<b><u>1,583,423</u></b>



**RIVER VALE BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 AS OF JUNE 30, 2012**

	<u>Business-Type Activities Enterprise Fund Park Academy</u>	<u>Business-Type Activities Enterprise Fund Non-Major</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 148,113	\$ 16,448	\$ 164,561
Intergovernmental Receivable Federal	-	622	622
Total Current Assets	<u>148,113</u>	<u>17,070</u>	<u>165,183</u>
Capital Assets			
Equipment		15,258	15,258
Less: Accumulated Depreciation	-	(13,599)	(13,599)
Total Capital Assets, Net	<u>-</u>	<u>1,659</u>	<u>1,659</u>
Total Assets	<u>148,113</u>	<u>18,729</u>	<u>166,842</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	3,953		3,953
Unearned Revenue	-	14,472	14,472
Total Current Liabilities	<u>3,953</u>	<u>14,472</u>	<u>18,425</u>
Total Liabilities	<u>3,953</u>	<u>14,472</u>	<u>18,425</u>
<b>NET ASSETS</b>			
Invested in Capital Assets Unrestricted	<u>144,160</u>	1,659 <u>2,598</u>	1,659 <u>146,758</u>
Total Net Assets	<u>\$ 144,160</u>	<u>\$ 4,257</u>	<u>\$ 148,417</u>

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

**RIVER VALE BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET ASSETS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Business-Type Activities Enterprise Fund Park Academy</u>	<u>Business-Type Activities Enterprise Fund Non-Major</u>	<u>Total</u>
Charges for Services			
Daily Sales - Milk		\$ 19,804	\$ 19,804
Miscellaneous Fees	\$ 1,175	-	1,175
	<u>1,175</u>	<u>19,804</u>	<u>20,979</u>
<b>Total Operating Revenues</b>			
<b>OPERATING EXPENSES</b>			
Cost of Sales		11,493	11,493
Salaries and Benefits	4,085	34,577	38,662
Other Purchased Services			-
Administration Fees			-
Supplies and Materials	149	1,566	1,715
Rent			-
Miscellaneous	3,428		3,428
Depreciation	-	390	390
	<u>7,662</u>	<u>48,026</u>	<u>55,688</u>
<b>Total Operating Expenses</b>			
Operating Income/(Loss)	<u>(6,487)</u>	<u>(28,222)</u>	<u>(34,709)</u>
<b>NONOPERATING REVENUES</b>			
Interest	60	94	154
Federal Sources			
Special Milk Program	-	9,594	9,594
	<u>60</u>	<u>9,688</u>	<u>9,748</u>
<b>Total Nonoperating Revenues</b>			
Change in Net Assets	(6,427)	(18,534)	(24,961)
Total Net Assets, Beginning of Year	<u>150,587</u>	<u>22,791</u>	<u>173,378</u>
Total Net Assets, End of Year	<u>\$ 144,160</u>	<u>\$ 4,257</u>	<u>\$ 148,417</u>

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

**RIVER VALE BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b>Business-Type Activities Enterprise Fund Park Academy</b>	<b>Business-Type Activities Enterprise Fund Non-Major</b>	<b>Total</b>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 103,749	\$ 16,564	\$ 120,313
Cash Payments to Suppliers for Goods and Services	<u>(28,556)</u>	<u>(47,636)</u>	<u>(76,192)</u>
Net Cash Provided by (Used by) Operating Activities	<u>75,193</u>	<u>(31,072)</u>	<u>44,121</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Cash Received from State and Federal Subsidy Reimbursements	<u>-</u>	<u>8,972</u>	<u>8,972</u>
Net Cash Provided by (Used by) Noncapital Financing Activities	<u>-</u>	<u>8,972</u>	<u>8,972</u>
<b>Cash Flows from Investing Activities</b>			
Interest Earnings	<u>60</u>	<u>94</u>	<u>154</u>
Net Cash Provided by Investing Activities	<u>60</u>	<u>94</u>	<u>154</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	75,253	(22,006)	53,247
Cash and Cash Equivalents, Beginning of Year	<u>72,860</u>	<u>38,454</u>	<u>111,314</u>
Cash and Cash Equivalents, End of Year	<u>\$ 148,113</u>	<u>\$ 16,448</u>	<u>164,561</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities</b>			
Operating Income (Loss)	\$ (6,487)	\$ (28,222)	\$ (34,709)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used for Operating Activities			
Depreciation		390	390
Change in Assets and Liabilities			
(Increase)/Decrease in Intergovernmental Receivable - Other	102,574		102,574
Increase/(Decrease) in Accounts Payable	(20,894)		(20,894)
Increase/(Decrease) in Deferred Revenue	<u>-</u>	<u>(3,240)</u>	<u>(3,240)</u>
Total Adjustments	<u>81,680</u>	<u>(2,850)</u>	<u>78,830</u>
Net Cash (Used by) Operating Activities	<u>\$ 75,193</u>	<u>\$ (31,072)</u>	<u>\$ 44,121</u>

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

**RIVER VALE BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
AS OF JUNE 30, 2012**

	<b>Unemployment Compensation <u>Trust</u></b>	<b><u>Agency Fund</u></b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 110,563	\$ 181,038
Total Assets	<u>110,563</u>	<u>\$ 181,038</u>
 <b>LIABILITIES</b>		
Payroll Deductions and Withholdings		\$ 5,043
Accrued Salaries and Wages		1,705
Due to State of New Jersey	11,903	82,769
Due to Student Groups	<u>-</u>	<u>91,521</u>
Total Liabilities	<u>11,903</u>	<u>\$ 181,038</u>
 <b>NET ASSETS</b>		
Held in Trust for Unemployment Claims	<u>\$ 98,660</u>	

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

**RIVER VALE BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b>Unemployment Compensation <u>Trust</u></b>
<b>ADDITIONS</b>	
Contributions	
District	\$ 97,000
Employees	26,785
Investment Earnings	
Interest	<u>191</u>
Total Additions	<u>123,976</u>
<b>DEDUCTIONS</b>	
Unemployment Claims and Contributions	<u>68,473</u>
Total Deductions	<u>68,473</u>
Change in Net Assets	55,503
Net Assets, Beginning of Year	<u>43,157</u>
Net Assets, End of Year	<u><u>\$ 98,660</u></u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

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

**B. Basic Financial Statements**

The basic financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (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.

The district-wide financial statements (i.e., the statement of net assets 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 assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**B. Basic Financial Statements**

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

Separate 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.

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

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 and all liabilities associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Assets. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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.



**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

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

The District reports the following major governmental funds:

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

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

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of 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 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, for payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

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.

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

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

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

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

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

**D. Assets, Liabilities and Net Assets or Equity**

**1. *Deposits and Investments***

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

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

**2. *Receivables and Payables***

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

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

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

*Tuition Expenditures* - Tuition charges for the fiscal years 2010-2011 and 2011-2012 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.

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenue is recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred revenues. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 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.

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

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

**3. *Capital Assets***

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

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

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

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

**4. *Compensated Absences***

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

**5. *Long-term obligations***

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and refunding gains or losses. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

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

**6. *Fund Equity***

With the implementation of GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during fiscal year 2011, fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. 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, 2011 audited excess surplus that was appropriated in the 2012/2013 original budget certified for taxes.

*Reserved Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2012 audited excess surplus that is required to be appropriated in the 2013/2014 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 Trustees for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

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

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

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

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

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

**7. *Reclassifications***

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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption and is voted upon at the annual school election on the third Tuesday in April. Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2011/2012. During 2011/2012 the Board increased the original budget by \$968,832. The increase was funded by grant awards and the reappropriation of prior year general fund encumbrances.

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.

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.

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

**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.

The activity of the capital reserve for the fiscal year ended June 30, 2012 is as follows:

Balance, July 1, 2011		\$ 224,076
Increases		
Interest earnings	\$ 911	
Deposits Approved by Board Resolution	<u>500,000</u>	
		500,911
Withdrawals		
Approved by Board Resolution		<u>(8,060)</u>
Balance, June 30, 2012		<u>\$ 716,927</u>

The June 30, 2012 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. 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, 2012 is \$536,676. Of this amount, \$253,341 was designated and appropriated in the 2012/2013 original budget certified for taxes and the remaining amount of \$283,335 will be appropriated in the 2013/2014 original budget certified for taxes.

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

**Deposits**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2012, the book value of the Board's deposits was \$2,589,467 and bank balances of the Board's cash and deposits amounted to \$3,084,463. The Board's deposits which are displayed on the balance sheets and statement of net assets as or "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	<u>\$ 3,084,463</u>
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**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, 2012, 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.

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

**B. Receivables**

Receivables as of June 30, 2012 for the district's individual major and non-major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Enterprise Fund</u>	<u>Total</u>
Receivables:					
Intergovernmental	\$ 38,897	\$ 159,181	\$ 275,000	\$ 622	\$ 473,700
Other	<u>200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200</u>
Gross Receivables	39,097	159,181	275,000	622	473,900
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 39,097</u>	<u>\$ 159,181</u>	<u>\$ 275,000</u>	<u>\$ 622</u>	<u>\$ 473,900</u>

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

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered grant draw downs	<u>\$ 24</u>
Total deferred revenue for governmental funds	<u>\$ 24</u>



**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

**C. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

	Balance, <u>July 1, 2011</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2012</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	23,776,134	\$ 482,223	\$ (4,050)	24,254,307
Machinery and Equipment	1,909,224	208,396	(34,209)	2,083,411
Land Improvements	<u>573,030</u>	<u>-</u>	<u>-</u>	<u>573,030</u>
Total Capital Assets being Depreciated	<u>26,258,388</u>	<u>690,619</u>	<u>(38,259)</u>	<u>26,910,748</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(4,872,021)	(416,884)	4,050	(5,284,855)
Machinery and Equipment	(1,182,917)	(118,939)	13,296	(1,288,560)
Land Improvements	<u>(238,550)</u>	<u>(16,700)</u>	<u>-</u>	<u>(255,250)</u>
Total Accumulated Depreciation	<u>(6,293,488)</u>	<u>(552,523)</u>	<u>17,346</u>	<u>(6,828,665)</u>
Total Capital Assets, being Depreciated, net	<u>19,964,900</u>	<u>138,096</u>	<u>(20,913)</u>	<u>20,082,083</u>
Governmental Activities Capital Assets, net	<u>\$ 20,008,425</u>	<u>\$ 138,096</u>	<u>\$ (20,913)</u>	<u>\$ 20,125,608</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>(13,209)</u>	\$ (390)	-	<u>(13,599)</u>
Total Accumulated Depreciation	<u>(13,209)</u>	<u>(390)</u>	<u>-</u>	<u>(13,599)</u>
Total Capital Assets, being Depreciated, net	<u>2,049</u>	<u>(390)</u>	<u>-</u>	<u>1,659</u>
Business-Type Activities Capital Assets, net	<u>\$ 2,049</u>	<u>\$ (390)</u>	<u>\$ -</u>	<u>\$ 1,659</u>

