

**RIVER VALE BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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, 2019**

**Prepared by  
Business Office**

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## **INTRODUCTORY SECTION**







# RIVER VALE PUBLIC SCHOOLS

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November 13, 2019

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, 2019 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. Uniform Guidance, and the state Treasury Circular Letter 15-08 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.

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

The district provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular education, as well as special education for handicapped youngsters. The district completed the 2018/2019 fiscal year with an enrollment of 1,120 students, which is a decrease of 27 students from the previous year's enrollment.

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>
2018-2019	1,120	-2.41%
2017-2018	1,147	-1.39%
2016-2017	1,163	-1.44%
2015-2016	1,180	-3.59%
2014-2015	1,224	-4.7%
2013-2014	1,285	-.01%
2012-2013	1,293	-2.2%
2011-2012	1,322	-5.5%
2010-2011	1,399	1.57%
2009-2010	1,375	-2.15%
2008-2009	1,405	1.6%

**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 Fairways at Edgewood LLC, is proposing to remove an existing maintenance building and 9 holes of the existing golf course and construct 225 market rate units (193 townhomes and 32 quadplex units) and 24 affordable rental units in a three-story building. All of the total 193 townhouse units are proposed with three bedrooms. Of the 32 quadplex units, 16 are two bedroom and 15 are three bedroom. Of the 24 affordable units, 4 are one bedroom, 15 are two bedroom and 5 are three bedroom. The School District's most recent demographic study was presented in December 2015 by Whitehall Associates, Inc.

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

The district continues to attract excellent teachers. More than half of the teachers are tenured. More than half are on the MA+ level. Enrollment for the 2018/2019 school year was 1,120 students including out-of-district special education placements. Enrollment for 2019/2020 is expected to continue to decline slightly. Homerooms average twenty (20) students and reading/math groups have a lower faculty/student ratio.

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

## GENERAL EDUCATIONAL GOALS (Continued)

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.

A continuing goal of the district is to “*Focus on meaningful innovation as the key to addressing 21st Century Skills needed for success in a changing world.*” This includes:

**Commitment to Digital Citizenship and Increased Student Access to Technology:** With much appreciated support from the River Vale Educational Fund and the River Vale PTA, the district is excited to continue their ongoing technology initiatives! Increased access to the right grade-level technology amplifies learning, increases engagement, and enables our classrooms to be more technology-driven, real-work oriented, and reflective of the evolving world our students live in.

Beginning in the 2014/2015 school year, the River Vale School District underwent a significant transformation in terms of increasing student access to technology as a dynamic instructional tool by making the decision to purchase the learning management system, *Canvas*, which was also being used at our sending regional high school, Pascack Valley. *Canvas* is an important tool that transformed the way students and teachers communicate and accomplish learning goals.

In the 2015/2016 school year, all 8th graders were provided a district-owned laptop that they could take home, giving teachers the opportunity to continue transforming and modernizing instructional practices, and students the opportunity to engage more fully in critical thinking, collaboration, accessing information, and creating new products. In the 2015/2016 school year, all 6th and 7th graders received laptops that stay at school for an *in-school* 1:1 initiative, all students in grades 3-5 received their own Chromebook for an *in-class* 1:1 initiative, and students in grades K-2 were given increased access to Chromebooks and tablets.

The River Vale School District considers itself to be a leader in supporting K-8 students with applicable and age-appropriate technology. As of the 2017/2018 school year, all students in grades 6-8 have a Chromebook or laptop they get to take home for the school year, all students in grades 2-5 have an in-school Chromebook initiative, which means they get their own device, but it stays in school, and all students in grades K-1 have their own device that stays in schools which equates to the District having a 1:1 initiative grades K-8.

**Educate 2B Mindfulness Program:** Thanks to a generous donation from the River Vale Educational Fund, the district's *Educate 2B Mindfulness Program* provided over 40 staff members an innovative and important way to help address mental health for all students in the district.

**Being a "Leading" School District:** In addition to being a member of the New Jersey Department of Education's *InnovateNJ* program, a state-wide program aimed at supporting innovation by fostering sharing and collaboration between districts, the River Vale School District is also a member of *EdLeader21*, a national consortium focused on integrating vital 21st century skills into the classroom. This is an important time in public education, and our district needs to be a leader in terms of what a great education should look like for all children in New Jersey.

## **Being a "Leading" School District** (Continued)

In River Vale, we are committed to providing students a rich and balanced education that focuses on the important 21<sup>st</sup> century skills needed for success in an increasingly complex, global world. This is an exciting time in education for our district, and together we will remain "Committed to Excellence" to our students!

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

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.

## **BUDGETARY CONTROLS** (Continued)

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 assignments of fund balance at June 30, 2019.

**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:** As of June 30, 2019, the River Vale School District had \$1,585,000 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, cyber liability, 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 U.S. Uniform Guidance and State Treasury Circular Letter 15-08 OMB. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's reports relate specifically to the single audit are included in the single audit section of this report.

## **ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the River Vale 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.

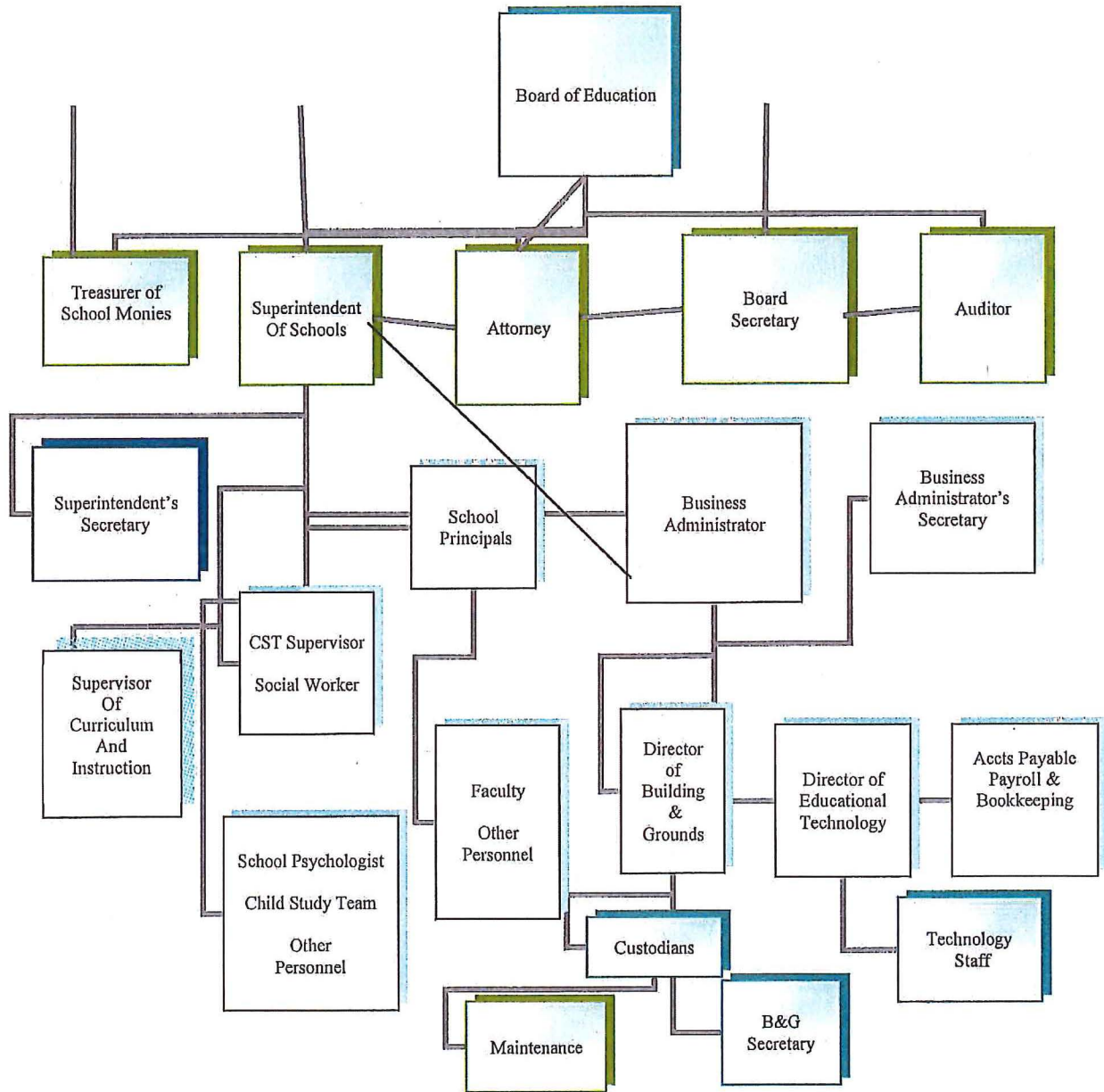
Respectfully submitted,



Kelly Ippolito  
School 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, 2019

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Lorraine Waldes, President	2021
Steven Rosini, Vice President	2020
Patrice Pintarelli	2020
John Puccio	2021
Deborah Rothenberg	2019
Jason Schlereth	2019
Virginia Senande	2019

**Other Officials**

Rory McCourt, 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, 2019**

**Architect**

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

**Audit Firm**

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

**Attorney**

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

**Official Depository**

Capital One Bank  
553 Broadway Ave.  
Westwood, NJ 07675

**Risk Manager**

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



**FINANCIAL SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
SHERYL M. LEIDIG, CPA, PSA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA

## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the River Vale Board of Education, as of and for the fiscal year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

## *Opinions*

In our opinion, the financial statements referred to above 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the River Vale Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the River Vale Board of Education.

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

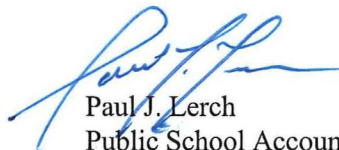
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with Government Auditing Standards, we have also issued our report dated November 13, 2019 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 effectiveness of the River Vale Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the River Vale Board of Education's internal control over financial reporting and compliance.



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



Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
November 13, 2019

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

## **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, 2019**

This discussion and analysis of the River Vale Board of Education's financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2019. 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 2019 are as follows:

- District-Wide - Overall revenues were \$30,074,560. General revenues accounted for \$22,923,305 or 76 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$7,151,255 or 24 percent of total revenues of \$30,074,560.
- District-Wide - The School District had \$28,545,197 in expenses; only \$7,151,255 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$22,923,305 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 \$7,434,421 a decrease of \$82,117 in comparison with the prior year.
- Fund Financials - At the end of June 30, 2019, unassigned fund balance (budgetary basis) for the General Fund was \$662,780 an increase of \$23,452 from the balance of \$639,328 from June 30, 2018.

## **RIVER VALE BOARD OF EDUCATION**

### **Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2019**

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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



# RIVER VALE BOARD OF EDUCATION

## Management’s Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2019

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

### District-wide Statements

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

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

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

## RIVER VALE BOARD OF EDUCATION

### Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2019

#### 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) For the Fiscal Year Ended June 30, 2019

#### Fund Financial Statements (Continued)

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

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

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

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

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

Table A-1 provides a summary of the school district's net position for fiscal years 2019 and 2018. Net position for 2019 and 2018 were \$17,917,400 and \$16,388,037, respectively.

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

**RIVER VALE BOARD OF EDUCATION**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2019**

**DISTRICT-WIDE FINANCIAL ANALYSIS OF THE RIVER VALE BOARD OF EDUCATION AS A WHOLE (Continued)**

Table A-1  
Statement of Net Position  
As of June 30, 2019 and 2018

	Governmental Activities		Business-Type Activities		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Assets</b>						
Current and Other Assets	\$ 7,985,415	\$ 7,865,426	\$ 10,614	\$ 9,380	\$ 7,996,029	\$ 7,874,806
Capital Assets	<u>19,408,356</u>	<u>18,795,812</u>	<u>-</u>	<u>-</u>	<u>19,408,356</u>	<u>18,795,812</u>
<b>Total Assets</b>	<u>27,393,771</u>	<u>26,661,238</u>	<u>10,614</u>	<u>9,380</u>	<u>27,404,385</u>	<u>26,670,618</u>
<b>Total Deferred Outflows of Resources</b>	<u>977,782</u>	<u>1,523,329</u>	<u>-</u>	<u>-</u>	<u>977,782</u>	<u>1,523,329</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>28,371,553</u>	<u>28,184,567</u>	<u>10,614</u>	<u>9,380</u>	<u>28,382,167</u>	<u>28,193,947</u>
<b>Liabilities</b>						
Other Liabilities	1,529,267	380,657	3,514	4,342	1,532,781	384,999
Long-Term Liabilities	<u>6,887,575</u>	<u>9,955,587</u>	<u>-</u>	<u>-</u>	<u>6,887,575</u>	<u>9,955,587</u>
<b>Total Liabilities</b>	<u>8,416,842</u>	<u>10,336,244</u>	<u>3,514</u>	<u>4,342</u>	<u>8,420,356</u>	<u>10,340,586</u>
<b>Total Deferred Inflows of Resources</b>	<u>2,044,411</u>	<u>1,465,324</u>	<u>-</u>	<u>-</u>	<u>2,044,411</u>	<u>1,465,324</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>10,461,253</u>	<u>11,801,568</u>	<u>3,514</u>	<u>4,342</u>	<u>10,464,767</u>	<u>11,805,910</u>
<b>Net Position:</b>						
Net Invested in Capital Assets	17,400,881	16,285,030			17,400,881	16,285,030
Restricted	5,292,572	5,162,107			5,292,572	5,162,107
Unrestricted	<u>(4,783,153)</u>	<u>(5,064,138)</u>	<u>7,100</u>	<u>5,038</u>	<u>(4,776,053)</u>	<u>(5,059,100)</u>
<b>Total Net Position</b>	<u>\$ 17,910,300</u>	<u>\$ 16,382,999</u>	<u>\$ 7,100</u>	<u>\$ 5,038</u>	<u>\$ 17,917,400</u>	<u>\$ 16,388,037</u>

# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2019

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

**Governmental activities.** Governmental activities increased the District's net position by \$1,527,301. Key elements of this increase are as follows:

**Table A-2  
Changes in Net Position  
For the Fiscal Years Ended June 30, 2019 and 2018**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 25,617	\$ 34,867	\$ 13,120	\$ 14,256	\$ 38,737	\$ 49,123
Operating Grants and Contributions	6,956,169	8,471,792	6,349	6,938	6,962,518	8,478,730
Capital Grants and Contributions	150,000	2,975			150,000	2,975
General Revenues						
Property Taxes	22,655,917	22,280,759			22,655,917	22,280,759
Other	267,264	440,827	124	39	267,388	440,866
<b>Total Revenues</b>	<u>30,054,967</u>	<u>31,231,220</u>	<u>19,593</u>	<u>21,233</u>	<u>30,074,560</u>	<u>31,252,453</u>
<b>Expenses</b>						
Instruction						
Regular	13,879,320	14,844,590			13,879,320	14,844,590
Special Education	3,289,415	3,197,258			3,289,415	3,197,258
Other Instruction	831,455	778,351			831,455	778,351
School Sponsored Activities and Ath.	192,072	197,371			192,072	197,371
Support Services						
Student and Instruction Related Serv.	3,613,041	3,755,883			3,613,041	3,755,883
Attendance and Social Work	89,686	115,397			89,686	115,397
Educational Media/School Library	372,292	404,105			372,292	404,105
General Administrative Services	685,570	683,631			685,570	683,631
School Administrative Services	1,292,720	1,389,406			1,292,720	1,389,406
Plant Operations and Maintenance	2,537,756	2,176,186			2,537,756	2,176,186
Pupil Transportation	398,892	384,269			398,892	384,269
Central Services	1,265,156	1,283,092			1,265,156	1,283,092
Food Services			16,579	19,648	16,579	19,648
Non Major			952	1,107	952	1,107
Interest on Long-Term Debt	80,291	106,258	-	-	80,291	106,258
<b>Total Expenses</b>	<u>28,527,666</u>	<u>29,315,797</u>	<u>17,531</u>	<u>20,755</u>	<u>28,545,197</u>	<u>29,336,552</u>
<b>Change in Net Position</b>	1,527,301	1,915,423	2,062	478	1,529,363	1,915,901
<b>Net Position, Beginning of Year</b>	<u>16,382,999</u>	<u>14,467,576</u>	<u>5,038</u>	<u>4,560</u>	<u>16,388,037</u>	<u>14,472,136</u>
<b>Net Position, End of Year</b>	<u>\$ 17,910,300</u>	<u>\$ 16,382,999</u>	<u>\$ 7,100</u>	<u>\$ 5,038</u>	<u>\$ 17,917,400</u>	<u>\$ 16,388,037</u>

## RIVER VALE BOARD OF EDUCATION

### Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2019

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

**Governmental activities.** The District's total governmental revenues were \$30,054,967. The general share of the revenues, that included property taxes, interest, unrestricted state aid and miscellaneous revenue, amounted to \$22,923,181 or 76% of total revenues. Funding from restricted state and federal sources amounted to \$7,106,169 or 24%. Charges for services amounted to \$25,617 or less than 1%.

The District's total governmental expenses were \$28,527,666 and are predominantly related to instruction and support services. Instruction totaled \$18,192,262 (64%), student and other support services totaled \$10,255,113 (36%) and interest on long-term debt total \$80,291 (less than 1%) of total expenses. (See Table A-3.)