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

**C. Capital Assets (Continued)**

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

**Governmental activities:**

Instruction	
Regular	\$ 304,175
Special	31,907
Other Special Instruction	<u>26,372</u>
Total Instruction	<u>362,454</u>
Support Services	
Support Services - Students and Instructional Staff	60,375
General Administration	28,474
School Administration	35,213
Operations and Maintenance of Plant	38,656
Business and Other Support Services	<u>27,351</u>
Total Support Services	<u>190,069</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 552,523</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 BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

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

The composition of interfund balances as of June 30, 2012, is as follows:

**Due to/from other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 159,157
Capital Projects Fund	General Fund	<u>1,657</u>
		<u>\$ 160,814</u>

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

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

**Interfund transfers**

	<u>Transfer In:</u>		
	<u>General Fund</u>	<u>Capital Projects</u>	<u>Total</u>
Transfer Out:			
General Fund		\$ 8,060	\$ 8,060
Capital Projects Fund	\$ 6	-	<u>6</u>
 Total Transfers Out	<u>\$ 6</u>	<u>\$ 8,060</u>	<u>\$ 8,066</u>

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

**E. Leases**

**Capital Leases**

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

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

**E. Leases (Continued)**

**Capital Leases (Continued)**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012 were as follows:

Fiscal Year Ending June 30	Governmental Activities
2013	\$ 98,286
Total minimum lease payments	98,286
Less: amount representing interest	<u>3,039</u>
Present value of minimum lease payments	<u>\$ 95,247</u>

**F. Long-Term Debt**

**General Obligation Bonds**

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

Bonds payable at June 30, 2012 are comprised of the following issues:

\$7,080,000, 2010 Bonds, due in annual installments of \$330,000 to \$805,000 through September 25, 2020, interest at 2.00% to 4.50%	<u>\$7,015,000</u>
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The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

**Governmental Activities:**

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2013	\$ 725,000	\$ 241,850	\$ 966,850
2014	745,000	224,356	969,356
2015	765,000	203,594	968,594
2016	790,000	177,276	967,276
2017	805,000	145,376	950,376
2018-2022	<u>3,185,000</u>	<u>266,036</u>	<u>3,451,036</u>
	<u>\$ 7,015,000</u>	<u>\$ 1,258,488</u>	<u>\$ 8,273,488</u>

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

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

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2012 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 63,067,746
Less: Net Debt	<u>7,015,948</u>
Remaining Borrowing Power	<u>\$ 56,051,798</u>

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 7,715,000		\$ 700,000	\$ 7,015,000	\$ 725,000
Deferred Amounts:					
Add: Original Issue Premium	333,920		68,972	264,948	
Less: Loss on Refunding	<u>(278,618)</u>	<u>-</u>	<u>(57,549)</u>	<u>(221,069)</u>	<u>-</u>
Total Bonds Payable	7,770,302	-	711,423	7,058,879	725,000
Capital Leases Payable	187,550		92,303	95,247	95,247
Compensated Absences	<u>497,520</u>	<u>\$ 44,795</u>	<u>127,448</u>	<u>414,867</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 8,455,372</u>	<u>\$ 44,795</u>	<u>\$ 931,174</u>	<u>\$ 7,568,993</u>	<u>\$ 820,247</u>

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

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

**G. Short-Term Debt**

**Project Notes/Grant Anticipation Notes/Loans Payable**

The Board issues grant anticipation notes to interim finance Capital Projects funded by the State Development Authority's Facility construction grants. The Board's short-term debt activity for the year ended June 30, 2012 was as follows:

<u>Purpose</u>	<u>Balance, July 1, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2012</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.

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

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

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

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

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

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:

Fiscal Year Ended <u>June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012	\$ 97,000	\$ 26,785	\$ 68,473	\$ 98,660
2011	49,964	27,149	116,094	43,157
2010	30,000	32,722	101,898	81,552

**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, 2012, 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, 2012, the District had no estimated arbitrage earnings due to the IRS.

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

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

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**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 BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**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.

**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.

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

- New members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS is increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PERS members enrolled after June 28, 2011 (Tier 3 members), will be 60 percent instead of 65 percent of the member's final compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years.
- Active member contribution rates will increase. TPAF and PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. 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 will take 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 is suspended until reactivated as permitted by this law.

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Funding Status and Funding Progress**

As of July 1, 2010, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 70.5 percent with an unfunded actuarial accrued liability of \$36.3 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 65.2 percent and \$25.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 78.5 percent and \$10.7 billion.

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

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

**Actuarial Methods and Assumptions**

In the July 1, 2010 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for the retirement systems and (2) 5.45 percent for projected salary increases for the PERS and 5.91 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.

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2012 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, 2012, 2011 and 2010 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2012	\$ 227,592	\$ 294,223	\$ 6,992
2011	254,457	27,003	2,979
2010	183,674	30,843	

During the previous two fiscal years, the State of New Jersey did not contribute to the TPAF for normal cost and accrued liability. The State contributed \$294,223 during 2011/2012 for normal cost pension, accrued liability and the NCGI premium. For fiscal years 2010/2011 and 2009/2010, the State contributed \$27,003 and \$30,843, respectively, for the NCGI premium only.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$700,004 during the year ended June 30, 2012 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.

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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 547 state and local participating employers and contributing entities for Fiscal Year 2011.

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.

**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.

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Investment Valuation**

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

**Funded Status and Funding Progress**

As of July 1, 2010, the most recent actuarial valuation date, the State had a \$59.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$21.1 billion for state active and retired members and \$38.2 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, 2010, actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

**Post-Retirement Medical Benefits Contributions**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2011, there were 93,323 retirees receiving post-retirement medical benefits and the State contributed \$935.5 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 \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in fiscal year 2011.

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2012, 2011 and 2010 were \$591,465, \$573,544 and \$579,265, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**BUDGETARY COMPARISON SCHEDULES**

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 18,917,367		\$ 18,917,367	\$ 18,917,367	
Interest on Investments	41,113		41,113	6,292	\$ (34,821)
Tuition	20,000		20,000	20,260	260
Miscellaneous	48,800	-	48,800	160,702	111,902
<b>Total - Local Sources</b>	<u>19,027,280</u>	<u>-</u>	<u>19,027,280</u>	<u>19,104,621</u>	<u>77,341</u>
State Sources					
Special Education Aid	186,101	\$ 186,099	372,200	372,201	1
Extraordinary Aid				254,741	254,741
Nonpublic School Transportation Aid				4,002	4,002
Other State Aid - Anti- Bullying				205	205
On-behalf TPAF Pension Payments - Pension Contribution (Non-Budget)				265,709	265,709
NCGI Premium (Non-Budget)				28,514	28,514
Post Retirement Medical Benefits (Non-Budget)				591,465	591,465
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	700,004	700,004
<b>Total - State Sources</b>	<u>186,101</u>	<u>186,099</u>	<u>372,200</u>	<u>2,216,841</u>	<u>1,844,641</u>
Federal Sources					
Education Jobs	21,495	673	22,168	22,168	-
<b>Total Revenues</b>	<u>19,234,876</u>	<u>186,772</u>	<u>19,421,648</u>	<u>21,343,630</u>	<u>1,921,982</u>
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	611,245	(141,500)	469,745	469,566	179
Grades 1-5	3,862,846	(236,406)	3,626,440	3,614,094	12,346
Grades 6-8	2,473,046	(110,465)	2,362,581	2,359,988	2,593
Instruction - Home					
Salaries of Teachers	4,500	7,900	12,400	12,103	297
Purchased Professional - Educational Services	3,000	2,420	5,420	2,588	2,832
<b>Total Instruction - Regular</b>	<u>6,954,637</u>	<u>(478,051)</u>	<u>6,476,586</u>	<u>6,458,339</u>	<u>18,247</u>
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	111,880	90,253	202,133	201,608	525
Other Purchased Services	92,303	11,893	104,196	102,269	1,927
General Supplies	305,685	108,090	413,775	349,549	64,226
Textbooks	18,895	(11,833)	7,062	7,060	2
Other Objects	1,215	(700)	515	-	515
<b>Total Regular Programs</b>	<u>529,978</u>	<u>197,703</u>	<u>727,681</u>	<u>660,486</u>	<u>67,195</u>



**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Multiple Disabilities					
Salaries of Teachers	\$ 59,665	\$ 1,190	\$ 60,855	\$ 60,855	
Other Salaries for Instruction	72,360	3,060	75,420	69,683	\$ 5,737
Total Multiple Disabilities	132,025	4,250	136,275	130,538	5,737
Resource Room					
Salaries of Teachers	499,718	(83,396)	416,322	416,322	
Purchased Professional-Educational Services	1,500	2,892	4,392	3,493	899
General Supplies	1,500	(99)	1,401	1,313	88
Textbooks	400	(400)	-	-	-
Total Resource Room	503,118	(81,003)	422,115	421,128	987
Preschool Disabilities - Part Time					
Salaries of Teachers	98,345	(1,190)	97,155	97,155	
Other Salaries for Instruction	27,270	5,983	33,253	33,182	71
Purchased Professional - Educational Services	500	1,336	1,836	1,835	1
General Supplies	1,233	(146)	1,087	812	275
Total Preschool Disabilities - Part Time	127,348	5,983	133,331	132,984	347
Total Special Education	762,491	(70,770)	691,721	684,650	7,071
Basic Skills/Remedial					
Salaries of Teachers	312,718	50,333	363,051	361,848	1,203
Purchased Professional - Educational Services	1,000	4,237	5,237	5,203	34
General Supplies	795	(303)	492	137	355
Textbooks	250	(32)	218	218	-
Total Basic Skills/Remedial	314,763	54,235	368,998	367,406	1,592
Bilingual Education					
Salaries of Teachers	96,755	2	96,757	96,755	2
Purchased Professional - Educational Services	1,500	1,000	2,500	768	1,732
General Supplies	300	-	300	288	12
Total Bilingual Education	98,555	1,002	99,557	97,811	1,746
School Sponsored Co/Extra Curricular Activities					
Salaries	55,741	(4,423)	51,318	51,292	26
Total School Sponsored Co/Extra Curricular Activities	55,741	(4,423)	51,318	51,292	26
School Sponsored Athletics - Instruction					
Salaries	37,142	13,762	50,904	50,299	605
Purchased Services	4,500	685	5,185	4,635	550
Supplies and Materials	2,619	-	2,619	2,523	96
Total School Sponsored Athletics - Instruction	44,261	14,447	58,708	57,457	1,251
Total - Instruction	8,760,426	(285,857)	8,474,569	8,377,441	97,128

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Special	\$ 730,455	\$ (292,935)	\$ 437,520	\$ 437,520	
Tuition to Private School Disabled - Within State	180,308	392,571	572,879	567,361	\$ 5,518
Total Undistributed Expenditures - Instruction	910,763	99,636	1,010,399	1,004,881	5,518
Attendance and Social Work Services					
Salaries	70,108	(250)	69,858	69,856	2
Other Purchased Services	9,627	(283)	9,344	9,343	1
Total Attendance and Social Work Services	79,735	(533)	79,202	79,199	3
Health Services					
Salaries	228,860	(9,801)	219,059	207,749	11,310
Purchased Professional - Educational Services	17,000	41,589	58,589	47,698	10,891
Supplies and Materials	1,348	4,609	5,957	4,712	1,245
Total Health Services	247,208	36,397	283,605	260,159	23,446
Speech, OT, PT & Related Services					
Salaries	180,375	501	180,876	180,875	1
Purchased Professional - Educational Services	186,922	108,319	295,241	291,738	3,503
Supplies and Materials	882	(274)	608	592	16
Total Speech, OT, PT and Related Services	368,179	108,546	476,725	473,205	3,520
Other Support Services - Students - Extra. Service					
Salaries	247,275	39,496	286,771	286,770	1
Purchased Professional - Educational Services		1,053	1,053	637	416
Supplies and Materials	1,800	(341)	1,459	1,459	
Other Objects	150	337	487	-	487
Total Other Support Svcs.-Students-Extra. Service.	249,225	40,545	289,770	288,866	904
Guidance					
Salaries of Other Professional Staff	190,358	(26,670)	163,688	162,567	1,121
Purchased Professional - Educational Services	800	3,356	4,156	3,218	938
Other Purchased Professional & Technical Services	8,000	(5,449)	2,551	2,266	285
Other Purchased Services		400	400	400	
General Supplies	6,190	(2,245)	3,945	3,661	284
Total Guidance	205,348	(30,608)	174,740	172,112	2,628
Child Study Team					
Salaries of Other Professional Staff	351,620	14,194	365,814	365,069	745
Salaries of Secretarial and Clerical Assistants	79,961	(4,615)	75,346	75,120	226
Purchased Professional-Educational Services	10,000	2,850	12,850	11,650	1,200
Other Professional Services	71,204	7,011	78,215	66,636	11,579
Miscellaneous Purchased Services	6,100	804	6,904	5,371	1,533
Supplies and Materials	5,000	(870)	4,130	4,130	
Other Objects	785	(475)	310	244	66
Total Child Study Team	524,670	18,899	543,569	528,220	15,349

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Improvement of Inst. Serv.					
Salaries of Other Professional Staff	\$ 3,000	\$ 15,704	\$ 18,704	\$ 18,704	-
Purchased Professional-Educational Services	32,500	3,969	36,469	36,469	-
Total Improvement of Inst. Serv.	35,500	19,673	55,173	55,173	-
Educational Media Services/School Library					
Salaries	118,078	160,607	278,685	278,453	\$ 232
Other Purchased Services	13,989	980	14,969	14,968	1
Supplies and Materials	7,974	(515)	7,459	7,381	78
Total Educational Media Services/School Library	140,041	161,072	301,113	300,802	311
Instructional Staff Training Services					
Other Salaries	2,273	-	2,273	1,766	507
Purchased Professional - Educational Services	500	12,058	12,558	12,307	251
Other Purchased Prof and Tech Services	2,568	(190)	2,378	2,275	103
Other Purchased Services	10,950	(3,516)	7,434	4,790	2,644
Supplies and Materials	20,000	(15,495)	4,505	4,505	-
Total Instructional Staff Training Services	36,291	(7,143)	29,148	25,643	3,505
Support Services General Administration					
Salaries	256,831	(500)	256,331	256,022	309
Legal Services	48,000	15,121	63,121	63,120	1
Audit Fees	40,000	29,130	69,130	29,130	40,000
Architectural/Engineering Services	10,000	15,300	25,300	20,350	4,950
Other Purchased Professional Services	14,000	22,718	36,718	26,409	10,309
Miscellaneous Purchased Services	12,500	(1,064)	11,436	6,332	5,104
Communications/Telephone	53,500	6,364	59,864	53,922	5,942
BOE Other Purchased Services	5,000	-	5,000	4,074	926
Other Purchased Services	82,727	(42,854)	39,873	37,363	2,510
General Supplies	10,000	6,319	16,319	15,615	704
Judgements Against the School	-	56,124	56,124	44,624	11,500
Miscellaneous Expenditures	9,500	(3,770)	5,730	4,652	1,078
BOE Membership Dues and Fees	12,550	(2,131)	10,419	9,905	514
Total Support Services General Administration	554,608	100,757	655,365	571,518	83,847
Support Services School Administration					
Salaries of Principals/Asst. Principals	418,158	94,558	512,716	507,094	5,622
Salaries of Other Professional Staff	25,565	2,388	27,953	26,953	1,000
Salaries of Secretarial and Clerical Assistants	220,823	(2,358)	218,465	218,307	158
Other Purchased Services	19,264	(2,986)	16,278	13,579	2,699
General Supplies	10,384	3,379	13,763	12,786	977
Miscellaneous Expenditures	9,894	678	10,572	8,677	1,895
Total Support Services School Administration	704,088	95,659	799,747	787,396	12,351

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Central Services					
Salaries	\$ 372,487	\$ (419)	\$ 372,068	\$ 369,108	\$ 2,960
Purchased Professional Services	30,000	(25,209)	4,791		4,791
Other Purchased Services	17,200	7,175	24,375	20,333	4,042
Supplies and Materials	5,000	3,920	8,920	8,494	426
Interest on Current Loans	3,200	1,860	5,060	5,060	
Interest on Lease Purchase Agreements	5,983		5,983	5,983	
Miscellaneous Expenditures	4,300	(991)	3,309	2,984	325
<b>Total Central Services</b>	<u>438,170</u>	<u>(13,664)</u>	<u>424,506</u>	<u>411,962</u>	<u>12,544</u>
Admin. Info. Tech.					
Salaries	216,603	22,467	239,070	238,225	845
Purchased Professional Services	25,534	(5,453)	20,081	19,455	626
Purchased Technical Services	41,556	13,351	54,907	44,444	10,463
Other Purchased Services	61,092	1,043	62,135	57,369	4,766
Supplies and Materials	48,364	12,532	60,896	56,179	4,717
Other Objects	18,748	(16,470)	2,278	1,895	383
<b>Total Admin. Info. Tech.</b>	<u>411,897</u>	<u>27,470</u>	<u>439,367</u>	<u>417,567</u>	<u>21,800</u>
Required Maintenance for School Facilities					
Salaries	122,980	(10,040)	112,940	112,751	189
Cleaning, Repair and Maintenance Service	108,509	11,552	120,061	87,012	33,049
General Supplies	27,500	(253)	27,247	27,005	242
<b>Total Required Maintenance for School Facilities</b>	<u>258,989</u>	<u>1,259</u>	<u>260,248</u>	<u>226,768</u>	<u>33,480</u>
Custodial Services					
Salaries	745,278	(57,775)	687,503	681,538	5,965
Salaries of Non-Instructional Aides	28,880	(18,670)	10,210	9,390	820
Other Salaries		27,637	27,637	17,489	10,148
Purchased Professional and Technical Services	23,300	(4,428)	18,872	16,867	2,005
Cleaning, Repair, Maintenance	104,109	27,111	131,220	104,362	26,858
Other Purchased Property	14,500		14,500	14,099	401
Insurance	130,250	(17,843)	112,407	112,407	
Other Purchased Services	12,400	42,000	54,400	50,379	4,021
General Supplies	82,450	134	82,584	57,091	25,493
Energy (Natural Gas)	186,800		186,800	51,236	135,564
Energy (Electricity)	292,000		292,000	209,723	82,277
Miscellaneous Expenditures	10,000	(3,953)	6,047	3,494	2,553
<b>Total Custodial Services</b>	<u>1,629,967</u>	<u>(5,787)</u>	<u>1,624,180</u>	<u>1,328,075</u>	<u>296,105</u>
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Service	6,000	845	6,845	6,350	495
General Supplies	9,000	4,506	13,506	6,669	6,837
<b>Total Care and Upkeep of Grounds</b>	<u>15,000</u>	<u>5,351</u>	<u>20,351</u>	<u>13,019</u>	<u>7,332</u>