Table A-2 Revenues by Source- Governmental Activities  
For Fiscal Year 2019

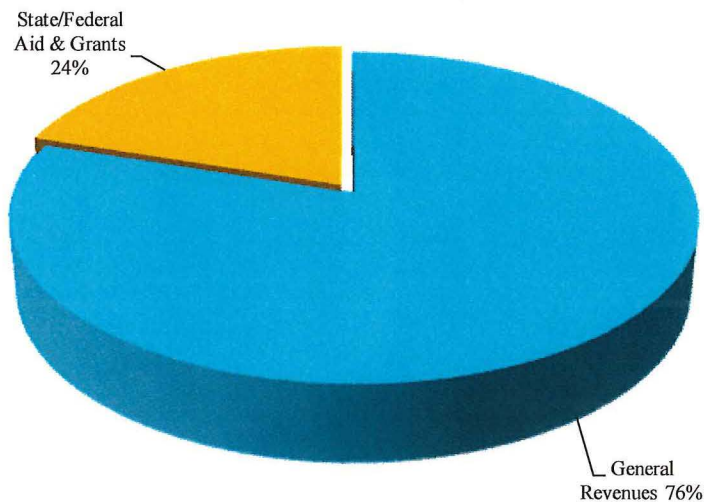
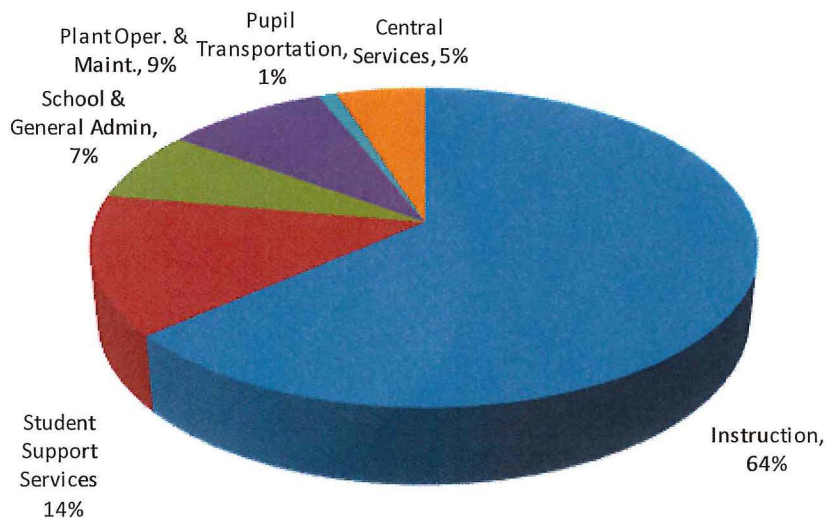


Table A-2 Expenses by Type- Governmental Activities  
For Fiscal Year 2019



**RIVER VALE BOARD OF EDUCATION**

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

**For the Fiscal Year Ended June 30, 2019**

**DISTRICT-WIDE FINANCIAL ANALYSIS OF THE RIVER VALE BOARD OF EDUCATION AS A WHOLE (Continued)**

**Table A-4  
Total and Net Cost of Governmental Activities  
For the Fiscal Years Ended June 30, 2019 and 2018**

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Governmental Activities				
Instruction				
Regular	13,879,320	14,844,590	\$ 9,946,709	\$ 9,763,711
Special Education	3,289,415	3,197,258	1,860,751	1,693,393
Other Instruction	831,455	778,351	583,484	497,804
School Sponsored Activities and Athletics	192,072	197,371	183,789	182,535
Support Services				
Student and Instruction Related Svcs.	3,613,041	3,755,883	2,994,649	2,952,180
Attendance and Social Work	89,686	115,397	85,883	106,930
Educational Media/School Library	372,292	404,105	359,184	379,984
General Administrative Services	685,570	683,631	986,086	650,958
School Administrative Services	1,292,720	1,389,406	668,003	987,227
Plant Operations and Maintenance	2,537,756	2,176,186	2,240,647	2,042,557
Pupil Transportation	398,892	384,269	273,415	347,809
Central Services	1,265,156	1,283,092	1,132,989	1,094,817
Interest on Long-Term Debt	80,291	106,258	80,291	106,258
	<u>\$ 28,527,666</u>	<u>\$ 29,315,797</u>	<u>\$ 21,395,880</u>	<u>\$ 20,806,163</u>

**Business-Type Activities**

The cost of Business-Type Activities for the fiscal year ended June 30, 2019 was \$17,531. These costs were funded by operating grants and charges for services (Detailed on Table A-2). The operations resulted in an increase in net position of \$2,062. The increase in the net position is attributable to food service revenues exceeding expenses.

**RIVER VALE BOARD OF EDUCATION**

**Management’s Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2019**

**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, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As the District completed the year, its governmental funds reported a combined fund balance of \$7,434,421. At June 30, 2018 the fund balance was \$7,516,538.

**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 \$27,675,406 and expenditures were \$27,757,523.

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, 2019 and 2018.

	<b>Fiscal Year Ended June 30, 2019</b>	<b>Fiscal Year Ended June 30, 2018</b>	<b>Amount of Increase (Decrease)</b>	<b>Percent Change</b>
Local Sources	\$ 23,106,701	\$ 22,756,431	\$ 350,270	1.54%
State Sources	4,316,220	3,748,401	567,819	15.15%
Federal Sources	<u>252,485</u>	<u>224,497</u>	<u>27,988</u>	12.47%
 Total Revenues	 <u>\$ 27,675,406</u>	 <u>\$ 26,729,329</u>	 <u>\$ 946,077</u>	 3.54%

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, 2019 and 2018.

	<b>Fiscal Year Ended June 30, 2019</b>	<b>Fiscal Year Ended June 30, 2018</b>	<b>Amount of Increase (Decrease)</b>	<b>Percent Change</b>
Instruction	\$ 15,622,555	\$ 14,757,741	\$ 864,814	5.86%
Support Services	9,630,778	8,880,716	750,062	8.45%
Capital Outlay	1,393,716	1,139,885	253,831	22.27%
Debt Service				
Principal	1,019,916	984,895	35,021	3.56%
Interest	<u>90,558</u>	<u>120,380</u>	<u>(29,822)</u>	-24.77%
 Total Expenditures	 <u>\$ 27,757,523</u>	 <u>\$ 25,883,617</u>	 <u>\$ 1,873,906</u>	 7.24%



## RIVER VALE BOARD OF EDUCATION

### Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2019

#### Budgetary Highlights

The District's budget is prepared according to New Jersey law and is based on the budgetary basis of accounting 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 \$209,576 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) For the Fiscal Year Ended June 30, 2019

**Capital Assets.** The River Vale Board of Education's investment in capital assets for its governmental and business type activities as of June 30, 2019 amounts to \$19,408,356 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, 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 renovations to the Woodside Elementary School media center as well as the completion of the boiler replacement project at Roberge Elementary School.

**Table A-4**  
**Capital Assets**  
**(net of depreciation) at June 30, 2019 and 2018**

	Governmental Activities		Business-Type Activities		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 31,805	\$ 31,805			\$ 31,805	\$ 31,805
Construction in Progress	382,137	828,423			382,137	828,423
Land Improvements	720,039	480,155			720,039	480,155
Buildings and Building Improvements	27,309,099	26,068,800			27,309,099	26,068,800
Machinery, Equipment and Vehicles	<u>2,405,695</u>	<u>2,045,878</u>	\$ 15,258	\$ 15,258	<u>2,420,953</u>	<u>2,061,136</u>
Total	30,848,775	29,455,061	15,258	15,258	30,864,033	29,470,319
Less: Accumulated Depreciation	<u>11,440,419</u>	<u>10,659,249</u>	<u>15,258</u>	<u>15,258</u>	<u>11,455,677</u>	<u>10,674,507</u>
Total	<u>\$ 19,408,356</u>	<u>\$ 18,795,812</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,408,356</u>	<u>\$ 18,795,812</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, 2019 the school district had long-term debt and outstanding long-term liabilities in the amount of \$7,841,492 as stated in Table A-5.

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

	<u>2019</u>	<u>2018</u>
Serial Bonds (including Premium)	\$ 1,597,375	\$ 2,414,618
Capital Leases/Lease Purchase Agreement	423,679	643,595
Compensated Absences Payable	741,866	664,978
Net Pension Liability	<u>5,078,572</u>	<u>6,232,396</u>
Total	<u>\$ 7,841,492</u>	<u>\$ 9,955,587</u>

## **RIVER VALE BOARD OF EDUCATION**

### **Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2019**

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

The District has outstanding general obligation serial bonds in the amount of \$1,585,000. 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, copiers and boiler upgrades. The compensated absences represent the District's liability for unused accrued sick leave and unused vacation. The net pension liability represents the District's proportionate share of the unfunded pension liability of the State of New Jersey's Public Employees Retirement System Pension Fund.

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

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

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

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

#### **FOR THE FUTURE**

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

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

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

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

## **BASIC FINANCIAL STATEMENTS**

**RIVER VALE BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2019**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 7,836,204	\$ 10,068	\$ 7,846,272
Internal Balances	952	(952)	-
Receivables, net			
Receivables from Other Governments	140,259	546	140,805
Other	8,000	952	8,952
Capital Assets, Not Being Depreciated	413,942		413,942
Capital Assets, Being Depreciated, Net	<u>18,994,414</u>	<u>-</u>	<u>18,994,414</u>
Total Assets	<u>27,393,771</u>	<u>10,614</u>	<u>27,404,385</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Refunding of Debt	10,326	-	10,326
Deferred Amounts on Net Pension Liability	<u>967,456</u>	<u>-</u>	<u>967,456</u>
Total Deferred Outflows of Resources	<u>977,782</u>	<u>-</u>	<u>977,782</u>
Total Assets and Deferred Outflows of Resources	<u>28,371,553</u>	<u>10,614</u>	<u>28,382,167</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	547,092		547,092
Accrued Interest Payable	24,356		24,356
Unearned Revenue	3,902	3,514	7,416
Noncurrent Liabilities			
Due Within One Year	953,917		953,917
Due Beyond One Year	<u>6,887,575</u>	<u>-</u>	<u>6,887,575</u>
Total Liabilities	<u>8,416,842</u>	<u>3,514</u>	<u>8,420,356</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>2,044,411</u>	<u>-</u>	<u>2,044,411</u>
Total Deferred Inflows of Resources	<u>2,044,411</u>	<u>-</u>	<u>2,044,411</u>
Total Liabilities and Deferred Inflows of Resources	<u>10,461,253</u>	<u>3,514</u>	<u>10,464,767</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	17,400,881		17,400,881
Restricted for			
Capital Projects	4,532,956		4,532,956
Other	759,616		759,616
Unrestricted	<u>(4,783,153)</u>	<u>7,100</u>	<u>(4,776,053)</u>
Total Net Position	<u>\$ 17,910,300</u>	<u>\$ 7,100</u>	<u>\$ 17,917,400</u>

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

**RIVER VALE BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 13,879,320	\$ 25,617	\$ 3,906,994		\$ (9,946,709)		\$ (9,946,709)
Special Education	3,289,415		1,428,664		(1,860,751)		(1,860,751)
Other Instruction	831,455		247,971		(583,484)		(583,484)
School Sponsored Activities and Athletics	192,072		8,283		(183,789)		(183,789)
Support Services							
Student and Instruction Related Services	3,613,041		618,392		(2,994,649)		(2,994,649)
Attendance and Social Work	89,686		3,803		(85,883)		(85,883)
Educational Media/School Library	372,292		13,108		(359,184)		(359,184)
School Administrative Services	1,292,720		306,634		(986,086)		(986,086)
General Administrative Services	685,570		17,567		(668,003)		(668,003)
Plant Operations and Maintenance	2,537,756		147,109	\$ 150,000	(2,240,647)		(2,240,647)
Pupil Transportation	398,892		125,477		(273,415)		(273,415)
Central Services	1,265,156		132,167		(1,132,989)		(1,132,989)
Interest on Long-Term Debt	80,291	-	-	-	(80,291)	-	(80,291)
Total Governmental Activities	28,527,666	25,617	6,956,169	150,000	(21,395,880)	-	(21,395,880)
<b>Business-Type Activities</b>							
Food Service	16,579	12,168	6,349		-	\$ 1,938	1,938
Non-Major	952	952	-	-	-	-	-
Total Business-Type Activities	17,531	13,120	6,349	-	-	1,938	1,938
Total Primary Government	\$ 28,545,197	\$ 38,737	\$ 6,962,518	\$ 150,000	(21,395,880)	1,938	(21,393,942)
<b>General Revenues</b>							
Taxes							
Property Taxes Levied for General Purposes					21,772,992		21,772,992
Property Taxes Levied for Debt Services					882,925		882,925
Unrestricted State Aid					1,097		1,097
Interest on Deposits					113,273	124	113,397
Miscellaneous Income					152,894	-	152,894
Total General Revenues					22,923,181	124	22,923,305
Change in Net Position					1,527,301	2,062	1,529,363
Net Position, Beginning of Year					16,382,999	5,038	16,388,037
Net Position, End of Year					\$ 17,910,300	\$ 7,100	\$ 17,917,400

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

**FUND FINANCIAL STATEMENTS**

**RIVER VALE BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2019**

	<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	\$ 7,134,075		\$ 564,329		\$ 7,698,404
Cash and Cash Equivalents with Fiscal Agent			137,800		137,800
Due from Other Funds	101,860				101,860
Other Receivables		\$ 8,000			8,000
Receivables from Other Governments	43,389	990	95,880	-	140,259
Total Assets	<u>\$ 7,279,324</u>	<u>\$ 8,990</u>	<u>\$ 798,009</u>	<u>\$ -</u>	<u>\$ 8,086,323</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable	\$ 200,063		\$ 214,765		\$ 414,828
Accrued Salaries & Wages	132,264				132,264
Due to Other Funds		8,990	91,918		100,908
Unearned Revenue	3,902	-	-	-	3,902
Total Liabilities	<u>336,229</u>	<u>8,990</u>	<u>306,683</u>	<u>-</u>	<u>651,902</u>
Fund Balance					
Restricted:					
Excess Surplus	877,884				877,884
Excess Surplus - Designated for Subsequent Year's Expenditures (2019/20 Budget)	212,893				212,893
Capital Reserve	3,844,883				3,844,883
Capital Reserve - Designated for Subsequent Year's Expenditures (2019/20 Budget)	200,000				200,000
Maintenance Reserve	759,616				759,616
Emergency Reserve	250,000				250,000
Capital Projects			491,326		491,326
Committed:					
Year-End Encumbrances	69,351				69,351
Assigned:					
Year-End Encumbrances	207,632				207,632
Designated for Subsequent Year's Expenditures	129,609				129,609
Unassigned Fund Balance	391,227	-	-	-	391,227
Total Fund Balances	<u>6,943,095</u>	<u>-</u>	<u>491,326</u>	<u>-</u>	<u>7,434,421</u>
Total Liabilities and Fund Balances	<u>\$ 7,279,324</u>	<u>\$ 8,990</u>	<u>\$ 798,009</u>	<u>\$ -</u>	<u>\$ 8,086,323</u>

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



**RIVER VALE BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2019**

<b>Total Fund Balances (Exhibit B-1)</b>	\$	7,434,421
 <b>Amounts reported for governmental activities in the statement of net position (A-1) are different because:</b>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$30,848,775 and the accumulated depreciation is \$11,440,419.		19,408,356
The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:		(24,356)
Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and amortized over future years.		
Deferred Outflows of Resources	\$ 967,456	
Deferred Inflows of Resources	<u>(2,044,411)</u>	(1,076,955)
Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt.		10,326
Long-term liabilities, including bonds payable, and net pension liability 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, Including Unamortized Premium	1,597,375	
Capital Leases Payable	423,679	
Compensated Absences	741,866	
Net Pension Liability	<u>5,078,572</u>	(7,841,492)
<b>Net Position of Governmental Activities (Exhibit A-1)</b>	<b>\$</b>	<b><u>17,910,300</u></b>

**RIVER VALE BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	\$ 21,772,992			\$ 882,925	\$ 22,655,917
Tuition	25,617				25,617
Interest on Deposits	96,818		\$ 16,455		113,273
Miscellaneous	<u>152,894</u>	<u>\$ 159,000</u>	<u>-</u>	<u>-</u>	<u>311,894</u>
Total - Local Sources	22,048,321	159,000	16,455	882,925	23,106,701
State Sources	4,316,220				4,316,220
Federal Sources	<u>4,290</u>	<u>248,195</u>	<u>-</u>	<u>-</u>	<u>252,485</u>
Total Revenues	<u>26,368,831</u>	<u>407,195</u>	<u>16,455</u>	<u>882,925</u>	<u>27,675,406</u>
<b>EXPENDITURES</b>					
Current					
Regular Instruction	11,625,122	9,000			11,634,122
Special Education Instruction	2,844,910	223,033			3,067,943
Other Instruction	709,832	25,162			734,994
School-Sponsored Activities and Athletics	185,496				185,496
Support Services					
Student and Instruction Related Services	3,331,409				3,331,409
Attendance and Social Work	90,095				90,095
Educational Media/School Library	361,389				361,389
School Administrative Services	1,119,180				1,119,180
General Administrative Services	665,759				665,759
Plant Operations and Maintenance	2,464,373				2,464,373
Pupil Transportation	398,892				398,892
Central Services	1,199,681				1,199,681
Debt Service					
Principal	219,916			800,000	1,019,916
Interest and Other Charges	7,633			82,925	90,558
Capital Outlay	<u>486,481</u>	<u>150,000</u>	<u>757,235</u>	<u>-</u>	<u>1,393,716</u>
Total Expenditures	<u>25,710,168</u>	<u>407,195</u>	<u>757,235</u>	<u>882,925</u>	<u>27,757,523</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>658,663</u>	<u>-</u>	<u>(740,780)</u>	<u>-</u>	<u>(82,117)</u>
Other Financing Sources and (Uses)					
Transfers In	114,799		1,307		116,106
Transfers Out	<u>(1,307)</u>	<u>-</u>	<u>(114,799)</u>	<u>-</u>	<u>(116,106)</u>
Total Other Financing Sources and Uses	<u>113,492</u>	<u>-</u>	<u>(113,492)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	772,155	-	(854,272)	-	(82,117)
Fund Balance, Beginning of Year	<u>6,170,940</u>	<u>-</u>	<u>1,345,598</u>	<u>-</u>	<u>7,516,538</u>
Fund Balance, End of Year	<u>\$ 6,943,095</u>	<u>\$ -</u>	<u>\$ 491,326</u>	<u>\$ -</u>	<u>\$ 7,434,421</u>

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

**RIVER VALE BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<b>Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)</b>	<b>\$</b>	<b>(82,117)</b>
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.</p>		
Capital Outlay	\$ 1,243,716	
Donated Assets	150,000	
Depreciation Expense	(781,170)	
Loss on Disposition	<u>(2)</u>	
		612,544
<p>In the statement of activities, certain operating expenses - compensated absences and pension expense - are measured by the amounts earned or accrued during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):</p>		
Increase in Compensated Absences, Net	(76,888)	
Decrease in Pension Expense	<u>43,578</u>	
		(33,310)
<p>Repayment of bond and lease purchase principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.</p>		
Principal Repayments:		
Serial Bonds	800,000	
Capital Leases	<u>219,916</u>	
		1,019,916
<p>The issuance of refunding bonds provides current financial resources to the governmental funds, while the repayment of the refunded bonds uses those current financial resources of governmental funds. Neither transactions, however, has any effect on net position. Also, governmental funds report the effect of premiums and other such items related to the refunding bonds when they are first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>		
Amortization of Bond Premium	17,243	
Amortization of Deferred Amounts on Refunding	<u>(14,388)</u>	
		2,855
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.</p>		
Decrease in Accrued Interest		<u>7,413</u>
<b>Change in Net Position of Governmental Activities (Exhibit A-2)</b>	<b>\$</b>	<b><u>1,527,301</u></b>