RIVER VALE BOARD OF EDUCATION  
GENERAL FUND

BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Security					
Purchased Professional and Technical Services		\$ 9,495	\$ 9,495	\$ 9,495	
Cleaning, Repair and Maintenance Service	\$ 11,500	(8,000)	3,500	1,845	\$ 1,655
General Supplies	-	999	999	999	-
Total Security	11,500	2,494	13,994	12,339	1,655
Student Transportation Services					
Contracted Services-Aid in Lieu of Pymts-Non-Public Schools	35,000	(8,488)	26,512	11,942	14,570
Contracted Services (Between Home and School) - Vendors	167,870	(15,245)	152,625	148,711	3,914
Contracted Services (Other Than Between Home and School) - Vendors	26,410	(4,800)	21,610	16,389	5,221
Contracted Services (Spec. Ed. Students) - Joint Agreement	305,000	4,687	309,687	266,432	43,255
Total Student Transportation Services	534,280	(23,846)	510,434	443,474	66,960
Employee Benefits - Unallocated					
Social Security Contributions	200,000	(737)	199,263	194,294	4,969
Other Retirement Contributions - PERS	239,445	(11,853)	227,592	227,592	
Other Retirement Contributions - Regular DCRP	2,400	(2,400)			
Unemployment Insurance	40,000	57,000	8,477	8,477	6,992
Workmen's Compensation	133,465	(8,255)	97,000	97,000	
Health Benefits	2,596,477	(337,944)	125,210	125,210	
Tuition Reimbursement	22,700	(2,700)	2,258,533	2,235,868	22,665
Other Employee Benefits	26,062	119,233	20,000	8,014	11,986
Other Employee Benefits	26,062	119,233	145,295	143,514	1,781
Total Employee Benefits - Unallocated	3,260,549	(179,179)	3,081,370	3,038,484	42,886
On-behalf TPAF Pension Payments -					
Pension Contribution				265,709	(265,709)
NCGI Premium (Non-Budget)				28,514	(28,514)
Post Retirement Medical Benefits (Non-Budget)				591,465	(591,465)
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	700,004	(700,004)
Total	-	-	-	1,585,692	(1,585,692)
Total Undistributed Expenditures	10,616,008	456,998	11,073,006	12,024,554	(951,548)
Total Current Expenditures	19,376,434	171,141	19,547,575	20,401,995	(854,420)

RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
<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.		\$ 3,500	3,500	\$ 3,235	265
Instruction		17,050	17,050	17,050	
Support Services - Related and Extra.		2,395	2,395	2,395	
General Administration		9,643	9,643	9,643	
School Administration		7,404	7,404	7,402	2
Student Tansp. - Non-Instructional Equipment		7,774	7,774	7,774	
Admin. Info. Tech.		136,194	136,194	87,383	48,811
Operation & Maintenance of Plant Services	-	53,938	53,938	53,937	1
<b>Total Undistributed Expenditures - Instruction</b>	<b>2,000</b>	<b>237,898</b>	<b>239,898</b>	<b>188,819</b>	<b>51,079</b>
<b>Total Equipment</b>	<b>2,000</b>	<b>237,898</b>	<b>239,898</b>	<b>188,819</b>	<b>51,079</b>
Facilities Acquisition and Construction Services					
Construction Services		221,490	221,490		221,490
Lease Purchase Agreements - Principal	75,000		75,000		75,000
Other Objects - Debt Service Assessment	36,819	-	36,819	36,819	-
<b>Total Facilities Acquisition and Construction Svcs.</b>	<b>111,819</b>	<b>221,490</b>	<b>333,309</b>	<b>36,819</b>	<b>296,490</b>
<b>Total Capital Outlay</b>	<b>113,819</b>	<b>459,388</b>	<b>573,207</b>	<b>225,638</b>	<b>347,569</b>
<b>Total Expenditures - General Fund</b>	<b>19,490,253</b>	<b>630,529</b>	<b>20,120,782</b>	<b>20,627,633</b>	<b>(506,851)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(255,377)	(443,757)	(699,134)	715,997	1,415,131
Other Financing Sources					
Operating Transfer Out		(6,520)	(6,520)	(8,060)	(1,540)
Operating Transfer In	-	-	-	6	6
<b>Total Other Financing Sources</b>	<b>-</b>	<b>(6,520)</b>	<b>(6,520)</b>	<b>(8,054)</b>	<b>(1,534)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources	(255,377)	(450,277)	(705,654)	707,943	1,413,597
Fund Balances, Beginning of Year	1,557,349	-	1,557,349	1,557,349	-
Fund Balances, End of Year	\$ 1,301,972	\$ (450,277)	\$ 851,695	\$ 2,265,292	\$ 1,413,597

RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>Recapitulation</b>					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 253,341	
Reserved Excess Surplus				283,335	
Capital Reserve				716,927	
Committed Fund Balance					
Year End Encumbrances				203,890	
Assigned Fund Balance					
Year End Encumbrances				168,056	
Unassigned Fund Balance				<u>639,743</u>	
				2,265,292	
Reconciliation to Governmental Funds Statements (GAAP)					
State Aid Public			\$ 33,905		
Extraordinary Aid Payment			<u>254,741</u>		
				<u>288,646</u>	
Fund Balances Per Governmental Funds (GAAP)				<u>\$ 1,976,646</u>	

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND - EDUCATION JOBS FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>REVENUES</b>					
Federal Sources					
Education Jobs	\$ 21,495	\$ 673	\$ 22,168	\$ 22,168	-
Total Revenues	<u>21,495</u>	<u>673</u>	<u>22,168</u>	<u>22,168</u>	<u>-</u>
<b>EXPENDITURES</b>					
<b>CURRENT</b>					
Employee Benefits - Unallocated					
Health Benefits	21,495	673	22,168	22,168	-
Total Instruction - Regular Programs	<u>21,495</u>	<u>673</u>	<u>22,168</u>	<u>22,168</u>	<u>-</u>
Total Expenditures	<u>21,495</u>	<u>673</u>	<u>22,168</u>	<u>22,168</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**RIVER VALE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Transfers</u>	<u>Final</u>		<u>Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
Local		\$ 4,330	\$ 4,330	\$ 4,306	\$ (24)
Federal	\$ 286,311	327,453	613,764	460,472	(153,292)
Total Revenues	286,311	331,783	618,094	464,778	(153,316)
<b>EXPENDITURES</b>					
Instruction					
Salaries & Benefits		4,306	4,306	4,306	
Purchased Professional/Educational Services	197,412	10,189	207,601	104,816	102,785
Tuition	62,029	131,300	193,329	145,652	47,677
General Supplies	-	11,541	11,541	8,736	2,805
Total Instruction	259,441	157,336	416,777	263,510	153,267
Support Services					
Purchased Professional/Education Services	11,400	1,555	12,955	12,955	-
General Supplies	15,470	(5,038)	10,432	10,383	49
Total Support Services	26,870	(3,483)	23,387	23,338	49
Facilities Acquisition and Construction Services					
Construction	-	177,930	177,930	177,930	-
Total Facilities Acquisition and Construction	-	177,930	177,930	177,930	-
Total Expenditures	286,311	331,783	618,094	464,778	153,316
Excess Revenues Over Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

**RIVER VALE BOARD OF EDUCATION  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1) \$ 21,343,630	(C-2) \$ 464,778
Difference - Budget to GAAP		
State Aid payment and Extraordinary Aid (2010/2011) recognized for GAAP statements, not recognized for budgetary statements	240,069	
State Aid payments and Extraordinary Aid (2011/2012) recognized for budgetary purposes, not recognized for GAAP statements	<u>(288,646)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures	(B-2) \$ <u>21,295,053</u>	(B-2) \$ <u>464,778</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ <u>20,627,633</u>	(C-2) \$ <u>464,778</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>20,627,633</u>	(B-2) \$ <u>464,778</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, 2012

	Actuarial Grant	IDEIA Part B- Basic	IDEIA Preschool	ARRA Part B- Basic	NCLB Title II	Total
<b>REVENUES</b>						
Intergovernmental						
Local	\$ 4,306					\$ 4,306
Federal	-	\$ 238,501	\$ 13,029	\$ 186,666	\$ 22,276	\$ 460,472
Total Revenues	<u>\$ 4,306</u>	<u>\$ 238,501</u>	<u>\$ 13,029</u>	<u>\$ 186,666</u>	<u>\$ 22,276</u>	<u>\$ 464,778</u>
<b>EXPENDITURES</b>						
Instruction						
Salaries & Benefits	\$ 4,306					\$ 4,306
Purchased Professional & Ed Svcs.		\$ 104,816				\$ 104,816
Tuition		\$ 132,623	\$ 13,029			\$ 145,652
General Supplies				\$ 8,736		\$ 8,736
Total Instruction	<u>\$ 4,306</u>	<u>\$ 237,439</u>	<u>\$ 13,029</u>	<u>\$ 8,736</u>	<u>\$ -</u>	<u>\$ 263,510</u>
Support Services						
Purchased Professional Educational Svcs.					\$ 12,955	\$ 12,955
General Supplies		\$ 1,062			\$ 9,321	\$ 10,383
Total Support Services	<u>\$ -</u>	<u>\$ 1,062</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,276</u>	<u>\$ 23,338</u>
Facilities Acquisition and Construction Services						
Construction				\$ 177,930		\$ 177,930
Total Facilities Acquisition and Construction	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 177,930</u>	<u>\$ -</u>	<u>\$ 177,930</u>
Total Expenditures	<u>\$ 4,306</u>	<u>\$ 238,501</u>	<u>\$ 13,029</u>	<u>\$ 186,666</u>	<u>\$ 22,276</u>	<u>\$ 464,778</u>

**RIVER VALE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
PRESCHOOL PROGRAM AID  
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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, 2012**

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures To Date</u>		<u>Balance June 30, 2012</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Facilities Acquisitions and Construction Services at Holdrum, Woodside and Roberge Schools*	\$ 19,750,000	\$ 19,648,142	\$ 1,517	\$ 100,341
Technology Upgrade ***	277,110	238,754	38,356	-
Roberge Gymnasium Roofing Project **	273,920	9,500	264,420	-
<b>Total</b>	<b>\$ 20,301,030</b>	<b>\$ 19,896,396</b>	<b>\$ 304,293</b>	<b>\$ 100,341</b>
Project Balances				\$ 100,341
Less: Unearned Revenue				(948)
Fund Balance - GAAP				\$ 99,393
Analysis of Unearned Revenue Debt Authorized But Not Issued				948
Analysis of Restricted Fund Balance Restricted Fund Balance				\$ 948
Fund Balance - GAAP				99,393
				\$ 99,393

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

\*\* - Modified Appropriation for transfer from Capital Reserve \$169,920

\*\*\* - Modified Appropriation for Interest Earnings \$110



**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, 2012**

**Revenues and Other Financing Sources**

Local Share - Capital Reserve	\$ 8,060
Interest	<u>66</u>
Total Revenues	<u>8,126</u>

**Expenditures and Other Financing Uses**

Construction Services	265,937
Equipment	38,356
Prior Period Cancellation of SDA Grant Receivable	1,540
Transfer Out to General Fund	<u>6</u>
Total Expenditures	<u>305,839</u>