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

**RIVER VALE BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2019**

	<u>Business-Type Activities</u>		<u>Total Enterprise Funds</u>
	<u>Food Service</u>	<u>Non-Major Park Academy</u>	
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 10,068		\$ 10,068
Intergovernmental Receivable			
Federal	546		546
Other	-	\$ 952	952
Total Current Assets	<u>10,614</u>	<u>952</u>	<u>11,566</u>
Capital Assets			
Equipment	15,258		15,258
Less: Accumulated Depreciation	<u>(15,258)</u>	<u>-</u>	<u>(15,258)</u>
Total Capital Assets, Net	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>10,614</u>	<u>952</u>	<u>11,566</u>
<b>LIABILITIES</b>			
Current Liabilities			
Due to Other Funds		952	952
Unearned Revenue	<u>3,514</u>	<u>-</u>	<u>3,514</u>
Total Current Liabilities	<u>3,514</u>	<u>952</u>	<u>4,466</u>
Total Liabilities	<u>3,514</u>	<u>952</u>	<u>4,466</u>
<b>NET POSITION</b>			
Unrestricted	<u>7,100</u>	<u>-</u>	<u>7,100</u>
Total Net Position	<u>\$ 7,100</u>	<u>\$ -</u>	<u>\$ 7,100</u>

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

**RIVER VALE BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Business-Type Activities</b>		
	<b><u>Food Service</u></b>	<b><u>Non-Major Park Academy</u></b>	<b><u>Total Enterprise Funds</u></b>
<b>OPERATING REVENUE</b>			
Charges for Services			
Daily Sales - Milk	\$ 12,168		\$ 12,168
Miscellaneous Fees	-	\$ 952	952
	<u>12,168</u>	<u>952</u>	<u>13,120</u>
Total Operating Revenues	<u>12,168</u>	<u>952</u>	<u>13,120</u>
<b>OPERATING EXPENSES</b>			
Cost of Sales	10,148		10,148
Salaries and Benefits	6,000		6,000
Purchased Professional - Educational Services		952	952
Supplies and Materials	431	-	431
	<u>16,579</u>	<u>952</u>	<u>17,531</u>
Total Operating Expenses	<u>16,579</u>	<u>952</u>	<u>17,531</u>
Operating Income/(Loss)	<u>(4,411)</u>	<u>-</u>	<u>(4,411)</u>
<b>NONOPERATING REVENUE</b>			
Interest	124		124
Federal Sources			-
Special Milk Program	6,349	-	6,349
	<u>6,473</u>	<u>-</u>	<u>6,473</u>
Total Nonoperating Revenues	<u>6,473</u>	<u>-</u>	<u>6,473</u>
Change in Net Position	2,062	-	2,062
Total Net Position, Beginning of Year	<u>5,038</u>	<u>-</u>	<u>5,038</u>
Total Net Position, End of Year	<u>\$ 7,100</u>	<u>\$ -</u>	<u>\$ 7,100</u>

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

**RIVER VALE BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Business-Type Activities</u>		
	<u>Food Service</u>	<u>Non-Major Park Academy</u>	<u>Total Enterprise Funds</u>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 12,078	\$ 503	\$ 12,581
Cash Payments for Salaries and Benefits	(6,000)		(6,000)
Cash Payments to Suppliers for Goods and Services	(11,317)	(503)	(11,820)
Net Cash Provided by (Used for) Operating Activities	(5,239)	-	(5,239)
<b>Cash Flows from Noncapital Financing Activities</b>			
Cash Received from State and Federal Subsidy Reimbursements	6,421	-	6,421
Net Cash Provided by (Used for) Noncapital Financing Activities	6,421	-	6,421
<b>Cash Flows from Investing Activities</b>			
Interest Earnings	124	-	124
Net Cash Provided by Investing Activities	124	-	124
Net Increase/(Decrease) in Cash and Cash Equivalents	1,306	-	1,306
Cash and Cash Equivalents, Beginning of Year	8,762	-	8,762
Cash and Cash Equivalents, End of Year	<u>\$ 10,068</u>	<u>\$ -</u>	<u>\$ 10,068</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities</b>			
Operating Income (Loss)	\$ (4,411)	\$ -	\$ (4,411)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used for Operating Activities			
Change in Assets and Liabilities			
(Increase)/Decrease in Intergovernmental Receivable - Other		(449)	(449)
Increase/(Decrease) in Accounts Payable	(738)		(738)
Increase/(Decrease) in Due to Other Funds		449	449
Increase/(Decrease) in Unearned Revenue	(90)	-	(90)
Total Adjustments	(828)	-	(828)
Net Cash (Used for) Operating Activities	<u>\$ (5,239)</u>	<u>\$ -</u>	<u>\$ (5,239)</u>

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

**RIVER VALE BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2019**

	<b>Unemployment Compensation <u>Trust</u></b>	<b><u>Agency Fund</u></b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 733,947	\$ 141,488
Cash and Cash Equivalents with Fiscal Agent	<u>-</u>	<u>10,654</u>
 Total Assets	 <u>\$ 733,947</u>	 <u>\$ 152,142</u>
 <b>LIABILITIES</b>		
Payroll Deductions and Withholdings		\$ 17,871
Accrued Salaries and Wages		5,846
Flex Spending Benefits		10,654
Due to State of New Jersey	\$ 3,935	
Due to Student Groups	<u>-</u>	<u>117,771</u>
 Total Liabilities	 <u>3,935</u>	 <u>\$ 152,142</u>
 <b>NET POSITION</b>		
Held in Trust for Unemployment Claims	<u>\$ 730,012</u>	

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

**RIVER VALE BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Unemployment Compensation <u>Trust</u></b>
<b>ADDITIONS</b>	
Contributions	
Employees	\$ 30,537
Investment Earnings	
Interest	<u>10,689</u>
Total Additions	<u>41,226</u>
<b>DEDUCTIONS</b>	
Unemployment Claims and Contributions	<u>12,435</u>
Total Deductions	<u>12,435</u>
Change in Net Position	28,791
Net Position, Beginning of Year	<u>701,221</u>
Net Position, End of Year	<u><u>\$ 730,012</u></u>

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



**NOTES TO THE FINANCIAL STATEMENTS**

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

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

**B. New Accounting Standards**

During fiscal year 2019, the District adopted the following GASB statement as required:

- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistency provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms association with debt will be disclosed.

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

- GASB No. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

- GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, will be effective beginning with the fiscal year ending June 30, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

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

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

**District-Wide Financial Statements**

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

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

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

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

**Fund Financial Statements**

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

The District reports the following major governmental funds:

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

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

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

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

The District reports the following 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 food service to students as well as a la carte and catering services for teachers and special events.

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

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

Additionally, the government reports the following fund types:

The *fiduciary trust fund* is used to account for resources legally held in trust for state unemployment insurance claims.

The *fiduciary agency funds* account for assets held by the District as an agent for student activities and for payroll deductions and withholdings. The funds for the student activities fund are solely for noninstructional student activities that are supported and controlled by student organizations and clubs for which school administration does not have management involvement. The payroll funds are held to remit employee withholdings to respective state, federal and other agencies.

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

**Fund Financial Statements (Continued)**

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”.

**Reclassifications**

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

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

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

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

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

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

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

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

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

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

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

***2. Receivables***

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

***3. Inventories***

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

***4. Capital Assets***

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition 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	45-50
Building Improvements	20
Machinery and Equipment	5-20

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

**5. *Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type of item, which arises only under the accrual basis of accounting that qualify for reporting in this category. The other item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

**6. *Compensated Absences***

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. 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.

**7. *Pensions***

In the district-wide financial statements and proprietary fund types in the fund financial statements, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. *Long-Term Obligations*

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums are deferred and amortized over the life of the bonds using the effective interest method. 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 with the unamortized bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

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

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

*Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2019 audited excess surplus that is required to be appropriated in the 2020/2021 original budget certified for taxes.

*Excess Surplus – Designated for Subsequent Year's Expenditures* - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2018 audited excess surplus that was appropriated in the 2019/2020 original budget certified for taxes.



RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

*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 Reserve - Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2019/2020 District budget certified for taxes.

*Maintenance Reserve* – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 2).

*Emergency Reserve* – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education. (See Note 2).

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

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

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

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

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

*Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2019/2020 District budget certified for taxes.

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

In the general operating fund and other governmental funds (capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

***10. Fund Balance Policies***

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. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**F. Revenues and Expenditures/Expenses**

***1. Program Revenues***

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

***2. Property Taxes***

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

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

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

Tuition Expenditures - Tuition charges for the fiscal years 2017-2018 and 2018-2019 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

***4. Proprietary Funds, Operating and Nonoperating Revenues and Expenses***

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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On February 7, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2018/2019. Also, during 2018/2019 the Board increased the original budget by \$1,447,735. The increase was funded by additional surplus appropriated, grant awards and the reappropriation of prior year general fund encumbrances.

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

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**A. Budgetary Information (Continued)**

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

**B. Capital Reserve**

A capital reserve account was established by the District. 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, 2019 is as follows:

Balance, July 1, 2018		\$ 3,491,071
Increased by:		
Interest Earnings	\$ 51,157	
Transfer from Capital Projects Fund	103,962	
Deposits Approved by Board Resolution	<u>1,000,000</u>	
		<u>1,155,119</u>
		4,646,190
Decreased by:		
Withdrawals Approved in Adopted Budget	600,000	
Withdrawals Approved by Board	<u>1,307</u>	
		<u>601,307</u>
Balance, June 30, 2019		<u>\$ 4,044,883</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. \$200,000 of the capital reserve balance at June 30, 2019 was designated and appropriated for use in the 2019/2020 original budget certified for taxes.

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**C. Maintenance Reserve**

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve 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. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The activity of the maintenance reserve for the fiscal year ended June 30, 2019 is as follows:

Balance, July 1, 2018	\$ 750,000
Increased by	
Deposits Approved by Board Resolution	<u>9,616</u>
Balance, June 30, 2019	<u>\$ 759,616</u>

The June 30, 2019 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$759,616.

**D. Emergency Reserve**

An emergency reserve account was established by the District. The accumulation of funds will be used to finance unanticipated General Fund current expenditures required for a thorough and efficient education in subsequent fiscal years.

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency reserve 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. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements to school facilities pursuant to 18A:7G-6(c)1. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district's General Fund budget as certified for taxes up to a maximum of \$1,000,000.

The activity of the emergency reserve for the fiscal year ended June 30, 2019 is as follows:

Balance, July 1, 2018	\$ 210,513
Increased by	
Deposits Approved by Board Resolution	\$ 181,184
Deposits Approved in District Budget	<u>39,487</u>
	<u>220,671</u>
	431,184
Decreased by:	
Withdrawals Approved by Adopted Budget	<u>181,184</u>
Balance, June 30, 2019	<u>\$ 250,000</u>

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**E. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for 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 restrict 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, 2019 is \$1,090,777. Of this amount, \$212,893 was designated and appropriated in the 2019/2020 original budget certified for taxes and the remaining amount of \$877,884 will be appropriated in the 2020/2021 original budget certified for taxes.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), 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 and NCUSIF.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2019, the book value of the Board's deposits were \$8,732,361 and bank and brokerage firm balances of the Board's deposits amounted to \$9,225,024. The Board's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	\$ <u>9,225,024</u>
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Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2019 none of the Board's bank balances were exposed to custodial credit risk.

**Investments**

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; 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; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

**Investments (Continued)**

As of June 30, 2019, the Board had no outstanding investments.

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

**B. Receivables**

Receivables as of June 30, 2019 for the district's individual major funds and nonmajor fund 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>Food Service Fund</u>	<u>Park Academy Fund</u>	<u>Total</u>
Receivables:						
Intergovernmental						
Federal		\$ 990		\$ 546		\$ 1,536
State	\$ 43,389		\$ 95,880			139,269
Local					\$ 952	952
Other	-	8,000	-	-	-	8,000
	-----	-----	-----	-----	-----	-----
Gross Receivables	43,389	8,990	95,880	546	952	149,757
Less: Allowance for Uncollectibles	-	-	-	-	-	-
	-----	-----	-----	-----	-----	-----
Net Total Receivables	<u>\$ 43,389</u>	<u>\$ 8,990</u>	<u>\$ 95,880</u>	<u>\$ 546</u>	<u>\$ 952</u>	<u>\$ 149,757</u>

**C. Unearned Revenue**

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

	<u>Total</u>
General Fund	
Prepayments of Preschool Tuition	\$ <u>3,902</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 3,902</u>

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	<u>Balance, July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2019</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 31,805			\$ 31,805
Construction in Progress	<u>828,423</u>	<u>\$ 442,942</u>	<u>\$ (889,228)</u>	<u>382,137</u>
Total Capital Assets, Not Being Depreciated	<u>860,228</u>	<u>442,942</u>	<u>(889,228)</u>	<u>413,942</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	26,068,800	351,071	889,228	27,309,099
Machinery and Equipment	2,045,878	359,819	2	2,405,695
Land Improvements	<u>480,155</u>	<u>239,884</u>	<u>-</u>	<u>720,039</u>
Total Capital Assets Being Depreciated	<u>28,594,833</u>	<u>950,774</u>	<u>889,230</u>	<u>30,434,833</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(8,749,575)	(610,193)		(9,359,768)
Machinery and Equipment	(1,550,771)	(142,480)		(1,693,251)
Land Improvements	<u>(358,903)</u>	<u>(28,497)</u>	<u>-</u>	<u>(387,400)</u>
Total Accumulated Depreciation	<u>(10,659,249)</u>	<u>(781,170)</u>	<u>-</u>	<u>(11,440,419)</u>
Total Capital Assets, Being Depreciated, Net	<u>17,935,584</u>	<u>169,604</u>	<u>889,230</u>	<u>18,994,414</u>
Governmental Activities Capital Assets, net	<u>\$ 18,795,812</u>	<u>\$ 612,546</u>	<u>\$ 2</u>	<u>\$ 19,408,356</u>



**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**D. Capital Assets (Continued)**

	Balance, <u>July 1, 2018</u>	Balance, <u>June 30, 2019</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>15,258</u>
Less Accumulated Depreciation for:		
Machinery and Equipment	<u>(15,258)</u>	<u>(15,258)</u>
Total Accumulated Depreciation	<u>(15,258)</u>	<u>(15,258)</u>
Total Capital Assets, Being Depreciated, Net	<u>-</u>	<u>-</u>
Business-Type Activities Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>

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

<b>Governmental activities:</b>	
Instruction	
Regular	\$ <u>671,271</u>
Total Instruction	<u>671,271</u>
Support Services	
Students and Instructional Related Services	30,688
General Administrative Services	5,258
School Administrative Services	52,178
Plant Operations and Maintenance	<u>21,775</u>
Total Support Services	<u>109,899</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 781,170</u>

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**D. Capital Assets (Continued)**

**Construction and Other Significant Commitments**

The District has the following active construction projects as of June 30, 2019:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Chiller Replacement at Roberge Elementary School	\$ 220,411	\$ 15,351
Generator Installation at Holdrum Middle School		<u>519,400</u>
Total		<u>\$ 534,751</u>

The District has other significant commitments at June 30, 2019 as follows:

<u>Purposes</u>	<u>Remaining Commitment</u>
District-wide Audio-Visual Equipment	\$ 127,286
District-wide Technology Equipment	<u>127,470</u>
Total	<u>\$ 254,756</u>

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

The composition of interfund balances as of June 30, 2019, is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 8,990
General Fund	Capital Projects Fund	91,918
General Fund	Park Academy Fund	<u>952</u>
		<u>\$ 101,860</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.

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**E. Interfund Receivables, Payables, and Transfers (Continued)**

**Interfund transfers**

	<u>Transfer In:</u> <u>General Fund</u>
Transfer Out:	
Capital Projects Fund	\$ 113,492
 Total Transfers Out	 \$ 113,492

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

**F. Leases**

**Capital Leases**

The District is leasing boiler and generator improvements and copiers totaling \$557,523 under capital leases. The District is also leasing technology totaling \$294,000 under lease purchase agreements. The leases are for terms of 3 to 5 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental</u> <u>Activities</u>
Machinery and Equipment	\$ 539,364
 Total	 \$ 539,364

The unexpended proceeds from capital lease and lease purchase agreements in the amount of \$3,253 and \$134,547 at June 30, 2019 are held with the Fiscal Agent.

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**F. Leases (Continued)**

**Capital Leases (Continued)**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2020	\$ 116,889
2021	116,889
2022	116,889
2023	<u>103,115</u>
Total minimum lease payments	453,782
Less: amount representing interest	<u>(30,103)</u>
Present value of minimum lease payments	<u>\$ 423,679</u>

**G. Long-Term Debt**

**General Obligation Bonds**

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets and other purposes permitted by statute. 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, 2019 is comprised of the following issue:

\$7,080,000, 2010 Bonds, due in annual installments of \$790,000 to \$795,000 through September 15, 2020, interest at 3.5% to 4.5%	<u>\$ 1,585,000</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:**

<u>Fiscal Year Ending June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2020	\$ 795,000	\$ 51,238	\$ 846,238
2021	<u>790,000</u>	<u>17,775</u>	<u>807,775</u>
Total	<u>\$ 1,585,000</u>	<u>\$ 69,013</u>	<u>\$ 1,654,013</u>

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**G. 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, 2019 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 61,803,814
Less: Net Debt	<u>1,585,948</u>
Remaining Borrowing Power	<u>\$ 60,217,866</u>

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2019, 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	\$ 2,385,000		\$ 800,000	\$ 1,585,000	\$ 795,000
Deferred Amounts:					
Add: Unamortized Original Issue Premium	<u>29,618</u>	<u>-</u>	<u>17,243</u>	<u>12,375</u>	<u>12,375</u>
Total Bonds Payable	2,414,618	-	817,243	1,597,375	807,375
Capital Leases Payable	545,440		121,761	423,679	104,544
Lease Purchase Agreements	98,155		98,155	-	
Compensated Absences	664,978	\$ 76,888		741,866	41,998
Net Pension Liability	<u>6,232,396</u>	<u>-</u>	<u>1,153,824</u>	<u>5,078,572</u>	<u>-</u>
Governmental Activities Long-Term Liabilities	<u>\$ 9,955,587</u>	<u>\$ 76,888</u>	<u>\$ 2,190,983</u>	<u>\$ 7,841,492</u>	<u>\$ 953,917</u>

For the governmental activities, the liabilities for compensated absences, capital leases, lease purchase agreements and net pension liability are generally liquidated by the general fund.