Excess (Deficiency) of Revenue and Other Financing Sources and (Uses) Over/(Under) Expenditures and Other Financing Uses	(297,713)
Fund Balance, Beginning of Year	<u>398,054</u>
Fund Balance, End of Year - Budgetary Basis	<u>\$ 100,341</u>

**Reconciliation to GAAP**

Less: SDA Drawdown Revenue and Debt Authorized But Not Issued Not Realized on GAAP Basis	<u>948</u>
Fund Balance, End of Year - GAAP Basis	<u>\$ 99,393</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, 2012**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized 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	12,834,000
Transfer from Capital Reserve	800,000		800,000	800,000
	<u>19,749,052</u>	<u>-</u>	<u>19,749,052</u>	<u>19,749,052</u>
<b>Expenditures and Other Financing Uses</b>				
Land and Improvements				
Construction Services	19,648,142	\$ 1,517	19,649,659	19,649,659
Equipment Purchases				
	<u>19,648,142</u>	<u>1,517</u>	<u>19,649,659</u>	<u>19,649,659</u>
Excess (deficiency) or Revenues over (under) Expenditures	<u>\$ 100,910</u>	<u>\$ (1,517)</u>	<u>\$ 99,393</u>	<u>\$ 99,393</u>
<b>Additional project information:</b>				
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  
TECHNOLOGY IMPROVEMENTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Lease Proceeds	\$ 277,000		\$ 277,000	\$ 277,000
Interest Earnings	50	\$ 60	110	110
	<u>277,050</u>	<u>60</u>	<u>277,110</u>	<u>277,110</u>
Total Revenues				
<b>Expenditures and Other Financing Uses</b>				
Equipment Purchases	238,754	38,356	277,110	277,110
	<u>238,754</u>	<u>38,356</u>	<u>277,110</u>	<u>277,110</u>
Total Expenditures				
Excess (deficiency) or Revenues over (under) Expenditures	<u>\$ 38,296</u>	<u>\$ (38,296)</u>	<u>\$ -</u>	<u>\$ -</u>

**Additional project information:**

Project Number	N/A
Grant Date	9/29/09
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	277,000
Additional Authorized Cost	110
Revised Authorized Cost	277,110
Percentage Increase over Original Authorized Cost	0.04%
Percentage completion	100%
Original target completion date	9/18/12
Revised target completion date	9/18/12

**RIVER VALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS  
ROBERGE GYMNASIUM ROOFING PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Adjustments</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>					
State Sources - SDA Grant	\$ 104,000		\$ (1,540)	\$ 102,460	\$ 102,460
Transfer from Capital Reserve	163,400	\$ 8,060		171,460	171,460
	<u>267,400</u>	<u>8,060</u>	<u>(1,540)</u>	<u>273,920</u>	<u>273,920</u>
<b>Expenditures and Other Financing Uses</b>					
Construction Services	9,500	264,420		273,920	273,920
	<u>9,500</u>	<u>264,420</u>	<u>-</u>	<u>273,920</u>	<u>273,920</u>
Excess (deficiency) or Revenues over (under) Expenditures	<u>\$ 257,900</u>	<u>\$ (256,360)</u>	<u>\$ (1,540)</u>	<u>\$ -</u>	<u>\$ -</u>

**Additional project information:**

Project Number                      SDA#4430-060-10-G03

Grant Date	Feb 2011
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	267,400
Additional Authorized Cost	6,520
Revised Authorized Cost	273,920

Percentage Increase over Original	
Authorized Cost	2.44%
Percentage completion	100%
Original target completion date	9/1/11
Revised target completion date	9/1/11

**PROPRIETARY FUNDS**

**EXHIBIT G-1**

**RIVERVALE BOARD OF EDUCATION  
ENTERPRISE FUND  
STATEMENT OF NET ASSETS  
AS OF JUNE 30, 2012**

**NOT APPLICABLE**

**EXHIBIT G-2**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**NOT APPLICABLE**

**EXHIBIT G-3**

**STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**NOT APPLICABLE**

**FIDUCIARY FUNDS**

**RIVER VALE BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING SCHEDULE OF AGENCY NET ASSETS  
AS OF JUNE 30, 2012**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 91,521	\$ 89,517	\$ 181,038
Total Assets	<u>\$ 91,521</u>	<u>\$ 89,517</u>	<u>\$ 181,038</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 5,043	\$ 5,043
Accrued Salaries and Wages		1,705	1,705
Due to State of New Jersey		82,769	82,769
Due to Student Groups	<u>\$ 91,521</u>	<u>-</u>	<u>91,521</u>
Total Liabilities	<u>\$ 91,521</u>	<u>\$ 89,517</u>	<u>\$ 181,038</u>

**FIDUCIARY FUNDS  
COMBINING SCHEDULE OF CHANGES IN NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOT APPLICABLE



**RIVER VALE BOARD OF EDUCATION  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b>Balance, July 1, <u>2011</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2012</u></b>
<b>SCHOOLS</b>				
Roberge Elementary	\$ 13,941	\$ 13,963	\$ 13,587	\$ 14,317
Woodside Elementary	19,260	27,058	30,616	15,702
Holdrum Middle School	<u>80,074</u>	<u>228,159</u>	<u>246,731</u>	<u>61,502</u>
Total All Schools	<u>\$ 113,275</u>	<u>\$ 269,180</u>	<u>\$ 290,934</u>	<u>\$ 91,521</u>

**PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b>Balance, July 1, <u>2011</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2012</u></b>
Payroll Deductions and Withholdings	\$ 3,726	\$ 5,293,578	\$ 5,292,261	\$ 5,043
Accrued Salaries and Wages	1,876	7,757,513	7,757,684	1,705
Due to State of New Jersey	<u>73,255</u>	<u>82,769</u>	<u>73,255</u>	<u>82,769</u>
Total	<u>\$ 78,857</u>	<u>\$ 13,133,860</u>	<u>\$ 13,123,200</u>	<u>\$ 89,517</u>

**LONG-TERM DEBT**

RIVER VALE BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2012</u>
School Improvements	3/15/2001	\$ 12,834,000			4.50 %	\$ 660,000		\$ 660,000	
School District Refunding Bonds - 2009	2/25/2010	7,080,000	9/15/2012	\$ 725,000	2.00				
			9/15/2013	745,000	2.75				
			9/15/2014	765,000	2.75				
			9/15/2015	790,000	4.00				
			9/15/2016	805,000	4.00				
			9/15/2017	470,000	4.00				
			9/15/2017	330,000	3.50				
			9/15/2018	800,000	4.00				
			9/15/2019	355,000	4.50				
			9/15/2019	440,000	3.50				
			9/15/2020	790,000	4.50				
						7,055,000	-	40,000	7,015,000
						<u>\$ 7,715,000</u>	<u>\$ -</u>	<u>\$ 700,000</u>	<u>\$ 7,015,000</u>

RIVER VALE BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

<u>Description</u>	<u>Interest Rate</u>	<u>Amount of Original Obligation</u>	<u>Balance, July 1, 2011</u>	<u>Increased</u>	<u>Retired</u>	<u>Balance, June 30, 2012</u>
Technology Improvement	3.585%	\$ 277,000	\$ 187,550	-	\$ 92,303	\$ 95,247
Total			\$ 187,550	-	\$ 92,303	\$ 95,247

**RIVER VALE BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Property Tax Levy	\$ 964,550	-	\$ 964,550	\$ 964,550	-
Total Revenues	964,550	-	964,550	964,550	-
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	700,000		700,000	700,000	
Interest	264,550	-	264,550	264,550	-
Total Expenditures	964,550	-	964,550	964,550	-
Excess of Revenues Over 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 ASSETS BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
(Unaudited)  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 6,929,604	\$ 9,700,501	\$ 10,100,306	\$ 10,263,055	\$ 10,454,235	\$ 10,920,772	\$ 11,300,821	\$ 11,562,104	\$ 12,298,108	\$ 13,128,780
Restricted	997,194	199,160	268,376	205,507	211,903	219,144	221,823	235,897	224,076	716,927
Unrestricted	694,538	283,950	168,021	337,990	412,966	318,313	161,187	208,646	510,526	770,426
<b>Total Governmental Activities Net Assets</b>	<b>\$ 8,621,336</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>\$ 14,616,133</b>
<b>Business-Type Activities</b>										
Invested in Capital Assets	\$ 1,710	\$ 2,661	\$ 4,412	\$ 4,163	\$ 3,732	\$ 3,301	\$ 2,870	\$ 2,439	\$ 2,049	\$ 1,659
Restricted										
Unrestricted	6,643	2,975	6,485	9,252	29,808	76,094	99,481	101,100	171,329	146,758
<b>Total Business-Type Activities Net Assets</b>	<b>\$ 8,353</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>District-Wide</b>										
Invested in Capital Assets, Net of Related Debt	\$ 6,931,314	\$ 9,703,162	\$ 10,104,718	\$ 10,267,218	\$ 10,457,967	\$ 10,924,073	\$ 11,303,691	\$ 11,564,543	\$ 12,300,157	\$ 13,130,439
Restricted	997,194	199,160	268,376	205,507	211,903	219,144	221,823	235,897	224,076	716,927
Unrestricted	701,181	286,925	174,506	347,242	442,774	394,407	260,668	309,746	681,855	917,184
<b>Total District Net Assets</b>	<b>\$ 8,629,689</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>\$ 14,764,550</b>

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

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 7,387,853	\$ 7,779,019	\$ 8,389,069	\$ 8,662,658	\$ 9,485,795	\$ 9,562,717	\$ 9,244,287	\$ 9,676,884	\$ 9,737,441	\$ 9,833,606
Special Education	1,000,965	1,210,878	1,656,779	1,319,651	1,673,647	1,903,183	1,857,575	2,333,154	2,129,638	2,230,343
Other Instruction	388,870	440,348	406,733	518,550	549,047	571,252	469,976	538,942	543,070	677,912
School Sponsored Activities and Athletics	98,559	173,456	126,116	118,763	128,705	131,806	136,354	137,292	111,249	120,488
<b>Support Services:</b>										
Student & Instruction Related Services	1,237,876	1,344,326	1,511,348	1,631,621	1,766,408	1,914,871	1,861,330	1,867,320	2,178,179	2,329,447
Attendance and Social Work	61,628	60,665	63,456	80,746	87,303	102,585	152,102	168,345	118,281	113,304
Educational Media/School Library	541,379	720,471	252,368	293,549	317,648	327,141	313,761	336,393	227,370	423,129
School Administrative Services	672,033	799,730	761,119	797,799	924,889	943,170	901,583	951,097	925,318	1,133,352
General Administration	527,093	599,473	690,539	673,008	676,129	615,720	762,636	635,394	691,280	742,344
Central Services	1,592,584	1,906,270	656,940	837,282	877,481	892,744	895,645	968,795	1,132,238	1,099,110
Plant Operations and Maintenance	265,409	320,888	1,664,260	1,789,695	1,915,028	2,092,545	2,074,072	2,148,125	2,046,993	1,965,809
Pupil Transportation	400,196	400,183	344,106	360,512	376,815	471,600	506,282	531,200	456,736	443,474
Other Support Services	552,467	550,506	512,035	497,049	463,080	457,397	427,156	363,885	289,404	248,380
Interest on Long-Term Debt										
<b>Total Governmental Activities Expenses</b>	<b>14,726,912</b>	<b>16,306,213</b>	<b>17,034,868</b>	<b>17,580,883</b>	<b>19,241,975</b>	<b>19,986,731</b>	<b>19,602,759</b>	<b>20,656,826</b>	<b>20,587,197</b>	<b>21,360,698</b>
<b>Business-Type Activities:</b>										
Food Service	20,334	21,915	18,132	26,722	19,677	26,967	22,377	35,526	41,891	48,026
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
<b>Total Business-Type Activities Expense</b>	<b>20,334</b>	<b>21,915</b>	<b>19,614</b>	<b>263,131</b>	<b>215,042</b>	<b>238,638</b>	<b>244,425</b>	<b>289,357</b>	<b>658,432</b>	<b>55,688</b>
<b>Total District Expenses</b>	<b>\$ 14,747,246</b>	<b>\$ 16,328,128</b>	<b>\$ 17,054,482</b>	<b>\$ 17,844,014</b>	<b>\$ 19,457,017</b>	<b>\$ 20,225,369</b>	<b>\$ 19,847,184</b>	<b>\$ 20,946,183</b>	<b>\$ 21,245,629</b>	<b>\$ 21,416,386</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services:										
Instruction (tuition)	\$ 189,917	\$ 201,738	\$ 268,073	\$ 268,073	\$ 15,087	\$ 13,435	\$ 12,794	\$ 2,373,202	\$ 17,600	\$ 20,260
Operating Grants and Contributions	1,822,235	1,935,006	2,073,656	2,184,228	2,824,689	2,956,062	1,946,518	1,823,995	1,823,995	2,655,210
Capital Grants and Contributions	3,896,766	1,467,563	-	-	-	-	-	-	-	221,010
<b>Total Governmental Activities Program Revenues</b>	<b>5,908,918</b>	<b>3,604,307</b>	<b>2,343,729</b>	<b>2,184,228</b>	<b>2,839,776</b>	<b>2,969,497</b>	<b>1,959,312</b>	<b>2,373,202</b>	<b>1,841,595</b>	<b>2,896,480</b>



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

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Business-Type Activities:</b>										
<b>Changes for Services</b>										
Food Service	\$ 8,954	\$ 8,638	\$ 8,563	\$ 20,812	\$ 9,258	\$ 19,260	\$ 17,671	\$ 28,932	\$ 25,835	\$ 19,804
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
<b>Operating Grants and Contributions</b>	11,635	10,541	12,921		11,457	14,076	15,663	11,168	11,028	9,594
<b>Total Business Type Activities Program Revenues</b>	20,589	19,179	22,759	265,649	232,588	282,256	266,408	289,347	726,791	30,573
<b>Total District Program Revenues</b>	\$ 5,929,507	\$ 3,623,486	\$ 2,366,488	\$ 2,449,877	\$ 3,072,364	\$ 3,251,753	\$ 2,225,720	\$ 2,662,549	\$ 2,568,386	\$ 2,927,053
<b>Net (Expense)/Revenue</b>										
<b>Governmental Activities</b>	\$ (8,817,994)	\$ (12,701,906)	\$ (14,691,139)	\$ (15,396,655)	\$ (16,402,199)	\$ (17,017,234)	\$ (17,643,447)	\$ (18,283,624)	\$ (18,745,602)	\$ (18,464,218)
<b>Business-Type Activities</b>	255	(2,736)	3,145	2,518	17,546	43,618	21,983	(10)	68,559	(25,115)
<b>Total district-wide net expense</b>	\$ (8,817,739)	\$ (12,704,642)	\$ (14,687,994)	\$ (15,394,137)	\$ (16,384,653)	\$ (16,973,616)	\$ (17,621,464)	\$ (18,283,634)	\$ (18,677,043)	\$ (18,489,333)
<b>General Revenues and Other Changes in Net Assets</b>										
<b>Governmental Activities:</b>										
Property Taxes Levied for General Purposes, net	\$ 13,171,314	\$ 14,104,873	\$ 14,890,207	\$ 15,413,445	\$ 16,414,093	\$ 17,151,984	\$ 17,795,531	\$ 18,524,538	\$ 19,525,073	\$ 19,881,917
Unrestricted Grants and Contributions			93,500	93,702	93,322	114,890	5,672		3,800	
Donation of Capital Assets			9,690							
Consolidated Aid		70,266								
Net Gain(Loss) on Contributed Asset				73,300	131,320	100,886	32,426	18,264	176,827	(1,336)
Investment Earnings									20,188	6,358
Miscellaneous Income	224,242	89,042	50,834	86,057	36,016	28,599	40,130	63,638	45,777	160,702
<b>Total Governmental Activities</b>	13,395,556	14,264,181	15,044,231	15,666,504	16,674,751	17,396,359	17,869,049	18,606,440	19,771,665	20,047,641
<b>Business-Type Activities:</b>										
<b>Investment Earnings</b>	31	19	16		2,579	2,237	973	1,198	1,480	154
<b>Total Business-Type Activities</b>	31	19	16	-	2,579	2,237	973	1,198	1,480	154
<b>Total District-Wide</b>	\$ 13,395,587	\$ 14,264,200	\$ 15,044,247	\$ 15,666,504	\$ 16,677,330	\$ 17,398,596	\$ 17,870,022	\$ 18,607,638	\$ 19,773,145	\$ 20,047,795
<b>Change in Net Assets</b>										
<b>Governmental Activities</b>	\$ 4,577,562	\$ 1,562,275	\$ 353,092	\$ 269,849	\$ 272,552	\$ 379,125	\$ 225,602	\$ 322,816	\$ 1,026,063	\$ 1,583,423
<b>Business-Type Activities</b>	286	(2,717)	3,161	2,518	20,125	45,855	22,956	1,188	69,839	(24,961)
<b>Total District</b>	\$ 4,577,848	\$ 1,559,558	\$ 356,253	\$ 272,367	\$ 292,677	\$ 424,980	\$ 248,558	\$ 324,004	\$ 1,095,902	\$ 1,558,462

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

(Unaudited)  
 (modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	\$ 1,517,079	\$ 693,929	\$ 702,037	\$ 864,009	\$ 879,700	\$ 783,312	\$ 812,576	\$ 923,012		
Unreserved	687,187	386,058	360,892	236,968	296,609	315,266	143,275	134,847		
Restricted									\$ 736,062	\$ 1,253,603
Committed									39,020	203,890
Assigned									164,666	168,056
Unassigned									377,532	351,097
<b>Total General Fund</b>	<b>\$ 2,204,266</b>	<b>\$ 1,079,987</b>	<b>\$ 1,062,929</b>	<b>\$ 1,100,977</b>	<b>\$ 1,176,309</b>	<b>\$ 1,098,578</b>	<b>\$ 955,851</b>	<b>\$ 1,057,859</b>	<b>\$ 1,317,280</b>	<b>\$ 1,976,646</b>
All Other Governmental Funds										
Reserved	\$ 5,166,761	\$ 814,388	\$ 612,252	\$ 608,693	\$ 251,843	\$ 246,158	\$ 8,000	\$ 32,528		
Unreserved	(1,441,208)	167,892	16,245	192,774	103,738	38,788	21,715	212,136		
Restricted									174,556	99,393
<b>Total All Other Governmental Funds</b>	<b>\$ 3,725,553</b>	<b>\$ 982,280</b>	<b>\$ 628,497</b>	<b>\$ 801,467</b>	<b>\$ 355,581</b>	<b>\$ 284,946</b>	<b>\$ 29,715</b>	<b>\$ 244,664</b>	<b>\$ 174,556</b>	<b>\$ 99,393</b>

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,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Tax Levy	\$ 13,171,314	\$ 14,104,873	\$ 14,890,207	\$ 15,413,445	\$ 16,414,093	\$ 17,151,984	\$ 17,795,531	\$ 18,524,538	\$ 19,525,073	\$ 19,881,917
Tuition Charges		201,738	268,073		15,087	13,435	12,794		17,600	20,260
Interest Earnings				73,300	131,320	100,886	32,426	18,264	20,188	6,358
Miscellaneous	414,159	89,042	52,084	86,361	37,169	29,946	40,930	69,261	50,083	165,008
State Sources	5,523,816	3,229,063	1,901,074	2,066,927	2,656,768	2,719,628	1,683,813	1,988,656	1,614,682	2,389,274
Federal Sources	195,185	243,772	266,832	210,699	260,088	349,977	267,577	378,923	208,807	482,640
<b>Total revenues</b>	<b>19,304,474</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>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	7,264,910	7,568,911	8,222,473	8,373,221	9,176,613	9,239,618	8,918,756	9,349,456	9,501,344	9,632,797
Special Education Instruction	988,194	1,197,063	1,637,877	1,293,263	1,645,822	1,878,856	1,826,679	2,297,602	2,093,252	2,196,405
Other Instruction	381,726	431,782	398,717	500,910	532,102	545,309	453,279	521,366	535,452	650,355
School Sponsored Activities and Athletics	96,364	170,987	123,399	118,763	128,705	131,806	136,354	137,292	111,249	120,488
<b>Support Services:</b>										
Student & Inst. Related Services	1,216,983	1,322,974	1,486,744	1,595,227	1,711,437	1,847,569	1,822,801	1,821,328	2,135,150	2,267,078
Attendance and Social Work	60,331	59,335	61,958	77,964	84,464	98,831	146,193	156,757	107,755	109,653
Educational Media/School Library	532,563	711,230	246,959	284,211	307,818	316,369	303,359	326,303	234,664	410,009
General Administration	521,929	596,088	684,585	662,132	664,416	604,394	751,340	593,714	658,334	713,172
School Administrative Services	663,018	768,615	746,104	770,855	894,225	942,283	874,501	919,633	895,576	1,094,797
Central Services			656,940	815,134	853,956	866,266	867,274	947,671	1,121,085	1,066,219
Plant Operations and Maintenance	1,572,701	1,883,928	1,642,485	1,751,119	1,873,210	2,045,237	2,034,298	2,109,046	2,020,305	1,922,929
Pupil Transportation	265,409	320,888	332,221	360,512	376,815	471,600	506,282	531,200	456,736	443,474
Other Support Services	392,603	392,312								
Capital Outlay	12,373,633	5,111,321	419,742	519,651	529,153	203,956	363,501	164,005	239,102	671,042
<b>Debt Service:</b>										
Principal	530,281	653,070	568,888	596,630	641,987	848,073	787,869	670,127	817,134	792,303
Interest and Other Charges	558,111	547,536	520,019	500,122	464,356	474,055	438,563	394,185	319,982	270,533
Cost of Issuance								107,344		
Advance Refunding Escrow								409,817		
<b>Total Expenditures</b>	<b>27,418,756</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>