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

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

The relationship between the Board and the Group is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the funds, to report claims on a timely basis, cooperate with the management of the Group, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Group. Members have a contractual obligation to fund any deficit of the Group 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 Group are on file with the School's Business Administrator.

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

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

<u>Fiscal</u> <u>Year Ended</u> <u>June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2019		\$ 30,537	\$ 12,435	\$ 730,012
2018		32,376	13,100	701,221
2017	\$ 60,000	25,949	46,746	678,362

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**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, 2019, 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, 2019, the District has not estimated its arbitrage earnings due to the IRS, if any.

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

**Plan Descriptions and Benefits Provided**

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

**Public Employees' Retirement System (PERS)** – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage 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. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

The following represents the membership tiers for PERS:

<b>Tier</b>	<b>Definition</b>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

**Teachers' Pension and Annuity Fund (TPAF)** – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represent the membership tiers for TPAF:

<b>Tier</b>	<b>Definition</b>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011



**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**Other Pension Funds**

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

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

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits (“Division”), 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).

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Plan Amendments**

The authority to amend the provisions of the above plans rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

**Measurement Focus and Basis of Accounting**

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**Investment Valuation**

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at [www.state.nj.us/treasury/doinvest](http://www.state.nj.us/treasury/doinvest).

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2018 is \$19.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 53.60%. The collective net pension liability of the State funded TPAF at June 30, 2018 is \$63.81 billion and the plan fiduciary net position as a percentage of total pension liability is 26.49%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2017 which were rolled forward to June 30, 2018.

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Actuarial Methods and Assumptions**

In the July 1, 2017 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**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 members 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 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee’s annual compensation for fiscal year 2019.

PERS employees’ and TPAF State’s contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2019 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State’s annual pension contribution was less than this actuarial determined amount. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. 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. All PERS and DCRP contributions made by the Board for fiscal years 2019, 2018 and 2017 were equal to the required contributions.

During the fiscal years ended June 30, 2019, 2018 and 2017 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2019	\$ 256,560	\$ 1,887,053	\$ 31,236
2018	248,026	1,376,424	32,736
2017	247,200	1,029,284	25,689

In addition for fiscal years 2019, 2018 and 2017 the District contributed \$1,529, \$4,276 and \$1,586, respectively for PERS and the State contributed \$1,114, \$1,333 and \$1,529, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Employer and Employee Pension Contributions (Continued)**

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$713,138 during the fiscal year ended June 30, 2019 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 85.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Public Employees Retirement System (PERS)**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2017 through June 30, 2018. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits ("Division") administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2018 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2018.

At June 30, 2019, the District reported in the statement of net position (accrual basis) a liability of \$5,078,572 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating governmental entities, actuarially determined. At June 30, 2018, the District's proportionate share was .002579 percent, which was a decrease of .00098 percent from its proportionate share measured as of June 30, 2017 of .02677 percent.

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$212,982 for PERS. The pension contribution made by the District during the current 2018/2019 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2019 with a measurement date of the prior fiscal year end of June 30, 2018. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2019 for contributions made subsequent to the current fiscal year end. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b>2018</b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 96,849	\$ 26,187
Changes of Assumptions	836,865	1,623,857
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		47,637
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>33,742</u>	<u>346,730</u>
Total	<u>\$ 967,456</u>	<u>\$ 2,044,411</u>

At June 30, 2019, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2020	\$ (18,002)
2021	(114,527)
2022	(450,602)
2023	(372,648)
2024	(121,176)
Thereafter	<u>-</u>
	<u>\$ (1,076,955)</u>

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

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

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
 Related to Pensions (Continued)**

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

*Actuarial Assumptions*

The District's total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
US Equities	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%
Emerging Market Equities	6.50%	11.64%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
Buyouts/Venture Capital	8.25%	13.08%

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	5.66%
2018	June 30, 2017	5.00%

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

***Discount Rate (Continued)***

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2046
Municipal Bond Rate *	From July 1, 2046 and Thereafter

\* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the District’s proportionate share of the PERS net pension liability calculated using the discount rate of 5.66%, as well as what the District’s proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.66 percent) or 1-percentage-point higher (6.66 percent) than the current rate:

	<b>1% Decrease <u>4.66%</u></b>	<b>Current Discount Rate <u>5.66%</u></b>	<b>1% Increase <u>6.66%</u></b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 6,385,719</u>	<u>\$ 5,078,572</u>	<u>\$ 3,981,959</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability at June 30, 2018. A sensitivity analysis specific to the District’s net pension liability at June 30, 2018 was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

Detailed information about the PERS pension plan’s fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report 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).



**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2018. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2018, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$3,384,243 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2019 the State's proportionate share of the net pension liability attributable to the District is \$58,052,253. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2018. At June 30, 2018, the State's share of the net pension liability attributable to the District was .09125 percent, which was a decrease of .00026 percent from its proportionate share measured as of June 30, 2017 of .09151 percent.

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

**Actuarial Assumptions**

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<b><u>TPAF</u></b>
Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55-4.55%
Thereafter	2.00-5.45%
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2006

Assumptions for mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational bases based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

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

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

***Discount Rate***

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

<b>Fiscal Year</b>	<b>Measurement Date</b>	<b>Discount Rate</b>
2019	June 30, 2018	4.86%
2018	June 30, 2017	4.25%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

**Period of Projected Benefit**

Payments for which the Following  
Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2040
Municipal Bond Rate *	From July 1, 2040 and Thereafter

\* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.86%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.86 percent) or 1-percentage-point higher (5.86 percent) than the current rate:

	<b>1% Decrease (3.86%)</b>	<b>Current Discount Rate (4.86%)</b>	<b>1% Increase (5.86%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 68,616,661</u>	<u>\$ 58,052,253</u>	<u>\$ 49,294,616</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2018. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2018 was not provided by the pension system.

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

***Pension Plan Fiduciary Net Position***

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report 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).

**E. Post-Retirement Medical Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

**Plan Description and Benefits Provided**

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

**State Health Benefit Program Fund – Local Education Retired Employees Plan** (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) 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.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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).

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2017:

Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>          -</u>
Total	<u>362,181</u>

**Measurement Focus and Basis of Accounting**

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2018 is \$46.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2017 which were rolled forward to June 30, 2018.

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Actuarial Methods and Assumptions**

In the June 30, 2017 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Post-Retirement Medical Benefits Contributions**

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of 1.23 billion to the OPEB plan in fiscal year 2018.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2019, 2018 and 2017 were \$855,964, \$889,003 and \$857,629, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2017 through June 30, 2018. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$1,738,335. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2019 the State's proportionate share of the OPEB liability attributable to the District is \$36,980,257. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2018. At June 30, 2018, the state's share of the OPEB liability attributable to the District was .08020 percent, which was an increase of .00272 percent from its proportionate share measured as of June 30, 2017 of .07748 percent.

**Actuarial Assumptions**

The OPEB liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases *	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.55%
Rate Thereafter	2.00% to 5.45%
Mortality	Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disable Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.
Long-Term Rate of Return	1.00%

\*Salary increases are based on the defined benefit plan that the individual is enrolled in and his or her year of service for TPAF or his or her age for PERS.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2012 to June 30, 2015 and July 1, 2011 to June 30, 2014, respectively.

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5 percent. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For prescription drug benefits, the initial trend rate is 8.0 percent and decreases to a 5.0 percent long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent. This reflects the known underlying cost of the Part B premium. The Medicare Advantage trend rate is 4.5 percent and will continue in all future years.



**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Long-Term Expected Rate of Return**

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 1.00% as of June 30, 2018.

**Discount Rate**

The discount rate used to measure the total OPEB liabilities of the plan was as follows:

<b>Fiscal Year</b>	<b>Measurement Date</b>	<b>Discount Rate</b>
2019	June 30, 2018	3.87%
2018	June 30, 2017	3.58%

The discount rate represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Changes in the Total OPEB Liability**

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2019 (measurement date June 30, 2018) is as follows:

	<b>Total OPEB Liability (State Share 100%)</b>
Balance, June 30, 2017 Measurement Date	\$ 41,561,810
Changes Recognized for the Fiscal Year:	
Service Cost	1,457,312
Interest on the Total OPEB Liability	1,523,146
Differences Between Expected and Actual Experience	(2,363,678)
Changes of Assumptions	(4,243,670)
Gross Benefit Payments	(988,839)
Contributions from the Member	34,176
<b>Net Changes</b>	<b>\$ (4,581,553)</b>
Balance, June 30, 2018 Measurement Date	\$ 36,980,257

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58 percent in 2017 to 3.87 percent in 2018.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018. A change in the total OPEB liability specific to the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2018 was not provided by the pension system.

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Sensitivity of OPEB Liability**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.87%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

	<b>1% Decrease <u>(2.87%)</u></b>	<b>Current Discount Rate <u>(3.87%)</u></b>	<b>1% Increase <u>(4.87%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 43,718,192</u>	<u>\$ 36,980,257</u>	<u>\$ 31,624,295</u>

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability (School Retirees)	<u>\$ 30,566,336</u>	<u>\$ 36,980,257</u>	<u>\$ 45,462,913</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018 were not provided by the pension system.

**F. Subsequent Events**

**Appropriation of Fund Balance**

On August 27, 2019, the Board approved the appropriation of an additional \$209,576 of 2018/19 Extraordinary Aid into the 2019/20 General Fund budget.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 21,772,992		\$ 21,772,992	\$ 21,772,992	
Interest on Deposits				45,661	\$ 45,661
Interest on Capital Reserve	2,000		2,000	51,157	49,157
Tuition (Pre-K)	20,000		20,000	25,617	5,617
Building Rental	103,055		103,055	104,555	1,500
Miscellaneous	10,000	-	10,000	48,339	38,339
<b>Total - Local Sources</b>	<b>21,908,047</b>	<b>-</b>	<b>21,908,047</b>	<b>22,048,321</b>	<b>140,274</b>
State Sources					
Special Education Aid	442,411		442,411	466,459	24,048
Transportation Aid	86,102		86,102	126,476	40,374
Security Aid	21,680		21,680	86,869	65,189
Extraordinary Aid				209,576	209,576
Nonpublic School Transportation Aid				8,120	8,120
On-behalf TPAF Payments -					
Pension Contribution (Non-Budget)				1,848,362	1,848,362
NCGI Premium (Non-Budget)				38,691	38,691
Post Retirement Medical Benefits (Non-Budget)				855,964	855,964
Long-Term Disability Insurance Contributions (No-Budget)				1,114	1,114
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	713,138	713,138
<b>Total - State Sources</b>	<b>550,193</b>	<b>-</b>	<b>550,193</b>	<b>4,354,769</b>	<b>3,804,576</b>
Federal Sources					
Federal Emergency Management Agency (FEMA)	-	-	-	4,290	4,290
<b>Total - Federal Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,290</b>	<b>4,290</b>
<b>Total Revenues</b>	<b>22,458,240</b>	<b>-</b>	<b>22,458,240</b>	<b>26,407,380</b>	<b>3,949,140</b>
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	596,723	\$ (77,717)	519,006	517,451	1,555
Grades 1-5	3,632,349	(25,656)	3,606,693	3,529,090	77,603
Grades 6-8	3,013,332	(23,553)	2,989,779	2,989,645	134
Instruction - Home					
Salaries of Teachers	15,000	(3,105)	11,895	11,895	-
Purchased Professional - Educational Services	8,000	7,417	15,417	8,435	6,982
<b>Total Instruction - Regular</b>	<b>7,265,404</b>	<b>(122,614)</b>	<b>7,142,790</b>	<b>7,056,516</b>	<b>86,274</b>
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	150,376	14,927	165,303	161,587	3,716
Other Purchased Services	174,448	(3,252)	171,196	167,140	4,056
General Supplies	463,966	(147,735)	316,231	289,693	26,538
Textbooks	9,200	2,792	11,992	768	11,224
Other Objects	40,072	(37,599)	2,473	2,288	185
<b>Total Regular Programs</b>	<b>838,062</b>	<b>(170,867)</b>	<b>667,195</b>	<b>621,476</b>	<b>45,719</b>

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 111,043	\$ 326	\$ 111,369	\$ 111,369	\$ -
Other Salaries for Instruction	136,198	42,022	178,220	106,912	71,308
Purchased Professional - Educational Services	3,000	-	3,000	-	3,000
General Supplies	2,000	-	2,000	578	1,422
<b>Total Learning and/or Language Disabilities</b>	<b>252,241</b>	<b>42,348</b>	<b>294,589</b>	<b>218,859</b>	<b>75,730</b>
Resource Room					
Salaries of Teachers	791,932	14,305	806,237	803,621	2,616
Other Salaries for Instruction	28,413	(18,809)	9,604	-	9,604
Purchased Professional-Educational Services	6,000	1,000	7,000	5,279	1,721
General Supplies	42,647	300	42,947	11,180	31,767
Textbooks	800	(800)	-	-	-
<b>Total Resource Room</b>	<b>869,792</b>	<b>(4,004)</b>	<b>865,788</b>	<b>820,080</b>	<b>45,708</b>
Preschool Disabilities - Part Time					
Salaries of Teachers	69,681	3,084	72,765	72,401	364
Other Salaries for Instruction	61,580	6,247	67,827	49,605	18,222
Purchased Professional - Educational Services	2,500	-	2,500	689	1,811
General Supplies	1,233	-	1,233	415	818
<b>Total Preschool Disabilities - Part Time</b>	<b>134,994</b>	<b>9,331</b>	<b>144,325</b>	<b>123,110</b>	<b>21,215</b>
<b>Total Special Education</b>	<b>1,257,027</b>	<b>47,675</b>	<b>1,304,702</b>	<b>1,162,049</b>	<b>142,653</b>
Basic Skills/Remedial					
Salaries of Teachers	364,207	40,480	404,687	404,686	1
Purchased Professional - Educational Services	4,000	(1,187)	2,813	2,717	96
General Supplies	760	(186)	574	367	207
Textbooks	800	-	800	680	120
<b>Total Basic Skills/Remedial</b>	<b>369,767</b>	<b>39,107</b>	<b>408,874</b>	<b>408,450</b>	<b>424</b>
Bilingual Education					
Salaries of Teachers	41,811	1,996	43,807	43,805	2
Purchased Professional - Educational Services	5,500	(148)	5,352	57	5,295
Other Purchased Services	500	-	500	-	500
General Supplies	50	81	131	106	25
Textbooks	250	(81)	169	-	169
<b>Total Bilingual Education</b>	<b>48,111</b>	<b>1,848</b>	<b>49,959</b>	<b>43,968</b>	<b>5,991</b>
School Sponsored Co/Extra Curricular Activities					
Salaries	62,763	(342)	62,421	62,217	204
<b>Total School Sponsored Co/Extra Curricular Activities</b>	<b>62,763</b>	<b>(342)</b>	<b>62,421</b>	<b>62,217</b>	<b>204</b>
School Sponsored Athletics - Instruction					
Salaries	63,137	274	63,411	63,411	-
Purchased Services	6,500	50	6,550	6,536	14
Supplies and Materials	2,724	805	3,529	3,304	225
<b>Total School Sponsored Athletics - Instruction</b>	<b>72,361</b>	<b>1,129</b>	<b>73,490</b>	<b>73,251</b>	<b>239</b>
<b>Total - Instruction</b>	<b>9,913,495</b>	<b>(204,064)</b>	<b>9,709,431</b>	<b>9,427,927</b>	<b>281,504</b>

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</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	\$ 479,034	\$ 53,699	\$ 532,733	\$ 532,733	\$ -
Tuition to Private School Disabled - Within State	576,627	(40,806)	535,821	521,081	14,740
Total Undistributed Expenditures - Instruction	<u>1,055,661</u>	<u>12,893</u>	<u>1,068,554</u>	<u>1,053,814</u>	<u>14,740</u>
Attendance and Social Work Services					
Salaries	71,270	(6,661)	64,609	57,670	6,939
Purchased Professional and Technical Services	13,848	-	13,848	13,848	-
Total Attendance and Social Work Services	<u>85,118</u>	<u>(6,661)</u>	<u>78,457</u>	<u>71,518</u>	<u>6,939</u>
Health Services					
Salaries	243,396	(3,791)	239,605	236,971	2,634
Purchased Professional and Technical Services	12,090	18,600	30,690	30,152	538
Other Purchased Services	3,600	-	3,600	3,540	60
Supplies and Materials	1,170	6	1,176	932	244
Total Health Services	<u>260,256</u>	<u>14,815</u>	<u>275,071</u>	<u>271,595</u>	<u>3,476</u>
Speech, OT, PT & Related Services					
Salaries	135,154	-	135,154	133,578	1,576
Purchased Professional - Educational Services	375,861	2,272	378,133	376,938	1,195
Supplies and Materials	2,710	-	2,710	900	1,810
Total Speech, OT, PT and Related Services	<u>513,725</u>	<u>2,272</u>	<u>515,997</u>	<u>511,416</u>	<u>4,581</u>
Other Support Services - Students - Extra. Service					
Salaries	481,956	-	481,956	458,196	23,760
Purchased Professional - Educational Services	32,500	61,306	93,806	82,626	11,180
Supplies and Materials	2,100	-	2,100	20	2,080
Total Other Support Svcs.-Students-Extra. Service.	<u>516,556</u>	<u>61,306</u>	<u>577,862</u>	<u>540,842</u>	<u>37,020</u>
Guidance					
Salaries of Other Professional Staff	351,073	762	351,835	350,900	935
Other Purchased Professional & Technical Services	5,000	(762)	4,238	3,115	1,123
Supplies and Materials	3,310	40	3,350	1,414	1,936
Total Guidance	<u>359,383</u>	<u>40</u>	<u>359,423</u>	<u>355,429</u>	<u>3,994</u>
Child Study Team					
Salaries of Other Professional Staff	346,823	(14,185)	332,638	323,102	9,536
Salaries of Secretarial and Clerical Assistants	66,178	-	66,178	66,129	49
Purchased Professional-Educational Services	7,500	8,493	15,993	11,922	4,071
Other Purchased Prof. and Technical Services	75,000	(4,317)	70,683	68,813	1,870
Other Purchased Services	6,983	3,000	9,983	5,325	4,658
Miscellaneous Purchased Services (O/than Resid. Costs)	14,467	2,554	17,021	16,801	220
Supplies and Materials	5,000	-	5,000	4,569	431
Total Child Study Team	<u>521,951</u>	<u>(4,455)</u>	<u>517,496</u>	<u>496,661</u>	<u>20,835</u>