**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,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Excess (Deficiency) of Revenues over (under) Expenditures	\$ (8,114,282)	\$ (3,867,552)	\$ (370,841)	\$ (368,982)	\$ (370,554)	\$ (148,366)	\$ (397,958)	\$ (477,204)	\$ 189,313	\$ 584,203
<b>Other Financing Sources (uses)</b>										
Proceeds from Borrowing	500,000			580,000				277,000		
Capital Leases (non-budgeted)								7,080,000		
Refunding Bond Proceeds								491,161		
Premium on Notes/Bonds								(7,054,000)		
Bonds Refunded								885		
Transfers In	149,807	823,837	12,510	122,239	20,298	12,724	3,564		212,762	8,066
Transfers Out	(149,807)	(823,837)	(12,510)	(122,239)	(20,298)	(12,724)	(3,564)	(885)	(212,762)	(8,066)
Total Other Financing Sources (uses)	500,000	-	-	580,000	-	-	-	794,161	-	-
Net Change in Fund Balances	\$ (7,614,282)	\$ (3,867,552)	\$ (370,841)	\$ 211,018	\$ (370,554)	\$ (148,366)	\$ (397,958)	\$ 316,957	\$ 189,313	\$ 584,203
Debt Service as a Percentage of Noncapital Expenditures	7.23%	7.22%	6.28%	6.20%	5.72%	6.51%	6.17%	7.43%	5.41%	4.90%

\* Noncapital expenditures are total expenditures less capital outlay.

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

<u>Ended June 30</u>	<u>Tuition</u>	<u>Interest on Investments</u>	<u>State Health Benefit Rebate</u>	<u>Administration Fee</u>	<u>E-Rate Rebate</u>	<u>Insurance Refund</u>	<u>Rentals</u>	<u>Miscellaneous</u>	<u>Total</u>
2003	\$ 189,917	\$ 36,805	\$ 21,893			\$ 36,428		\$ 7,002	\$ 292,045
2004	201,738	15,191				27,096		20,915	264,940
2005	268,073	27,964						10,360	306,397
2006		73,300						52,792	126,092
2007	15,087	101,171						36,016	152,274
2008	13,435	85,840			\$ 20,698			7,901	127,874
2009	12,794	28,739			13,608	8,337		18,185	81,663
2010		17,343			15,911	399		47,328	80,981
2011	17,600	19,002		\$ 15,057	783	6,352		23,585	82,379
2012	20,260	6,292			26,105	21,163	\$ 102,900	10,534	187,254

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>
2003	\$ 19,123,550	\$ 906,708,067	\$ 714,000	\$ 49,760,350	-	\$ 4,834,400	\$ 981,140,367	-	\$ 981,140,367	\$ 1,535,124,183	\$ 2.070
2004	17,591,750	918,378,267	714,000	48,799,150	-	4,834,400	990,317,567	-	990,317,567	1,720,035,503	2.240
2005	17,591,750	918,378,267	714,000	48,799,150	-	4,834,400	990,317,567	-	990,317,567	1,933,744,455	2.364
2006	16,638,050	930,721,467	714,000	49,179,450	-	4,834,400	1,002,087,367	-	1,002,087,367	2,142,448,500	2.493
2007	14,660,850	937,134,067	714,000	44,232,950	-	5,219,700	1,001,961,567	-	1,001,961,567	2,144,817,497	2.680
2008	27,018,600	1,938,207,600	1,791,500	103,944,500	-	13,034,700	2,103,996,900	-	2,103,996,900	2,357,792,210	1.295
2009	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	-	76,900,800	-	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

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 Year</u>	<u>Total</u>	<u>Local School District</u>	<u>Regional School District</u>	<u>Municipality (2)</u>	<u>County (1)</u>
2003	\$2.92	\$ 1.400	\$ 0.670	\$ 0.550	\$ 0.300
2004	3.16	1.470	0.770	0.600	0.320
2005	3.36	1.517	0.847	0.646	0.350
2006	3.55	1.589	0.904	0.705	0.520
2007	3.85	1.680	1.000	0.800	0.380
2008	1.891	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

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	2012		2007	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Edgewood Country Club, Inc.	\$ 25,235,400	1.21%		
United Water Co of NJ	9,391,400	0.45%		
River Vale Dev LLC % Garden Homes	9,620,000	0.46%	\$ 11,432,400	1.15%
Edgewood Country Club, Inc.			9,794,900	0.98%
Gal-Ben Associates	7,672,000	0.37%		
Village on the Green	7,266,400	0.35%		
Florentine, Inc.	5,187,100	0.25%		
United Water Co of NJ		0.00%	4,934,750	0.49%
Lindvale Gardens	4,875,400	0.23%		
688 Westwood Ave LLC c/o V Luppino	5,548,200	0.27%		
United Waters			3,331,000	0.33%
MWD River Vale One LLC	3,222,800	0.15%		
Gal-Ben Associates			3,125,100	0.31%
River Vale Dev LLC % Garden Homes			3,040,000	0.30%
Village on the Green			2,627,500	0.26%
Rudd-O'Connor LLC NJ	2,514,600	0.12%		
Lindvale Gardens			2,478,000	0.25%
Florentine, Inc.			2,326,500	0.23%
River Vale Developers III, LLC			2,240,200	0.22%
	<u>\$ 80,533,300</u>	<u>3.87%</u>	<u>\$ 45,330,350</u>	<u>4.52%</u>

Source: Municipal Tax Assessor



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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	\$ 13,171,314	\$ 13,171,314	100.00%	-
2004	14,104,873	14,104,873	100.00%	-
2005	14,890,207	14,890,207	100.00%	-
2006	15,413,445	15,413,445	100.00%	-
2007	15,429,737	15,429,737	100.00%	-
2008	17,151,984	17,151,984	100.00%	-
2009	17,795,531	17,795,531	100.00%	-
2010	18,524,538	18,524,538	100.00%	
2011	19,525,073	19,525,073	100.00%	
2012	19,881,917	19,881,917	100.00%	

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

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases	Capital Leases				
2005	\$ 11,074,000	\$ 307,370	N/A	\$ 11,381,370	9,619	\$ 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	9,723 *	731	

Source: District records

Note: \* Estimate

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
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%	721

Source: District records

**RIVER VALE BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2011  
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Local and Regional School Borough of River Vale	\$ 14,450,000 <u>6,297,074</u>	\$ 14,450,000 <u>-</u>	\$ 6,297,074
	<u>\$ 20,747,074</u>	<u>\$ 14,450,000</u>	<u>6,297,074</u>
Overlapping Debt Apportioned to the Municipality:			
Bergen County:			
County of Bergen			8,365,066
Bergen Utilities Authority - Water Pollution (B)			<u>3,116,473</u>
			<u>11,481,539</u>
Total Direct and Overlapping Debt			<u>\$ 17,778,613</u>

Source:

(1)Township of River Vale's 2011 Annual Debt Statement

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 37,287,633	\$ 41,368,590	\$ 46,283,399	\$ 48,682,888	\$ 48,682,888	\$ 63,127,446	\$ 66,064,488	\$ 66,755,947	\$ 64,922,645	\$ 63,067,746
Total net debt applicable to limit	12,941,834	13,134,862	11,350,125	10,579,000	10,059,000	9,514,000	8,944,000	8,370,000	7,715,948	7,015,948
Legal debt margin	\$ 24,345,799	\$ 28,233,728	\$ 34,933,274	\$ 38,103,888	\$ 38,623,888	\$ 53,613,446	\$ 57,120,488	\$ 58,385,947	\$ 57,206,697	\$ 56,051,798
Total net debt applicable to the limit as a percentage of debt limit	34.71%	31.75%	24.52%	21.73%	20.66%	15.07%	13.54%	12.54%	11.88%	11.12%

Legal Debt Margin Calculation for Fiscal Year 2011

Equalized valuation basis	
2011	\$ 2,040,726,221
2010	2,100,210,107
2009	2,165,838,241
	<u>\$ 6,306,774,569</u>
Average equalized valuation of taxable property	\$ 2,102,258,190
Debt limit (3 % of average equalization value)	63,067,746
Total Net Debt Applicable to Limit	<u>7,015,948</u>
Legal debt margin	<u>\$ 56,051,798</u>

Source: Annual Debt Statements

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

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2002	9,692	\$ 51,913	4.2%
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	65,486 *	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)

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Instruction										
Regular	83	88	90	92	92	96	97	97	97	97
Special education	15	15	15	15	15	15	15	15	15	15
Support Services:										
Student & instruction related services	18	19	16	17	17	18	14	14	14	14
General administration	2	2	2	2	2	2	2	2	2	2
School administrative services	7	7	7	6	6	6	6	6	6	6
Administrative Information Technology			1	2	2	2	2	2	2	2
Plant operations and maintenance	15	16	16	16	16	16	16	16	16	16
Other support services	5	5	5	5	5	5	5	5	5	5
<b>Total</b>	<b>144</b>	<b>152</b>	<b>151</b>	<b>155</b>	<b>155</b>	<b>160</b>	<b>157</b>	<b>157</b>	<b>157</b>	<b>157</b>