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</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 Supervisors of Instruction	\$ 115,520	\$ -	\$ 115,520	\$ 114,800	\$ 720
Salaries of Other Professional Staff	29,500	36,744	66,244	57,909	8,335
Purchased Professional-Educational Services	34,000	38,298	72,298	71,003	1,295
Other Purchased Services	4,250	500	4,750	3,350	1,400
Supplies and Materials	3,000	(918)	2,082	352	1,730
Other Objects	2,000	(1,220)	780	770	10
<b>Total Improvement of Inst. Serv.</b>	<u>188,270</u>	<u>73,404</u>	<u>261,674</u>	<u>248,184</u>	<u>13,490</u>
Educational Media Services/School Library					
Salaries	198,215	584	198,799	198,799	-
Other Purchased Services	14,092	(3,090)	11,002	7,864	3,138
Supplies and Materials	7,697	84,470	92,167	90,689	1,478
Other Objects	500	(500)	-	-	-
<b>Total Educational Media Services/School Library</b>	<u>220,504</u>	<u>81,464</u>	<u>301,968</u>	<u>297,352</u>	<u>4,616</u>
Instructional Staff Training Services					
Other Salaries	1,750	(1,750)	-	-	-
Purchased Professional - Educational Services	15,000	(4,950)	10,050	10,050	-
Other Purchased Prof and Tech Services	8,000	(4,845)	3,155	3,114	41
Other Purchased Services	9,450	(211)	9,239	8,561	678
Supplies and Materials	2,050	(1,800)	250	233	17
Other Objects	500	(500)	-	-	-
<b>Total Instructional Staff Training Services</b>	<u>36,750</u>	<u>(14,056)</u>	<u>22,694</u>	<u>21,958</u>	<u>736</u>
Support Services General Administration					
Salaries	270,936	-	270,936	266,427	4,509
Legal Services	16,000	30,668	46,668	43,088	3,580
Audit Fees	10,000	48,472	58,472	29,497	28,975
Architectural/Engineering Services	-	26,530	26,530	26,330	200
Other Purchased Professional Services	14,000	10,030	24,030	15,948	8,082
Communications/Telephone	24,792	9,575	34,367	33,255	1,112
BOE Other Purchased Services	5,000	5,246	10,246	6,393	3,853
Miscellaneous Purchased Services	59,915	10,193	70,108	60,194	9,914
General Supplies	10,000	-	10,000	6,692	3,308
Judgements Against the School	50,471	(29,695)	20,776	4,360	16,416
BOE Membership Dues and Fees	12,550	-	12,550	11,973	577
Miscellaneous Expenditures	17,838	(7,011)	10,827	4,974	5,853
<b>Total Support Services General Administration</b>	<u>491,502</u>	<u>104,008</u>	<u>595,510</u>	<u>509,131</u>	<u>86,379</u>
Support Services School Administration					
Salaries of Principals/Asst. Principals	507,214	-	507,214	503,214	4,000
Salaries of Other Professional Staff	28,074	-	28,074	27,942	132
Salaries of Secretarial and Clerical Assistants	210,266	(5,332)	204,934	196,494	8,440
Purchased Professional - Educational Services	-	15,000	15,000	-	15,000
Other Purchased Services	14,149	8,169	22,318	19,398	2,920
Supplies and Materials	16,524	(8,075)	8,449	4,977	3,472
Other Objects	11,470	297	11,767	9,947	1,820
<b>Total Support Services School Administration</b>	<u>787,697</u>	<u>10,059</u>	<u>797,756</u>	<u>761,972</u>	<u>35,784</u>



**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Central Services					
Salaries	\$ 421,178	\$ 1,273	\$ 422,451	\$ 422,011	\$ 440
Purchased Professional Services		2,875	2,875	1,925	950
Purchased Technical Services	794	30,872	31,666	30,788	878
Misc. Purchased Services	20,948	2,000	22,948	17,472	5,476
Supplies and Materials	10,000	-	10,000	7,571	2,429
Interest on Lease Purchase Agreements	3,345	2,605	5,950	4,138	1,812
Miscellaneous Expenditures	4,325	(305)	4,020	2,653	1,367
<b>Total Central Services</b>	<b>460,590</b>	<b>39,320</b>	<b>499,910</b>	<b>486,558</b>	<b>13,352</b>
Admin. Info. Tech.					
Salaries	258,521	5,834	264,355	262,411	1,944
Purchased Professional Services	36,536	22,356	58,892	54,355	4,537
Purchased Technical Services	27,484	(17,306)	10,178	7,663	2,515
Other Purchased Services	11,744	(250)	11,494	7,318	4,176
Supplies and Materials	2,000	81,274	83,274	74,082	9,192
Other Objects	1,550	5,937	7,487	6,827	660
<b>Total Admin. Info. Tech.</b>	<b>337,835</b>	<b>97,845</b>	<b>435,680</b>	<b>412,656</b>	<b>23,024</b>
Required Maintenance for School Facilities					
Salaries	126,768	-	126,768	125,464	1,304
Cleaning, Repair and Maintenance Service	111,400	58,718	170,118	109,924	60,194
Lead Testing of Drinking Water	3,000	-	3,000	2,881	119
General Supplies	30,000	1,125	31,125	27,765	3,360
<b>Total Required Maintenance for School Facilities</b>	<b>271,168</b>	<b>59,843</b>	<b>331,011</b>	<b>266,034</b>	<b>64,977</b>
Custodial Services					
Salaries	766,531	2,521	769,052	752,785	16,267
Salaries of Non-Instructional Aides	69,776	(1,743)	68,033	61,276	6,757
Purchased Professional and Technical Services	26,210	9,150	35,360	21,542	13,818
Cleaning, Repair, and Maintenance Services	131,133	131,073	262,206	73,090	189,116
Rental of Land & Bldg. Other Than Leas Purchase Agree.	2,000	530	2,530	1,003	1,527
Other Purchased Property Services	21,250	(1,618)	19,632	19,165	467
Insurance	142,346	(8,676)	133,670	133,670	-
Miscellaneous Purchased Services	18,600	1,924	20,524	7,459	13,065
General Supplies	109,200	8,892	118,092	99,678	18,414
Energy (Natural Gas)	128,000	(5,817)	122,183	63,581	58,602
Energy (Electricity)	294,000	(82,972)	211,028	176,277	34,751
Other Objects	10,000	200	10,200	3,870	6,330
<b>Total Custodial Services</b>	<b>1,719,046</b>	<b>53,464</b>	<b>1,772,510</b>	<b>1,413,396</b>	<b>359,114</b>
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Service	14,000	28,778	42,778	39,765	3,013
General Supplies	10,000	-	10,000	1,764	8,236
<b>Total Care and Upkeep of Grounds</b>	<b>24,000</b>	<b>28,778</b>	<b>52,778</b>	<b>41,529</b>	<b>11,249</b>

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Security					
Purchased Professional and Technical Services	\$ 3,900	\$ 264,177	\$ 268,077	\$ 252,885	\$ 15,192
Cleaning, Repair and Maintenance Service	12,000	(706)	11,294	3,460	7,834
General Supplies	5,300	117,124	122,424	120,202	2,222
Total Security	<u>21,200</u>	<u>380,595</u>	<u>401,795</u>	<u>376,547</u>	<u>25,248</u>
Student Transportation Services					
Contracted Services-Aid in Lieu of Pymts-Non-Public Schools					
	35,000	(8,000)	27,000	27,000	-
Contracted Services (Between Home and School) - Vendors					
	155,000	(5,000)	150,000	141,642	8,358
Contracted Services (Other Than Between Home and School) - Vendors					
	23,510	-	23,510	15,956	7,554
Contracted Services (Spec. Ed. Students) - Joint Agreement					
	285,000	5,000	290,000	214,294	75,706
Total Student Transportation Services	<u>498,510</u>	<u>(8,000)</u>	<u>490,510</u>	<u>398,892</u>	<u>91,618</u>
Employee Benefits - Unallocated					
Social Security Contributions	265,000	-	265,000	244,138	20,862
Other Retirement Contributions - PERS	268,078	(9,989)	258,089	258,089	-
Other Retirement Contributions - Regular	30,000	5,139	35,139	31,236	3,903
Unemployment Insurance	-	50,000	50,000	-	50,000
Workmen's Compensation	131,724	(63,097)	68,627	61,580	7,047
Health Benefits	3,491,518	(366,281)	3,125,237	2,913,105	212,132
Tuition Reimbursement	29,900	-	29,900	22,535	7,365
Other Employee Benefits	37,479	83,500	120,979	97,324	23,655
Unused Sick Payment to Terminated / Retired Staff	20,240	11,500	31,740	31,740	-
Total Employee Benefits - Unallocated	<u>4,273,939</u>	<u>(289,228)</u>	<u>3,984,711</u>	<u>3,659,747</u>	<u>324,964</u>
On-behalf TPAF Payments -					
Pension Contribution					
				1,848,362	(1,848,362)
NCGI Premium (Non-Budget)					
				38,691	(38,691)
Post Retirement Medical Benefits (Non-Budget)					
				855,964	(855,964)
Long-Term Disability Insurance Contributions (Non-Budget)					
				1,114	(1,114)
Reimbursed TPAF Social Security Payments (Non-Budget)					
	-	-	-	713,138	(713,138)
Total On-behalf TPAF Pension Payments	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,457,269</u>	<u>(3,457,269)</u>
Total Undistributed Expenditures	<u>12,643,661</u>	<u>697,706</u>	<u>13,341,367</u>	<u>15,652,500</u>	<u>(2,311,133)</u>
Total Current Expenditures	<u>22,557,156</u>	<u>493,642</u>	<u>23,050,798</u>	<u>25,080,427</u>	<u>(2,029,629)</u>

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
<b>CAPITAL OUTLAY</b>					
Increase in Capital Reserve	\$ 600,000	\$ -	\$ 600,000		\$ 600,000
Interest Deposit To Capital Reserve	2,000	-	2,000		2,000
Equipment		-			
Support Services - Related and Extra.		127,076	127,076	\$ 85,275	41,801
Educational Media/Library Services		103,888	103,888		103,888
School Sponsored Athletics - Instruction		42,279	42,279	17,279	25,000
Admin. Info. Tech.		15,335	15,335	3,834	11,501
Security	-	74,767	74,767	74,767	-
	<u>602,000</u>	<u>363,345</u>	<u>965,345</u>	<u>181,155</u>	<u>784,190</u>
Total Undistributed Expenditures - Instruction					
	<u>602,000</u>	<u>363,345</u>	<u>965,345</u>	<u>181,155</u>	<u>784,190</u>
Total Equipment					
	<u>602,000</u>	<u>363,345</u>	<u>965,345</u>	<u>181,155</u>	<u>784,190</u>
Facilities Acquisition and Construction Services					
Other Purchased Professional and Technical Services		19,340	19,340	15,395	3,945
Construction Services		300,304	300,304	284,954	15,350
Lease Purchase Agreements - Principal	100,000	-	100,000	97,706	2,294
Assessment for Debt Service on SDA Funding	50,531	-	50,531	50,531	-
	<u>150,531</u>	<u>319,644</u>	<u>470,175</u>	<u>448,586</u>	<u>21,589</u>
Total Facilities Acquisition and Construction Svcs.					
	<u>150,531</u>	<u>319,644</u>	<u>470,175</u>	<u>448,586</u>	<u>21,589</u>
Total Capital Outlay					
	<u>752,531</u>	<u>682,989</u>	<u>1,435,520</u>	<u>629,741</u>	<u>805,779</u>
Total Expenditures - General Fund					
	<u>23,309,687</u>	<u>1,176,631</u>	<u>24,486,318</u>	<u>25,710,168</u>	<u>(1,223,850)</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(851,447)	(1,176,631)	(2,028,078)	697,212	2,725,290
Other Financing Sources/(Uses)					
Operating Transfer In				114,799	114,799
Operating Transfer Out	-	-	-	(1,307)	(1,307)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,492</u>	<u>113,492</u>
Total Other Financing Sources					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,492</u>	<u>113,492</u>
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Uses	(851,447)	(1,176,631)	(2,028,078)	810,704	2,838,782
Fund Balances, Beginning of Year	6,403,944	-	6,403,944	6,403,944	-
Fund Balances, End of Year	<u>\$ 5,552,497</u>	<u>\$ (1,176,631)</u>	<u>\$ 4,375,866</u>	<u>\$ 7,214,648</u>	<u>\$ 2,838,782</u>

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>Recapitulation</b>					
Restricted Fund Balance:					
Excess Surplus				\$ 877,884	
Excess Surplus - Designated for Subsequent Year's Expenditures				212,893	
Capital Reserve - Designated for Subsequent Year's Expenditures				200,000	
Capital Reserve				3,844,883	
Maintenance Reserve				759,616	
Emergency Reserve				250,000	
Committed Fund Balance					
Year-End Encumbrances				69,351	
Assigned Fund Balance					
Year-End Encumbrances				207,632	
Designated for Subsequent Year's Expenditures				129,609	
Unassigned Fund Balance				<u>662,780</u>	
				7,214,648	
Reconciliation to Governmental Funds Statements (GAAP)					
State Aid Public			\$ 61,977		
Extraordinary Aid Payment			<u>209,576</u>		
				<u>271,553</u>	
Fund Balances Per Governmental Funds (GAAP)				<u>\$ 6,943,095</u>	

**RIVER VALE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Adjustments</u>	<u>Final</u>		<u>Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
Local		\$ 159,000	\$ 159,000	\$ 159,000	-
Federal	\$ 254,627	112,104	366,731	248,195	\$ (118,536)
Total Revenues	<u>254,627</u>	<u>271,104</u>	<u>525,731</u>	<u>407,195</u>	<u>(118,536)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries		8,000	8,000	8,000	-
Purchased Professional/Educational Services	9,110	10,955	20,065	19,735	330
Tuition	217,018	104,090	321,108	202,902	118,206
General Supplies	-	1,000	1,000	1,000	-
Total Instruction	<u>226,128</u>	<u>124,045</u>	<u>350,173</u>	<u>231,637</u>	<u>118,536</u>
Support Services					
Purchased Professional/Education Services	25,499	(337)	25,162	25,162	-
General Supplies	3,000	(2,604)	396	396	-
Total Support Services	<u>28,499</u>	<u>(2,941)</u>	<u>25,558</u>	<u>25,558</u>	<u>-</u>
Facilities Acquisition and Construction Services					
Construction	-	150,000	150,000	150,000	-
Total Facilities Acquisition and Construction	<u>-</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Total Expenditures	<u>254,627</u>	<u>271,104</u>	<u>525,731</u>	<u>407,195</u>	<u>118,536</u>
Excess Revenues Over Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**RIVER VALE BOARD OF EDUCATION  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

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

		<b>General Fund</b>		<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1)	\$ 26,407,380	(C-2)	\$ 407,195
Difference - Budget to GAAP				
State Aid payment and Extraordinary Aid (2017/2018) recognized for GAAP statements, not recognized for budgetary statements		233,004		
State Aid payments and Extraordinary Aid (2018/2019) recognized for budgetary purposes, not recognized for GAAP statements		<u>(271,553)</u>		<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures	(B-2)	<u>\$ 26,368,831</u>	(B-2)	<u>\$ 407,195</u>
<b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1)	<u>\$ 25,710,168</u>	(C-2)	<u>\$ 407,195</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2)	<u>\$ 25,710,168</u>	(B-2)	<u>\$ 407,195</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**PENSION INFORMATION**

**AND**

**OTHER POST-EMPLOYMENT BENEFITS INFORMATION**



**RIVER VALE BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Public Employees Retirement System**

**Last Six Fiscal Years\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.02579%	0.02677%	0.02783%	0.02804%	0.02752%	0.02743%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 5,078,572</u>	<u>\$ 6,232,396</u>	<u>\$ 8,241,189</u>	<u>\$ 6,293,457</u>	<u>\$ 5,152,885</u>	<u>\$ 5,242,077</u>
District's Covered Payroll	<u>\$ 1,809,116</u>	<u>\$ 1,743,573</u>	<u>\$ 1,734,025</u>	<u>\$ 1,866,029</u>	<u>\$ 1,836,183</u>	<u>\$ 1,882,947</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	280.72%	357.45%	475.26%	337.26%	280.63%	278.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**RIVER VALE BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS**

**Public Employees Retirement System**

**Last Six Fiscal Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 256,560	\$ 248,026	\$ 247,200	\$ 241,032	\$ 226,888	\$ 206,666
Contributions in Relation to the Contractually Required Contribution	<u>256,560</u>	<u>248,026</u>	<u>247,200</u>	<u>241,032</u>	<u>226,888</u>	<u>206,666</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 1,809,116</u>	<u>\$ 1,743,573</u>	<u>\$ 1,734,025</u>	<u>\$ 1,866,029</u>	<u>\$ 1,836,183</u>	<u>\$ 1,882,947</u>
Contributions as a Percentage of Covered Payroll	14.18%	14.23%	14.26%	12.92%	12.36%	10.98%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**RIVER VALE BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Teachers Pension and Annuity Fund**

**Last Six Fiscal Years\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 58,052,253</u>	<u>\$ 61,697,988</u>	<u>\$ 71,350,794</u>	<u>\$ 55,506,801</u>	<u>\$ 51,226,575</u>	<u>\$ 49,439,450</u>
Total	<u>\$ 58,052,253</u>	<u>\$ 61,697,988</u>	<u>\$ 71,350,794</u>	<u>\$ 55,506,801</u>	<u>\$ 51,226,575</u>	<u>\$ 49,439,450</u>
District's Covered Payroll	<u>\$ 9,894,490</u>	<u>\$ 9,664,566</u>	<u>\$ 9,369,586</u>	<u>\$ 9,194,904</u>	<u>\$ 9,186,308</u>	<u>\$ 8,961,183</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**RIVER VALE BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Change of Benefit Terms:** None.

**Change of Assumptions:** Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4.

**RIVER VALE BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF  
TOTAL OPEB LIABILITY**

**Postemployment Health Benefit Plan**

**Last Two Fiscal Years\***

	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>		
Service Cost	\$ 1,457,312	\$ 1,746,924
Interest on Total OPEB Liability	1,523,146	1,318,863
Differences Between Expected and Actual Experience	(2,363,678)	-
Changes of Assumptions	(4,243,670)	(5,490,916)
Gross Benefit Payments	(988,839)	(927,976)
Contribution from the Member	<u>34,176</u>	<u>34,170</u>
<b>Net Change in Total OPEB Liability</b>	(4,581,553)	(3,318,935)
<b>Total OPEB Liability - Beginning</b>	<u>41,561,810</u>	<u>44,880,745</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 36,980,257</u>	<u>\$ 41,561,810</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>36,980,257</u>	<u>41,561,810</u>
Total OPEB Liability - Ending	<u>\$ 36,980,257</u>	<u>\$ 41,561,810</u>
District's Covered-Employee Payroll	<u>\$ 11,703,606</u>	<u>\$ 11,408,139</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll	0%	0%

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

\*The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**RIVER VALE BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY  
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

Assumptions used in calculating the OPEB liability are presented in Note 4E.

**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, 2019**

	<u>RVEF Grant</u>	<u>PTA Grant</u>	<u>Italian Grant</u>	<u>Bergen County Audubon Society Grant</u>	<u>IDEA Part B - Basic</u>	<u>IDEA Preschool</u>	<u>NCLB Title II</u>	<u>NCLB Title IV</u>	<u>Total</u>
<b>REVENUES</b>									
Intergovernmental									
Local	\$ 125,000	\$ 25,000	\$ 8,000	\$ 1,000					\$ 159,000
Federal	-	-	-	-	\$ 209,547	\$ 13,486	\$ 15,162	\$ 10,000	248,195
<b>Total Revenues</b>	<b>\$ 125,000</b>	<b>\$ 25,000</b>	<b>\$ 8,000</b>	<b>\$ 1,000</b>	<b>\$ 209,547</b>	<b>\$ 13,486</b>	<b>\$ 15,162</b>	<b>\$ 10,000</b>	<b>\$ 407,195</b>
<b>EXPENDITURES</b>									
Instruction									
Salaries			\$ 8,000						\$ 8,000
Purchased Professional & Ed Svcs.					\$ 19,735				19,735
Tuition					189,416	\$ 13,486			202,902
General Supplies	-	-	-	\$ 1,000	-	-	-	-	1,000
<b>Total Instruction</b>	<b>-</b>	<b>-</b>	<b>8,000</b>	<b>1,000</b>	<b>209,151</b>	<b>13,486</b>	<b>-</b>	<b>-</b>	<b>231,637</b>
Support Services									
Purchased Professional Educational Svcs.							\$ 15,162	\$ 10,000	25,162
General Supplies	-	-	-	-	396	-	-	-	396
<b>Total Support Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>396</b>	<b>-</b>	<b>15,162</b>	<b>10,000</b>	<b>25,558</b>
Facilities Acquisition and Construction Services									
Construction	125,000	25,000	-	-	-	-	-	-	150,000
<b>Total Facilities Acquisition and Construction</b>	<b>125,000</b>	<b>25,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150,000</b>
<b>Total Expenditures</b>	<b>\$ 125,000</b>	<b>\$ 25,000</b>	<b>\$ 8,000</b>	<b>\$ 1,000</b>	<b>\$ 209,547</b>	<b>\$ 13,486</b>	<b>\$ 15,162</b>	<b>\$ 10,000</b>	<b>\$ 407,195</b>

**RIVER VALE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION PROGRAM AID  
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOT APPLICABLE

**CAPITAL PROJECTS FUND**

**RIVER VALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures To Date</u>		<u>Transfer Out</u>	<u>Balance June 30, 2019</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Facilities Acquisitions and Construction Services at Holdrum, Woodside and Roberge Schools*	\$ 19,750,000	\$ 19,645,090		\$ (103,962)	\$ 948
Roberge Roof Replacement, except over gym	576,570	576,570			-
Roberge Upgrade 2 Gang Bathrooms and 2 Staff Bathrooms	239,405	239,405			-
Technology Project **	301,135	24,836	\$ 269,222		7,077
Boiler and Generator Project **	432,202	109,940	319,010		3,252
Emergency Generator Project	650,000	-	169,003	-	480,997
87 Total	<u>\$ 21,949,312</u>	<u>\$ 20,595,841</u>	<u>\$ 757,235</u>	<u>\$ (103,962)</u>	<u>\$ 492,274</u>
Project Balances, June 30, 2019					\$ 492,274
Less: Debt Authorized But Not Issued					<u>(948)</u>
Fund Balance, Budgetary Basis					<u>\$ 491,326</u>
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>					
Fund Balance, Budgetary Basis					<u>\$ 491,326</u>
Fund Balance Per Governmental Funds (GAAP)					<u>\$ 491,326</u>
Analysis of Restricted Fund Balance					
Year End Encumbrances					\$ 451,206
Restricted Fund Balance					<u>40,120</u>
Fund Balance Per Governmental Funds (GAAP)					<u>\$ 491,326</u>

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

\*\* Modified Appropriation for interest earning.

**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, 2019**

**Revenues and Other Financing Sources**

Revenues:

Transfer from Capital Reserve	\$ 1,307
Interest on Deposits	<u>16,455</u>

Total Revenues and Other Financing Sources	<u>17,762</u>
--	---------------

**Expenditures and Other Financing Uses**

Construction Services	488,013
Equipment	269,222
Transfer to General Fund- Capital Reserve	103,962
Transfer to General Fund- Interest Earnings	<u>10,837</u>

Total Expenditures and Other Financing Uses	<u>872,034</u>
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Excess (Deficiency) of Revenue and Other Financing Sources and (Uses) Over/(Under) Expenditures and Other Financing Uses	(854,272)
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Fund Balance, Beginning of Year	<u>1,345,598</u>
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Fund Balance, End of Year	<u><u>\$ 491,326</u></u>
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**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, 2019**

	<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>				
Construction Services	19,645,090		19,645,090	19,749,052
Transfer Out		\$ 103,962	103,962	
	<u>19,645,090</u>	<u>103,962</u>	<u>19,749,052</u>	<u>19,749,052</u>
Excess (deficiency) or Revenues over (under) Expenditures	<u>\$ 103,962</u>	<u>\$ (103,962)</u>	<u>\$ -</u>	<u>\$ -</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	100%			
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  
ROBERGE ELEMENTARY SCHOOL ROOF REPLACEMENT, EXCEPT OVER GYM  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
SDA Grant Proceeds	\$ 230,808		\$ 230,808	\$ 230,808
Transfer from Capital Reserve		\$ 222	222	222
Transfer from Capital Outlay	345,540		345,540	345,540
	<u>576,348</u>		<u>576,570</u>	<u>576,570</u>
Total Revenues	<u>576,348</u>	<u>222</u>	<u>576,570</u>	<u>576,570</u>
<b>Expenditures and Other Financing Uses</b>				
Professional Services	51,700		51,700	51,700
Construction Services	524,870		524,870	524,870
	<u>576,570</u>		<u>576,570</u>	<u>576,570</u>
Total Expenditures	<u>576,570</u>	<u>-</u>	<u>576,570</u>	<u>576,570</u>
Excess (deficiency) or Revenues over (under) Expenditures	<u>\$ (222)</u>	<u>\$ 222</u>	<u>\$ -</u>	<u>\$ -</u>

**Additional project information:**

Project Number    DOE Project # 4430-060-14-1002  
                           SDA Project # 4430-060-14-G1GT  
                           Grant #                G5-4921

Grant Date                                3/5/2014  
 Bond Authorization Date                N/A  
 Bonds Authorized                        N/A  
 Bonds Issued                                N/A  
 Original Authorized Cost                \$ 784,700  
 Reduced Authorized Cost                (208,130)  
 Revised Authorized Cost                 576,570

Percentage Decrease over Original  
   Authorized Cost                        -26.52%  
 Percentage completion                 100.00%  
 Original target completion date        Dec 2014  
 Revised target completion date        June 2015

**RIVER VALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS  
ROBERGE ELEMENTARY SCHOOL - UPGRADE 2 GANG BATHROOMS AND 2 STAFF BATHROOMS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
SDA Grant Proceeds	\$ 95,880		\$ 95,880	\$ 95,880
Transfer from Capital Reserve		\$ 1,085	1,085	1,085
Transfer from Capital Outlay	142,440		142,440	142,440
Total Revenues	<u>238,320</u>	<u>1,085</u>	<u>239,405</u>	<u>239,405</u>
<b>Expenditures and Other Financing Uses</b>				
Professional Services	23,005		23,005	23,005
Construction Services	216,400		216,400	216,400
Total Expenditures	<u>239,405</u>	<u>-</u>	<u>239,405</u>	<u>239,405</u>
Excess (deficiency) or Revenues over (under) Expenditures	<u>\$ (1,085)</u>	<u>\$ 1,085</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional project information:</b>				
Project Number	DOE Project #	4430-060-14-1001		
	SDA Project #	4430-060-14-G1GS		
	Grant #	G5-4920		
Grant Date		3/5/2014		
Bond Authorization Date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$	292,200		
Reduced Authorized Cost		(52,795)		
Revised Authorized Cost		239,405		
Percentage Decrease over Original Authorized Cost		-18.07%		
Percentage completion		100.00%		
Original target completion date		Dec 2014		
Revised target completion date		June 2015		



**RIVER VALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS  
TECHNOLOGY PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	\$ 294,500		\$ 294,500	\$ 294,500
Interest Earnings	<u>2,534</u>	<u>\$ 4,101</u>	<u>6,635</u>	<u>6,635</u>
Total Revenues	<u>297,034</u>	<u>4,101</u>	<u>301,135</u>	<u>301,135</u>
<b>Expenditures and Other Financing Uses</b>				
Equipment	<u>24,836</u>	<u>269,222</u>	<u>294,058</u>	<u>301,135</u>
Total Expenditures	<u>24,836</u>	<u>269,222</u>	<u>294,058</u>	<u>301,135</u>
Excess (deficiency) or Revenues over (under) Expenditures	<u>\$ 272,198</u>	<u>\$ (265,121)</u>	<u>\$ 7,077</u>	<u>\$ -</u>
<b>Additional project information:</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	294,500			
Additional Authorized Cost	6,635			
Revised Authorized Cost	301,135			
Percentage Increase over Original Authorized Cost	2.25%			
Percentage completion	9%			
Original target completion date	June 2019			
Revised target completion date	N/A			

**RIVER VALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS  
BOILER AND GENERATOR PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	\$ 430,540		\$ 430,540	\$ 430,540
Interest Earnings	145	\$ 1,517	1,662	1,662
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	430,685	1,517	432,202	432,202
<b>Expenditures and Other Financing Uses</b>				
Construction Services	109,940	319,010	428,950	432,202
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	109,940	319,010	428,950	432,202
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) or Revenues over (under) Expenditures	\$ 320,745	\$ (317,493)	\$ 3,252	\$ -
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Additional project information:</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 430,540			
Additional Authorized Cost	1,662			
Revised Authorized Cost	432,202			
Percentage Increase over Original Authorized Cost	0.39%			
Percentage completion	99.25%			
Original target completion date	June 2019			
Revised target completion date	N/A			

**RIVER VALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS  
EMERGENCY GENERATOR PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	\$ 650,000		\$ 650,000	\$ 650,000
Total Revenues	650,000	-	650,000	650,000
<b>Expenditures and Other Financing Uses</b>				
Construction Services		\$ 169,003	169,003	\$ 650,000
Total Expenditures	-	169,003	169,003	650,000
Excess (deficiency) or Revenues over (under) Expenditures	\$ 650,000	\$ (169,003)	\$ 480,997	\$ -
<b>Additional project information:</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 650,000			
Additional Authorized Cost	N/A			
Revised Authorized Cost	N/A			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage completion	26.00%			
Original target completion date	September 2019			
Revised target completion date	June 2020			

**PROPRIETARY FUNDS**

**RIVER VALE BOARD OF EDUCATION  
ENTERPRISE FUND  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2019**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**FIDUCIARY FUNDS**

**RIVER VALE BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING SCHEDULE OF AGENCY ASSETS AND LIABILITIES  
AS OF JUNE 30, 2019**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 117,771	\$ 23,717	\$ 141,488
Cash and Cash Equivalents with Fiscal Agent	<u>-</u>	<u>10,654</u>	<u>10,654</u>
Total Assets	<u>\$ 117,771</u>	<u>\$ 34,371</u>	<u>\$ 152,142</u>
 <b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 17,871	\$ 17,871
Accrued Salaries and Wages		5,846	5,846
Flex Spending Benefits		10,654	10,654
Due to Student Groups	<u>\$ 117,771</u>	<u>-</u>	<u>117,771</u>
Total Liabilities	<u>\$ 117,771</u>	<u>\$ 34,371</u>	<u>\$ 152,142</u>

**FIDUCIARY FUNDS  
COMBINING SCHEDULE OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOT APPLICABLE

**RIVER VALE BOARD OF EDUCATION  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Balance, July 1, <u>2018</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2019</u></b>
<b>SCHOOLS</b>				
Roberge Elementary	\$ 20,494	\$ 17,544	\$ 18,080	\$ 19,958
Woodside Elementary	15,557	21,253	19,422	17,388
Holdrum Middle School	<u>101,367</u>	<u>107,796</u>	<u>128,738</u>	<u>80,425</u>
 Total All Schools	 <u>\$ 137,418</u>	 <u>\$ 146,593</u>	 <u>\$ 166,240</u>	 <u>\$ 117,771</u>

**PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Balance, July 1, <u>2018</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2019</u></b>
Payroll Deductions and Withholdings	\$ 12,830	\$ 6,632,013	\$ 6,626,972	\$ 17,871
Accrued Salaries and Wages	3,999	8,093,416	8,091,569	5,846
Flex Spending Benefits	10,253	51,907	51,506	10,654
Due to Other Funds	<u>922</u>	<u>-</u>	<u>922</u>	<u>-</u>
 Total	 <u>\$ 28,004</u>	 <u>\$ 14,777,336</u>	 <u>\$ 14,770,969</u>	 <u>\$ 34,371</u>



**LONG-TERM DEBT**

**RIVER VALE BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<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, 2018</u>	<u>Decreased</u>	<u>Balance, June 30, 2019</u>
School District Refunding Bonds - 2009	2/25/2010	\$ 7,080,000	9/15/2019	\$ 355,000	4.50 %			
			9/15/2019	440,000	3.50			
			9/15/2020	790,000	4.50	<u>\$ 2,385,000</u>	<u>\$ 800,000</u>	<u>\$ 1,585,000</u>
						<u>\$ 2,385,000</u>	<u>\$ 800,000</u>	<u>\$ 1,585,000</u>

**RIVER VALE BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES AND LEASE PURCHASE AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**CAPITAL LEASES**

<b><u>Description</u></b>	<b><u>Interest Rate</u></b>	<b><u>Amount of Original Obligation</u></b>	<b><u>Balance, July 1, 2018</u></b>	<b><u>Increased</u></b>	<b><u>Decreased</u></b>	<b><u>Balance, June 30, 2019</u></b>
Boiler and Generator Project - 2018	2.910%	\$ 430,540	\$ 430,540		\$ 97,706	\$ 332,834
Copiers - 2018	3.360%	126,983	114,900	-	24,055	90,845
Total			<u>\$ 545,440</u>	<u>\$ -</u>	<u>\$ 121,761</u>	<u>\$ 423,679</u>

**LEASE PURCHASE AGREEMENTS**

<b><u>Description</u></b>	<b><u>Interest Rate</u></b>	<b><u>Amount of Original Obligation</u></b>	<b><u>Balance, July 1, 2018</u></b>	<b><u>Increased</u></b>	<b><u>Decreased</u></b>	<b><u>Balance, June 30, 2019</u></b>
Technology - 2016/2017	1.879%	\$ 294,500	\$ 98,155	-	\$ 98,155	\$ -
Total			<u>\$ 98,155</u>	<u>\$ -</u>	<u>\$ 98,155</u>	<u>\$ -</u>

**RIVER VALE BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Property Tax Levy	\$ 882,925	-	\$ 882,925	\$ 882,925	-
Total Revenues	<u>882,925</u>	<u>-</u>	<u>882,925</u>	<u>882,925</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	800,000		800,000	800,000	
Interest	<u>82,925</u>	<u>-</u>	<u>82,925</u>	<u>82,925</u>	<u>-</u>
Total Expenditures	<u>882,925</u>	<u>-</u>	<u>882,925</u>	<u>882,925</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

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

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

J-14 and J-15

#### **Operating Information**

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

J-16 to J-20

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

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

	2010	2011	2012	2013	Fiscal Year Ended June 30,		2016	2017	2018	2019
		(Restated)			2014	2015				
					(Restated)					
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 11,562,104	\$ 12,298,108	\$ 13,128,780	\$ 11,598,974	\$ 13,275,640	\$ 13,584,567	\$ 14,277,535	\$ 15,262,477	\$ 16,285,030	\$ 17,400,881
Restricted	235,897	224,076	716,927	641,463	1,055,866	2,484,162	3,256,802	4,094,443	5,162,107	5,292,572
Unrestricted	208,646	510,526	712,521	1,921,197	(4,342,704)	(4,364,121)	(4,320,483)	(4,889,344)	(5,064,138)	(4,783,153)
<b>Total Governmental Activities Net Position</b>	<u>\$ 12,006,647</u>	<u>\$ 13,032,710</u>	<u>\$ 14,558,228</u>	<u>\$ 14,161,634</u>	<u>\$ 9,988,802</u>	<u>\$ 11,704,608</u>	<u>\$ 13,213,854</u>	<u>\$ 14,467,576</u>	<u>\$ 16,382,999</u>	<u>\$ 17,910,300</u>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 2,439	\$ 2,049	\$ 1,659	\$ 1,270	\$ 880	\$ 491	\$ 153			
Restricted										
Unrestricted	101,100	171,329	146,758	6,350	5,515	6,825	3,035	\$ 4,560	\$ 5,038	\$ 7,100
<b>Total Business-Type Activities Net Position</b>	<u>\$ 103,539</u>	<u>\$ 173,378</u>	<u>\$ 148,417</u>	<u>\$ 7,620</u>	<u>\$ 6,395</u>	<u>\$ 7,316</u>	<u>\$ 3,188</u>	<u>\$ 4,560</u>	<u>\$ 5,038</u>	<u>\$ 7,100</u>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 11,564,543	\$ 12,300,157	\$ 13,130,439	\$ 11,600,244	\$ 13,276,520	\$ 13,585,058	\$ 14,277,688	\$ 15,262,477	\$ 16,285,030	\$ 17,400,881
Restricted	235,897	224,076	716,927	641,463	1,055,866	2,484,162	3,256,802	4,094,443	5,162,107	5,292,572
Unrestricted	309,746	681,855	859,279	1,927,547	(4,337,189)	(4,357,296)	(4,317,448)	(4,884,784)	(5,059,100)	(4,776,053)
<b>Total District Net Position</b>	<u>\$ 12,110,186</u>	<u>\$ 13,206,088</u>	<u>\$ 14,706,645</u>	<u>\$ 14,169,254</u>	<u>\$ 9,995,197</u>	<u>\$ 11,711,924</u>	<u>\$ 13,217,042</u>	<u>\$ 14,472,136</u>	<u>\$ 16,388,037</u>	<u>\$ 17,917,400</u>