Source: District Personnel Records



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

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff	Teacher/Pupil Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2003	1,305.5	\$ 13,956,731	\$ 10,691	3.74%	119	15.0	11.1	1,305.5	1,250.0	4.47%	95.75%
2004	1,402.2	15,424,113	11,000	2.89%	121	15.0	11.1	1,402.2	1,277.2	7.41%	91.09%
2005	1,342.8	16,240,462	12,094	9.95%	129	14.2	10.9	1,342.8	1,290.9	-4.24%	96.13%
2006	1,346.0	16,603,311	12,335	1.99%	126	14.2	10.9	1,346.0	1,346.0	0.24%	100.00%
2007	1,362.0	18,249,583	13,399	8.62%	126	14.2	10.9	1,316.4	1,271.8	-2.20%	96.61%
2008	1,383.0	18,988,138	13,730	2.47%	120	14.1	10	1,390.5	1,337.5	5.63%	96.19%
2009	1,405.0	18,641,096	13,268	-3.36%	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%

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)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>District Building</b>										
<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, 2012  
 Elementary = 2  
 Middle School = 1  
 Senior High School = None  
 Other = None

Source: District Records

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
School Facilities										
Roberge Elementary School	\$ 47,950	\$ 59,414	\$ 49,159	\$ 99,796	\$ 74,527	\$ 77,324	\$ 63,965	\$ 79,589	\$ 138,622	\$ 77,219
Woodside Elementary School	40,898	68,802	60,191	66,154	93,211	85,892	73,755	123,032	53,884	66,414
Holdrum Middle School	52,181	52,827	58,888	81,116	71,417	72,412	64,675	108,700	91,209	83,135
Grand Total	<u>\$ 141,029</u>	<u>\$ 181,043</u>	<u>\$ 168,238</u>	<u>\$ 247,066</u>	<u>\$ 239,155</u>	<u>\$ 235,628</u>	<u>\$ 202,395</u>	<u>\$ 311,321</u>	<u>\$ 283,715</u>	<u>\$ 226,768</u>

Source: District Records

**RIVER VALE BOARD OF EDUCATION  
SCHEDULE OF INSURANCE  
JUNE 30, 2012  
(Unaudited)**

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

Source: District's records

**SINGLE AUDIT SECTION**

# LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-1

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208  
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DEBRA GOLLE, CPA  
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RALPH M. PICONE, CPA, RMA, PSA  
EDWARD N. KERE, CPA

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the River Vale Board of Education as of and for the fiscal year ended June 30, 2012, which collectively comprise the River Vale Board of Education's basic financial statements and have issued our report thereon dated December 17, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the River Vale Board of Education's financial statements will not be prevented, or detected and corrected on a timely basis.

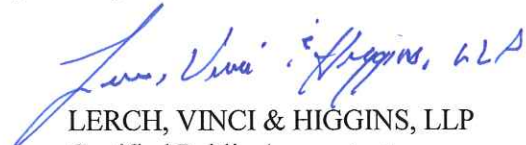
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses.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

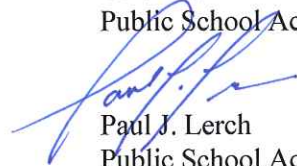
**Compliance and Other Matters**

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

We noted certain matters that we have reported to management of the River Vale Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 17, 2012.

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

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

  
Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
December 17, 2012

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

**Independent Auditor's Report**

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

**Compliance**

We have audited the River Vale Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 04-04 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of River Vale Board of Education's major state programs for the fiscal year ended June 30, 2012. River Vale Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the River Vale Board of Education's management. Our responsibility is to express an opinion on River Vale Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about River Vale Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on River Vale Board of Education's compliance with those requirements.



In our opinion, River Vale Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2012.

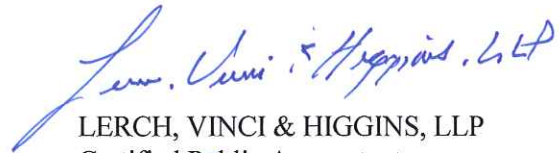
### Internal Control Over Compliance

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

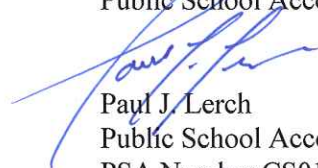
A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a state program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

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

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



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



Paul J. Lerch  
 Public School Accountant  
 PSA Number CS01118

Fair Lawn, New Jersey  
 December 17, 2012

**RIVER VALE BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance July 1, 2011	Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Year's Balances	Adjustments	Balance, June 30, 2012		Memo GAAP Receivable
										(Account Receivable)	Deferred Revenue	
U.S. Department of Education Passed-through State Department of Education												
Special Milk Program	10.556	7/1/11-6/30/12	\$ 9,594	-	-	\$ 8,972	\$ 9,594	-	-	\$ (622)	-	\$ 622
Total U.S. Department of Agriculture												
U.S. Department of Education General Fund Education Job Funds	84.410A	07/1/11-6/30/12	22,168	-	-	22,168	22,168	-	-	-	-	-
Total General Fund												
U.S. Department of Education Passed-through State Department of Education												
I.D.E.I.A. Part B, Basic	84.027A	9/1/11-8/31/12	256,064	\$ (15,234)	\$ (15,234)	111,330	238,501	-	-	(292,072)	\$ 149,667	\$ 142,405
I.D.E.I.A. Part B, Basic	84.027A	9/1/10-8/31/11	253,708	15,234	15,234	-	-	-	-	-	-	-
I.D.E.I.A. Part B, Preschool	84.173A	9/1/11-8/31/12	13,873	-	-	13,029	13,029	-	-	(844)	844	-
ARRA Basic	84.391	9/1/09-8/31/11	278,736	(72,681)	-	259,347	186,666	-	-	(910)	910	-
NCLB Title II	84.367A	9/1/10-8/31/11	22,276	-	-	5,500	22,276	-	-	(16,776)	-	16,776
NCLB Title II	84.367A	9/1/10-8/31/11	23,870	(14,172)	-	14,172	-	-	-	-	-	-
Total U.S. Department of Education				(102,087)	-	403,378	460,472	-	-	(310,602)	151,421	159,181
Total				\$ (102,087)	\$ -	\$ 434,518	\$ 492,234	\$ -	\$ -	\$ (311,224)	\$ 151,421	\$ 159,803

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, 2012

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2011		Cash Received	Budgetary Expenditures	Refund of Prior Year's Balances	Adjustment	Balance, June 30, 2012		Cumulative Total Expenditures
				(Accounts Receivable)	Deferred Revenue					(Accounts Receivable)	Deferred Revenue	
<b>State Department of Education</b>												
<b>General Fund</b>												
Special Education Aid	12-495-034-5120-089	7/1/11-6/30/12	\$ 372,201			\$ 338,296	\$ 372,201			\$ (35,905)		\$ 372,201
Extraordinary Aid	12-100-034-5120-473	7/1/11-6/30/12	254,741				254,741			(254,741)		254,741
Extraordinary Aid	11-100-034-5120-473	7/1/10-6/30/11	240,069	\$ (240,069)		240,069				(4,002)		4,002
Nonpublic School Transportation Aid	N/A	7/1/11-6/30/12	4,002				4,002					
Nonpublic School Transportation Aid	N/A	7/1/10-6/30/11	6,264	(6,264)		6,264						
Anti Bullying Bill of Rights Act	N/A	7/1/11-6/30/12	205			205						205
On-Behalf TPAF Social Security Aid	12-495-034-5095-002	7/1/11-6/30/12	700,004			665,109	700,004			(34,895)		700,004
On-Behalf TPAF Social Security Aid	11-495-034-5095-002	7/1/10-6/30/11	717,419	(35,794)		35,794						
TPAF Pension Benefit Contributions	12-495-034-5095-006	7/1/11-6/30/12	265,709			265,709	265,709					265,709
TPAF Pension - NCGI Premium	12-100-034-5095-007	7/1/11-6/30/12	28,514			28,514	28,514					28,514
TPAF Pension-Post Retirement Medical	12-100-034-5095-001	7/1/11-6/30/12	591,465			591,465	591,465					591,465
<b>Total General Fund</b>				(282,127)		2,171,425	2,216,841			(327,543)		2,216,841
<b>Capital Project Fund</b>												
<b>Educational Facilities Construction and Financing Act of 2000</b>												
	4430-060-01-0393/0394/0395-00	N/A	6,115,032	(275,000)	\$ 122,350		122,350			(275,000)		122,350
<b>School Facility Grant Financing Act of 2000</b>												
	4430-060-10-1001	N/A	104,000	(104,000)	100,200	102,460	100,200		\$ 1,540			100,200
<b>State Financial Assistance Not Subject to Single Audit Determination</b>				(379,092)	222,550	102,460	222,550		1,540	(275,000)		222,550
<b>General Fund</b>												
TPAF Pension Benefit Contributions	12-495-034-5095-006	7/1/11-6/30/12	265,709			(265,709)	(265,709)					(265,709)
TPAF Pension - NCGI Premium	12-100-034-5095-007	7/1/11-6/30/12	28,514			(28,514)	(28,514)					(28,514)
TPAF Pension-Post Retirement Medical	12-100-034-5095-001	7/1/11-6/30/12	591,465			(591,465)	(591,465)					(591,465)
<b>Total State Financial Assistance Subject to Single Audit</b>				(661,127)	222,550	1,388,197	1,553,703		1,540	(602,543)		1,553,703

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, 2012**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) to the Board's basic financial statements. 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 a decrease of \$48,577 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	\$ 22,168	\$ 2,168,264	\$ 2,190,432
Special Revenue Fund	460,472		460,472
Capital Projects Fund		221,010	221,010
Food Service Fund	<u>9,594</u>	<u>-</u>	<u>9,594</u>
Total Financial Assistance	<u>\$ 492,234</u>	<u>\$ 2,389,274</u>	<u>\$ 2,881,508</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, 2012**

**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 \$700,004 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, 2012. The amount reported as TPAF Pension System Contributions in the amount of \$265,709 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$591,465 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2012.

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

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions payments 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 (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

*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: Unqualified

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>
12-495-034-5095-002	TPAF Social Security Aid
12-495-034-5120-089	Special Education 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, 2012**

*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, 2012**

*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, 2012**

*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, 2012**

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.