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

Note 2 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

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

	2010	2011	2012	2013	Fiscal Year Ended June 30,		2016	2017	2018	2019
		(Restated)			2014	2015				
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 9,676,884	\$ 9,737,441	\$ 9,833,606	\$ 10,096,119	\$ 10,345,903	\$ 12,155,828	\$ 12,956,831	\$ 14,660,861	\$ 14,844,590	\$ 13,879,320
Special Education	2,333,154	2,129,638	2,230,343	2,231,290	2,573,541	3,012,413	2,833,926	3,307,958	3,197,258	3,289,415
Other Instruction	538,942	543,070	677,912	672,031	619,745	777,249	826,581	735,632	778,351	831,455
School Sponsored Activities and Athletics	137,292	111,249	120,488	124,146	136,012	165,731	187,152	195,003	197,371	192,072
<b>Support Services:</b>										
Student & Instruction Related Services	1,867,320	2,178,179	2,329,447	2,444,437	2,661,439	2,969,688	3,101,326	3,520,859	3,755,883	3,613,041
Attendance and Social Work	168,345	118,281	113,304	200,410	98,199	95,684	101,908	93,463	115,397	89,686
Educational Media/School Library	336,393	227,370	423,129	297,026	275,962	245,608	252,636	281,046	404,105	372,292
School Administrative Services	951,097	925,318	1,133,352	1,192,633	1,183,983	1,191,048	1,315,095	1,398,509	1,389,406	1,292,720
General Administration	635,394	691,280	742,344	724,425	619,558	609,048	630,874	627,090	683,631	685,570
Central Services	968,795	1,132,238	1,099,110	1,095,091	1,299,740	1,068,917	1,175,357	1,274,128	1,283,092	1,265,156
Plant Operations and Maintenance	2,148,125	2,046,993	1,965,809	2,078,059	2,275,527	2,220,141	2,213,141	2,263,671	2,176,186	2,537,756
Pupil Transportation	531,200	456,736	443,474	397,901	390,519	435,775	391,112	351,882	384,269	398,892
Interest on Long-Term Debt	363,885	289,404	248,380	229,357	211,850	196,130	166,924	135,810	106,258	80,291
<b>Total Governmental Activities Expenses</b>	<b>20,656,826</b>	<b>20,587,197</b>	<b>21,360,698</b>	<b>21,782,925</b>	<b>22,691,978</b>	<b>25,143,260</b>	<b>26,152,863</b>	<b>28,845,912</b>	<b>29,315,797</b>	<b>28,527,666</b>
<b>Business-Type Activities:</b>										
Food Service	35,526	41,891	48,026	22,039	19,770	16,722	21,783	20,537	19,648	16,579
Safety Town	7,856	-	-	-	-	-	-	-	-	-
Park Academy	245,975	616,541	7,662	4,899	4,013	2,151	3,446	3,436	1,107	952
<b>Total Business-Type Activities Expense</b>	<b>289,357</b>	<b>658,432</b>	<b>55,688</b>	<b>26,938</b>	<b>23,783</b>	<b>18,873</b>	<b>25,229</b>	<b>23,973</b>	<b>20,755</b>	<b>17,531</b>
<b>Total District Expenses</b>	<b>\$ 20,946,183</b>	<b>\$ 21,245,629</b>	<b>\$ 21,416,386</b>	<b>\$ 21,809,863</b>	<b>\$ 22,715,761</b>	<b>\$ 25,162,133</b>	<b>\$ 26,178,092</b>	<b>\$ 28,869,885</b>	<b>\$ 29,336,552</b>	<b>\$ 28,545,197</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges for Services:</b>										
Instruction (Tuition)		\$ 17,600	\$ 20,260	\$ 27,350	\$ 17,801	\$ 18,785	\$ 20,155	\$ 31,540	\$ 34,867	\$ 25,617
Operating Grants and Contributions	\$ 2,373,202	1,823,995	2,655,210	2,940,129	2,778,294	5,183,923	5,921,273	7,968,230	8,471,792	6,956,169
Capital Grants and Contributions	-	-	221,010	100,000	22,260	304,130	298	-	2,975	150,000
<b>Total Governmental Activities Program Revenues</b>	<b>2,373,202</b>	<b>1,841,595</b>	<b>2,896,480</b>	<b>3,067,479</b>	<b>2,818,355</b>	<b>5,506,838</b>	<b>5,941,726</b>	<b>7,999,770</b>	<b>8,509,634</b>	<b>7,131,786</b>

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

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

	2010	2011	2012	2013	Fiscal Year Ended June 30,		2016	2017	2018	2019
		(Restated)			2014	2015				
<b>Business-Type Activities:</b>										
Charges for Services										
Food Service	\$ 28,932	\$ 25,835	\$ 19,804	\$ 17,169	\$ 12,666	\$ 11,318	\$ 11,826	\$ 14,623	\$ 13,149	\$ 12,168
Safety Town	2,300									
Park Academy	246,947	689,928	1,175	7,865	4,013	2,151	3,446	3,436	1,107	952
Operating Grants and Contributions	11,168	11,028	9,594	8,147	5,793	6,279	5,800	7,258	6,938	6,349
<b>Total Business Type Activities Program Revenues</b>	<b>289,347</b>	<b>726,791</b>	<b>30,573</b>	<b>33,181</b>	<b>22,472</b>	<b>19,748</b>	<b>21,072</b>	<b>25,317</b>	<b>21,194</b>	<b>19,469</b>
<b>Total District Program Revenues</b>	<b>\$ 2,662,549</b>	<b>\$ 2,568,386</b>	<b>\$ 2,927,053</b>	<b>\$ 3,100,660</b>	<b>\$ 2,840,827</b>	<b>\$ 5,526,586</b>	<b>\$ 5,962,798</b>	<b>\$ 8,025,087</b>	<b>\$ 8,530,828</b>	<b>\$ 7,151,255</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (18,283,624)	\$ (18,745,602)	\$ (18,464,218)	\$ (18,715,446)	\$ (19,873,623)	\$ (19,636,422)	\$ (20,211,137)	\$ (20,846,142)	\$ (20,806,163)	\$ (21,395,880)
Business-Type Activities	(10)	68,359	(25,115)	6,243	(1,311)	875	(4,157)	1,344	439	1,938
<b>Total district-wide net expense</b>	<b>\$ (18,283,634)</b>	<b>\$ (18,677,243)</b>	<b>\$ (18,489,333)</b>	<b>\$ (18,709,203)</b>	<b>\$ (19,874,934)</b>	<b>\$ (19,635,547)</b>	<b>\$ (20,215,294)</b>	<b>\$ (20,844,798)</b>	<b>\$ (20,805,724)</b>	<b>\$ (21,393,942)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, net	\$ 18,524,538	\$ 19,525,073	\$ 19,881,917	\$ 20,258,781	\$ 20,804,887	\$ 21,175,835	\$ 21,563,660	\$ 21,917,688	\$ 22,280,759	\$ 22,655,917
Unrestricted Grants and Contributions		3,800				11,300	12,382	12,375	12,366	1,097
Net Gain(Loss) on Contributed Asset		176,827	(1,336)							
Investment Earnings	18,264	20,188	6,358	14,022	14,063	10,456	15,330	19,941	33,464	113,273
Miscellaneous Income	63,638	45,777	160,702	163,404	123,918	154,637	129,011	149,860	394,997	152,894
<b>Total Governmental Activities</b>	<b>18,606,440</b>	<b>19,771,665</b>	<b>20,047,641</b>	<b>20,436,207</b>	<b>20,942,868</b>	<b>21,352,228</b>	<b>21,720,383</b>	<b>22,099,864</b>	<b>22,721,586</b>	<b>22,923,181</b>
Business-Type Activities:										
Transfer to Participating Districts				(147,126)	-	-				
Investment Earnings	1,198	1,480	154	86	86	46	29	28	39	124
<b>Total Business-Type Activities</b>	<b>1,198</b>	<b>1,480</b>	<b>154</b>	<b>(147,040)</b>	<b>86</b>	<b>46</b>	<b>29</b>	<b>28</b>	<b>39</b>	<b>124</b>
<b>Total District-Wide</b>	<b>\$ 18,607,638</b>	<b>\$ 19,773,145</b>	<b>\$ 20,047,795</b>	<b>\$ 20,289,167</b>	<b>\$ 20,942,954</b>	<b>\$ 21,352,274</b>	<b>\$ 21,720,412</b>	<b>\$ 22,099,892</b>	<b>\$ 22,721,625</b>	<b>\$ 22,923,305</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 322,816	\$ 1,026,063	\$ 1,583,423	\$ 1,720,761	\$ 1,069,245	\$ 1,715,806	\$ 1,509,246	\$ 1,253,722	\$ 1,915,423	\$ 1,527,301
Business-Type Activities	1,188	69,839	(24,961)	(140,797)	(1,225)	921	(4,128)	1,372	478	2,062
<b>Total District</b>	<b>\$ 324,004</b>	<b>\$ 1,095,902</b>	<b>\$ 1,558,462</b>	<b>\$ 1,579,964</b>	<b>\$ 1,068,020</b>	<b>\$ 1,716,727</b>	<b>\$ 1,505,118</b>	<b>\$ 1,255,094</b>	<b>\$ 1,915,901</b>	<b>\$ 1,529,363</b>

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



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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 923,012									
Unreserved	134,847									
Restricted		\$ 736,062	\$ 1,253,603	\$ 1,202,168	\$ 1,732,799	\$ 3,297,639	\$ 4,058,596	\$ 4,333,422	\$ 4,907,058	\$ 6,145,276
Committed		39,020	203,890	991,418	111,222		252,989	866,013	433,214	69,351
Assigned		164,666	168,056	491,864	215,128		159,884	157,805	424,344	337,241
Unassigned		377,532	351,097	349,155	389,383	361,755	369,795	383,236	406,324	391,227
<b>Total General Fund</b>	<b>\$ 1,057,859</b>	<b>\$ 1,317,280</b>	<b>\$ 1,976,646</b>	<b>\$ 3,034,605</b>	<b>\$ 2,448,532</b>	<b>\$ 3,659,394</b>	<b>\$ 4,841,264</b>	<b>\$ 5,740,476</b>	<b>\$ 6,170,940</b>	<b>\$ 6,943,095</b>
All Other Governmental Funds										
Reserved	\$ 32,528									
Unreserved	212,136									
Restricted		\$ 174,556	\$ 99,393	\$ 780,535	\$ 801,566	\$ 225,580	\$ 102,963	\$ 372,827	\$ 1,345,598	\$ 491,326
<b>Total All Other Governmental Funds</b>	<b>\$ 244,664</b>	<b>\$ 174,556</b>	<b>\$ 99,393</b>	<b>\$ 780,535</b>	<b>\$ 801,566</b>	<b>\$ 225,580</b>	<b>\$ 102,963</b>	<b>\$ 372,827</b>	<b>\$ 1,345,598</b>	<b>\$ 491,326</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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Tax Levy	\$ 18,524,538	\$ 19,525,073	\$ 19,881,917	\$ 20,258,781	\$ 20,804,887	\$ 21,175,835	\$ 21,563,660	\$ 21,917,688	\$ 22,280,759	\$ 22,655,917
Tuition Charges		17,600	20,260	27,350	17,801	18,785	20,155	31,540	34,867	25,617
Interest Earnings	18,264	20,188	6,358	14,022	14,063	10,456	15,330	19,941	33,464	113,273
Miscellaneous	69,261	50,083	165,008	270,404	128,009	163,898	187,308	156,073	407,341	311,894
State Sources	1,988,656	1,614,682	2,389,274	2,717,235	2,413,787	2,880,072	2,986,745	3,328,671	3,748,401	4,316,220
Federal Sources	378,923	208,807	482,640	221,894	382,676	328,343	225,904	313,986	224,497	252,485
<b>Total revenues</b>	<b>20,979,642</b>	<b>21,436,433</b>	<b>22,945,457</b>	<b>23,509,686</b>	<b>23,761,223</b>	<b>24,577,389</b>	<b>24,999,102</b>	<b>25,767,899</b>	<b>26,729,329</b>	<b>27,675,406</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	9,349,456	9,501,344	9,632,797	9,783,099	9,686,772	9,808,445	10,357,451	10,826,464	11,160,280	11,634,122
Special Education Instruction	2,297,602	2,093,252	2,196,405	2,196,058	2,590,164	2,833,105	2,644,651	2,955,284	2,821,276	3,067,943
Other Instruction	521,366	535,452	650,355	649,412	637,518	661,784	693,230	565,092	600,161	734,994
School Sponsored Activities and Athletics	137,292	111,249	120,488	124,146	134,096	165,731	178,420	172,983	176,024	185,496
<b>Support Services:</b>										
Student & Inst. Related Services	1,821,328	2,135,150	2,267,078	2,377,621	2,645,072	2,712,389	2,763,634	2,899,280	3,148,985	3,331,409
Attendance and Social Work	156,757	107,755	109,653	193,460	99,155	95,193	100,647	93,253	103,592	90,095
Educational Media/School Library	326,303	234,664	410,009	287,810	258,142	263,428	252,636	268,072	368,409	361,389
General Administration	593,714	658,334	713,172	734,678	617,850	606,474	610,702	580,032	633,979	665,759
School Administrative Services	919,633	895,576	1,094,797	1,142,196	1,149,939	1,063,175	1,140,969	1,127,609	1,125,295	1,119,180
Central Services	947,671	1,121,085	1,066,219	1,063,281	1,283,182	1,068,362	1,091,364	1,108,670	1,117,061	1,199,681
Plant Operations and Maintenance	2,109,046	2,020,305	1,922,929	2,041,453	2,254,127	2,171,232	2,115,705	2,079,883	1,999,126	2,464,373
Pupil Transportation	531,200	456,736	443,474	397,901	390,519	435,775	391,112	351,882	384,269	398,892
Other Support Services										
Capital Outlay	164,005	239,102	671,042	390,908	1,430,373	911,426	454,654	737,044	1,139,885	1,393,716
<b>Debt Service:</b>										
Principal	670,127	817,134	792,303	820,247	924,358	936,628	963,575	980,545	984,895	1,019,916
Interest and Other Charges	394,185	319,982	270,533	244,888	224,998	209,366	181,099	147,230	120,380	90,558
Cost of Issuance	107,344									
Advance Refunding Escrow	409,817									
<b>Total Expenditures</b>	<b>21,456,846</b>	<b>21,247,120</b>	<b>22,361,254</b>	<b>22,447,158</b>	<b>24,326,265</b>	<b>23,942,513</b>	<b>23,939,849</b>	<b>24,893,323</b>	<b>25,883,617</b>	<b>27,757,523</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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Excess (Deficiency) of Revenues over (under) Expenditures	\$ (477,204)	\$ 189,313	\$ 584,203	\$ 1,062,528	\$ (565,042)	\$ 634,876	\$ 1,059,253	\$ 874,576	\$ 845,712	\$ (82,117)
<b>Other Financing Sources (uses)</b>										
Capital Leases (non-budgeted)	277,000			676,573				294,500	557,523	
Refunding Bond Proceeds	7,080,000									
Premium on Notes/Bonds	491,161									
Bonds Refunded	(7,054,000)									
Transfers In	885	212,762	8,066	1,161	488,862	528	386	384	650,655	116,106
Transfers Out	(885)	(212,762)	(8,066)	(1,161)	(488,862)	(528)	(386)	(384)	(650,655)	(116,106)
<b>Total Other Financing Sources (uses)</b>	<u>794,161</u>	<u>-</u>	<u>-</u>	<u>676,573</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>294,500</u>	<u>557,523</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ 316,957</u>	<u>\$ 189,313</u>	<u>\$ 584,203</u>	<u>\$ 1,739,101</u>	<u>\$ (565,042)</u>	<u>\$ 634,876</u>	<u>\$ 1,059,253</u>	<u>\$ 1,169,076</u>	<u>\$ 1,403,235</u>	<u>\$ (82,117)</u>
Debt Service as a Percentage of Noncapital Expenditures	7.43%	5.41%	4.90%	4.83%	5.02%	4.98%	4.87%	4.67%	4.47%	4.21%

\* 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 Deposits</u>	<u>Donations</u>	<u>Administration Fee</u>	<u>E-Rate Rebate</u>	<u>Energy Rebate</u>	<u>Insurance Refund</u>	<u>Rentals</u>	<u>Miscellaneous</u>	<u>Total</u>
2010		\$ 17,343			\$ 15,911		\$ 399		\$ 47,328	\$ 80,981
2011	\$ 17,600	19,002		\$ 15,057	783		6,352		23,585	82,379
2012	20,260	6,292			26,105		21,163	\$ 102,900	10,534	187,254
2013	27,350	12,861	\$ 100,000		22,575		7,316	102,900	30,613	303,615
2014	17,801	13,161	300					102,900	20,718	154,880
2015	18,785	9,928			16,226			100,340	38,071	183,350
2016	20,155	14,944			15,727			103,055	10,229	164,110
2017	31,540	19,049	10,000		13,316			103,905	22,639	200,449
2018	34,867	30,638	225,000		14,665	\$ 33,842		103,055	18,435	460,502
2019	25,617	96,818			13,741	12,000		104,555	22,598	275,329

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>
2010	\$ 30,632,200	\$ 1,963,018,600		\$ 104,445,700		\$ 13,034,700	\$ 2,111,131,200		\$ 2,111,131,200	\$ 2,179,123,352	\$ 1.372
2011	27,416,700	1,969,780,400		70,900,800		13,034,700	2,081,132,600		2,081,132,600	2,075,161,024	1.433
2012	28,687,500	1,961,429,200		76,456,600		13,034,700	2,079,608,000		2,079,608,000	2,043,697,829	1.478
2013	24,311,200	1,966,807,500		70,238,400		13,034,700	2,074,391,800		2,074,391,800	1,984,898,947	1.510
2014	22,643,800	1,953,627,700		71,333,700		13,034,700	2,060,639,900		2,060,639,900	1,936,930,981	1.018
2015	17,521,400	1,964,593,300		71,228,200		13,034,700	2,066,377,600	\$ 1,351,396	2,067,728,996	1,956,461,720	1.034
2016	15,375,500	1,974,406,900		70,235,800		13,034,700	2,073,052,900	1,344,095	2,074,396,995	2,013,198,179	1.049
2017	15,467,100	1,974,720,200		71,521,600		13,034,700	2,074,743,600	1,333,316	2,076,076,916	2,052,142,618	1.065
2018	14,378,600	1,981,135,500		71,521,600		13,034,700	2,080,070,400	1,342,127	2,081,412,527	2,074,763,194	1.079
2019	14,094,200	1,987,790,600		71,459,800		13,034,700	2,086,379,300	1,348,864	2,087,728,164	2,078,144,276	1.095

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Source: County Abstract of Ratables

<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>
2010	\$ 2.001	\$ 0.902	\$ 0.470	\$ 0.427	\$ 0.202
2011	2.101	0.947	0.486	0.461	0.207
2012	2.170	0.965	0.513	0.476	0.216
2013	2.229	0.990	0.520	0.500	0.219
2014	2.272	1.018	0.534	0.500	0.220
2015	2.348	1.034	0.560	0.527	0.227
2016	2.417	1.049	0.581	0.548	0.239
2017	2.488	1.065	0.612	0.562	0.249
2018	2.525	1.079	0.634	0.567	0.245
2019	2.553	1.095	0.634	0.581	0.243

Source: Tax Duplicate, Township of River Vale

(1) Includes County Open Space Tax

(2) Includes Municipal Open Space and Library Tax

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

Taxpayer	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Edgewood Country Club, Inc.	\$ 21,235,400	1.017%	\$ 9,794,900	0.464%
River Vale Development Partners, LLC			11,432,400	0.542%
Gal-Ben Associates	7,672,000	0.367%	3,125,100	0.148%
Rivervale Collignon Vil Prty Owr LP	7,266,400	0.348%		
United Water Co of NJ/Suez	6,850,600	0.328%	8,265,750	0.392%
Young Property LLC	5,548,200	0.266%		
Florentine, Inc.	5,187,100	0.248%	2,326,500	0.110%
Lindvale Gardens	4,875,400	0.234%	2,478,000	0.117%
Powder Hill Holdings LLC	2,514,600	0.120%		
MWD River Vale One LLC	2,326,400	0.111%		
V.E.R. Corp	1,791,500	0.086%		
River Vale Dev LLC % Garden Homes			3,040,000	0.144%
Village on the Green			2,627,500	0.124%
River Vale Developers III, LLC			2,240,200	0.106%
	\$ 65,267,600	3.13%	\$ 45,330,350	2.15%

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	
2010	\$ 18,524,538	\$ 18,524,538	100.00%	-
2011	19,525,073	19,525,073	100.00%	-
2012	19,881,917	19,881,917	100.00%	-
2013	20,258,781	20,258,781	100.00%	-
2014	20,804,887	20,804,887	100.00%	-
2015	21,175,835	21,175,835	100.00%	-
2016	21,563,660	21,563,660	100.00%	-
2017	21,917,688	21,917,688	100.00%	-
2018	22,280,759	22,280,759	100.00%	-
2019	22,655,917	22,655,917	100.00%	-



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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Population	Per Capita
	General Obligation	Capital Leases	Lease Purchase			
	Bonds		Agreements			
2010	\$ 8,370,000	\$ 349,684	N/A	\$ 8,719,684	9,683	\$ 901
2011	7,715,000	187,550	N/A	7,902,550	9,742	811
2012	7,015,000	95,247	N/A	7,110,247	9,790	726
2013	6,290,000	676,573	N/A	6,966,573	9,825	709
2014	5,545,000	497,215	N/A	6,042,215	9,870	612
2015	4,780,000	325,587	N/A	5,105,587	9,912	515
2016	3,990,000	152,012	N/A	4,142,012	10,041	413
2017	3,185,000	76,467	\$ 194,500	3,455,967	10,066	343
2018	2,385,000	545,440	98,155	3,028,595	10,062	301
2019	1,585,000	423,679	N/A	2,008,679	10,062 *	200

Source: District records

Note: \* Estimate

**RIVER VALE BOARD OF EDUCATION**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN 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
2010	\$ 8,370,000		\$ 8,370,000	0.40%	\$ 864
2011	7,715,000		7,715,000	0.37%	792
2012	7,015,000		7,015,000	0.34%	717
2013	6,290,000		6,290,000	0.30%	640
2014	5,545,000		5,545,000	0.27%	562
2015	4,780,000		4,780,000	0.23%	482
2016	3,990,000		3,990,000	0.19%	397
2017	3,185,000		3,185,000	0.15%	316
2018	2,385,000		2,385,000	0.11%	237
2019	1,585,000		1,585,000	0.08%	158

Source: District records

**RIVER VALE BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2018  
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Local and Regional School	\$ 5,893,096	\$ 5,893,096	
Golf Course Utility	14,696,331	14,696,331	
Borough of River Vale	<u>19,388,444</u>	<u>23,207</u>	<u>\$ 19,365,237</u>
	<u>\$ 39,977,871</u>	<u>\$ 20,612,634</u>	<u>19,365,237</u>
Overlapping Debt Apportioned to the Municipality:			
Bergen County:			
County of Bergen			16,789,142
Bergen Utilities Authority - Water Pollution (B)			<u>2,253,559</u>
			<u>19,042,701</u>
Total Direct and Overlapping Debt			<u>\$ 38,407,938</u>

Source:

(1)Township of River Vale's 2018 Annual Debt Statement

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 66,755,947	\$ 64,922,645	\$ 63,067,746	\$ 61,266,214	\$ 61,266,214	\$ 58,813,253	\$ 58,985,263	\$ 59,966,599	\$ 61,151,919	\$ 61,803,814
Total net debt applicable to limit	8,370,000	7,715,948	7,015,948	6,290,948	6,290,948	4,780,948	3,990,948	3,185,948	2,385,948	1,585,948
Legal debt margin	<u>\$ 58,385,947</u>	<u>\$ 57,206,697</u>	<u>\$ 56,051,798</u>	<u>\$ 54,975,266</u>	<u>\$ 54,975,266</u>	<u>\$ 54,032,305</u>	<u>\$ 54,994,315</u>	<u>\$ 56,780,651</u>	<u>\$ 58,765,971</u>	<u>\$ 60,217,866</u>
Total net debt applicable to the limit as a percentage of debt limit	12.54%	11.88%	11.12%	10.27%	10.27%	8.13%	6.77%	5.31%	3.90%	2.57%

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**Legal Debt Margin Calculation for Fiscal Year 2019**

	Equalized valuation basis
	2018 \$ 2,068,075,562
	2017 2,065,654,719
	2016 <u>2,046,651,101</u>
	<u>\$ 6,180,381,382</u>
Average equalized valuation of taxable property	<u>\$ 2,060,127,127</u>
Debt limit (3 % of average equalization value)	\$ 61,803,814
Total Net Debt Applicable to Limit	<u>1,585,948</u>
Legal debt margin	<u>\$ 60,217,866</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>
2009	9,683	\$ 64,280	4.8%
2010	9,742	65,992	4.9%
2011	9,790	68,865	4.9%
2012	9,825	71,789	4.9%
2013	9,870	71,100	7.8%
2014	9,912	73,637	4.3%
2015	10,041	76,821	4.0%
2016	10,066	77,901	3.8%
2017	10,062	81,203	3.5%
2018	10,062 *	81,203 *	3.0%

Source: New Jersey State Department of Education

\* Estimate

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

**NOT APPLICABLE**

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

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Instruction										
Regular	97	97	97	97	97	97	97	98	98	83
Special education	15	15	15	15	15	15	15	15	15	31
Support Services:										
Student & instruction related services	14	14	14	14	14	14	14	14	14	14
General administration	2	2	2	2	2	2	2	2	2	2
School administrative services	6	6	6	6	6	6	6	6	6	6
Administrative Information Technology	2	2	2	2	2	2	2	2	2	2
Plant operations and maintenance	16	16	16	16	16	16	16	16	16	16
Other support services	5	5	5	5	5	5	5	5	5	5
Total	<u>157</u>	<u>157</u>	<u>157</u>	<u>157</u>	<u>157</u>	<u>157</u>	<u>157</u>	<u>158</u>	<u>158</u>	<u>159</u>

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				
2010	1,375.0	\$ 19,711,368	\$ 14,336	8.05%	120	14.1	10.9	1,375.6	1,327.5	-2.11%	96.50%
2011	1,383.0	19,870,902	14,368	0.23%	127	13.45	11.8	1,398.9	1,351.3	1.69%	96.60%
2012	1,337.0	20,627,376	15,428	7.38%	127	13:45	11.8	1,230.4	1,192.4	-12.05%	96.91%
2013	1,259.0	20,991,115	16,673	8.07%	127	13:45	11.8	1,293.5	1,247.6	5.13%	96.45%
2014	1,285.0	21,746,536	16,923	1.50%	124	13:45	11.8	1,161.5	1,122.0	4.00%	96.60%
2015	1,224.0	21,885,093	17,880	5.65%	124	13:45	11.8	1,161.5	1,122.0	0.00%	96.60%
2016	1,180.0	22,340,521	18,933	5.89%	124	13:45	11.8	1,180.0	1,141.8	1.59%	96.76%
2017	1,163.0	23,028,504	19,801	4.59%	113	10.86	10.14	1,160.7	1,114.7	-1.64%	96.04%
2018	1,147.0	23,638,457	20,609	4.08%	114	10.86	10.14	1,143.2	1,103.0	-1.51%	96.48%
2019	1,120.0	25,253,333	22,548	9.41%	114	10.86	10.14	1,114.3	1,073.5	-2.53%	96.34%

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)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
<b><u>Roberge Elementary</u></b>										
Square Feet	54,817	54,817	54,817	54,817	57,817	57,817	57,817	57,817	57,817	57,817
Capacity (students)	407	407	407	407	407	407	407	407	407	407
Enrollment							382	379	388	361
<b><u>Woodside Elementary</u></b>										
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>							344	348	357	350
<b><u>Middle School</u></b>										
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							454	436	402	409

Number of Schools at June 30, 2019

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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
School Facilities										
Roberge Elementary School	\$ 79,589	\$ 138,622	\$ 77,219	\$ 88,851	\$ 97,818	\$ 88,691	\$ 104,673	\$ 111,777	\$ 99,546	\$ 94,283
Woodside Elementary School	123,032	53,884	66,414	84,313	119,010	70,982	83,773	89,460	54,601	95,206
Holdrum Middle School	<u>108,700</u>	<u>91,209</u>	<u>83,135</u>	<u>76,927</u>	<u>81,177</u>	<u>95,311</u>	<u>112,486</u>	<u>120,121</u>	<u>108,911</u>	<u>76,544</u>
Grand Total	<u>\$ 311,321</u>	<u>\$ 283,715</u>	<u>\$ 226,768</u>	<u>\$ 250,091</u>	<u>\$ 298,005</u>	<u>\$ 254,984</u>	<u>\$ 300,932</u>	<u>\$ 321,358</u>	<u>\$ 263,058</u>	<u>\$ 266,033</u>

Source: District Records

RIVER VALE BOARD OF EDUCATION  
 SCHEDULE OF INSURANCE  
 JUNE 30, 2019  
 (Unaudited)

	Coverage	Deductible
<b>SCHOOL PACKAGE POLICY - Great American</b>		
Northeast Bergen County School Board Insurance Group		
PROPERTY - Blanket Buildings and Contents	\$ 40,632,534	\$ 5,000
FLOOD:	5,000,000	50,000
Within Special Flood "A"	2,000,000	500,000
EARTHQUAKE	5,000,000	50,000
BOILER AND MACHINERY	40,632,534	5,000
GENERAL LIABILITY		
Per Occurrence	1,000,000	
Aggregate	2,000,000	
COMMERCIAL AUTOMOBILE LIABILITY	1,000,000	
Comprehensive		1,000
Collision		1,000
<b>COMMERCIAL UMBRELLA- Great American</b>	9,000,000	
<b>EXCESS UMBRELLA - Fireman's Fund</b>	50,000,000	
50% of Group - Aggregate	50,000,000	
<b>EXCESS LIABILITY - Starstone/Martel</b>		
Unshared	30,000,000	
<b>WORKER'S COMPENSATION - Safety National</b>		
Per Occurrence	Statutory	
Indemnity Employers Liability	1,000,000	
<b>ENVIRONMENTAL - Chubb/ACE</b>		
Per Occurrence	2,000,000	15,000/25,000
Aggregate	4,000,000	
Group Aggregate	20,000,000	
<b>CRIME COVERAGE - Selective Ins. Co.</b>		
Employee Theft - Employee	100,000	5,000
Computer Fraud	100,000	1,000
Employee Theft - Per Loss	500,000	100,000
Forgery or Alteration	100,000	1,000
Funds Transfer Fraud	100,000	1,000
<b>EDUCATORS LEGAL LIABILITY - XL Catlin</b>		
Educators Legal Ded	1,000,000	10,000
Employment Practices Ded	1,000,000	25,000
Policy Aggregate	1,000,000	
<b>CYBER LIABILITY - XL Catlin</b>		
1st Party/3rd Party	1,000,000/2,000,000	25,000/15,000
Policy Aggregate	6,000,000	
<b>ACCIDENTAL DEATH &amp; DISMEMBRMENT - Gerber Life Ins.</b>		
Principal Sum (AD&D)	100,000	
<b>INDIVIDUAL BONDS - Selective Ins. Co.</b>		
School Business Admin/Board Secretary	150,000	
Treasurer of School Monies	300,000	

**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-1

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
SHERYL M. LEIDIG, CPA, PSA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA

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

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the River Vale Board of Education as of and for the fiscal year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the River Vale Board of Education's basic financial statements and have issued our report thereon dated November 13, 2019.

**Internal Control Over Financial Reporting**

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

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

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

### Compliance and Other Matters

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

### Purpose of this Report

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



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



Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
November 13, 2019



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
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DEBRA GOLLE, CPA  
MARK SACO, CPA  
SHERYL M. LEIDIG, CPA, PSA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT  
ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

**INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the River Vale Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the River Vale Board of Education's major state programs for the fiscal year ended June 30, 2019. The River Vale Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of state statutes, regulations, and the terms and conditions of its state financial assistance applicable to its state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the River Vale Board of Education's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the River Vale Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the River Vale Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2019.

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

Management of the River Vale Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the River Vale Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the River Vale Board of Education's internal control over compliance.

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

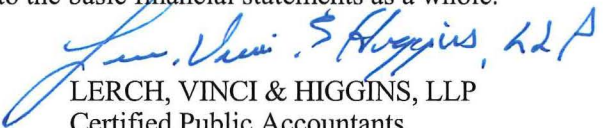
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

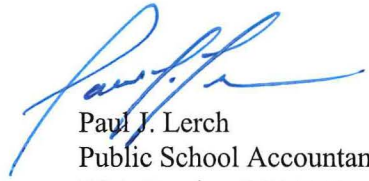
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



**Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

We have audited the financial statements of the River Vale Board of Education, as of and for the fiscal year ended June 30, 2019 and have issued our report thereon dated November 13, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

  
Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
November 13, 2019

RIVER VALE BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant Period	Award Amount	Balance July 1, 2018		Unearned Revenue Carryover Amount	Accounts Receivable Carryover Amount	Cash Received	Budgetary Expenditures	Balance, June 30, 2019			Memo GAAP Receivable
					Unearned Revenue	Accounts Receivable					(Account Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Agriculture														
Passed-through State Department														
of Agriculture														
Special Milk Program	10.556	181NJ304N1099	7/1/18-6/30/19	\$ 6,349					\$ 5,803	\$ 6,349	\$ (546)			\$ (546)
Special Milk Program	10.556	171NJ304N1099	7/1/17-6/30/18	6,938	-	\$ (618)	-	-	618	-	-	-	-	-
<b>Total U.S. Department of Agriculture/Child Nutrition Cluster</b>					-	(618)	-	-	6,421	6,349	(546)	-	-	(546)
U.S. Department of Education														
Passed-through State Department														
of Education														
I.D.E.A. Part B, Basic	84.027A	H027A180100	7/1/18-6/30/19	228,744			\$ 99,339	\$ (99,339)	208,557	209,547	(119,526)	\$ 118,536		(990)
I.D.E.A. Part B, Basic	84.027A	H027A170100	7/1/17-6/30/18	227,046	\$ 99,339	(112,816)	(99,339)	99,339	13,477					
I.D.E.A. Part B, Preschool	84.173A	H173A180114	7/1/18-6/30/19	13,486	-	-	-	-	13,486	13,486	-	-	-	-
<b>Total Special Education Cluster (IDEA)</b>				482,637	99,339	(112,816)	-	-	235,520	223,033	(119,526)	118,536	-	(990)
NCLB Title II	84.367A	S367A180029	7/1/18-6/30/19	15,162					15,162	15,162	-	-		-
NCLB Title IV	84.424	S424A180031	7/1/18-6/30/19	10,000	-	-	-	-	10,000	10,000	-	-		-
<b>Total U.S. Department of Education</b>					99,339	(112,816)	-	-	260,682	248,195	(119,526)	118,536	-	(990)
U.S. Department of Homeland Security														
Public Assistance Grant (FEMA)														
Severe Winter Storm Quinn	97.036	N/A	N/A	4,290	-	-	-	-	4,290	4,290	-	-		-
<b>Total</b>					\$ 99,339	\$ (113,434)	\$ -	\$ -	\$ 271,393	\$ 258,834	\$ (120,072)	\$ 118,536	\$ -	\$ (1,536)

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Note: Not subject to Federal Single Audit in accordance with U.S. Uniform Guidance.

RIVER VALE BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2018			Cash Received	Budgetary Expenditures	Balance, June 30, 2019			Memo		
				(Accounts Receivable)	Unearned Revenue	Due to Grantor			(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
<b>State Department of Education</b>														
<b>General Fund</b>														
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	\$ 466,459				\$ 423,933	\$ 466,459	\$ (42,526)			\$	466,459	
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	442,411	\$ (39,205)			39,205							
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	86,869				78,949	86,869	(7,920)				86,869	
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	21,680	(1,921)			1,921							
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	12,380	(1,097)			1,097						-	
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	12,380	(1,097)			1,097						-	
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	11,620	(1,030)			1,030						-	
<b>Total State Aid Public Cluster</b>								<u>553,328</u>						
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	126,476				114,945	126,476	(11,531)				126,476	
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	27,212	(2,412)			2,412							
Nonpublic School Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	8,120					8,120	(8,120)		\$	(8,120)	8,120	
Nonpublic School Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	9,280	(9,280)			9,280						-	
<b>Total Transportation Aid Cluster</b>								<u>134,596</u>						
Extraordinary Aid	19-495-034-5120-044	7/1/18-6/30/19	209,576					209,576	(209,576)				209,576	
Extraordinary Aid	18-495-034-5120-044	7/1/17-6/30/18	186,242	(186,242)			186,242							
On-Behalf TPAF Social Security Aid	19-495-034-5094-003	7/1/18-6/30/19	713,138				677,869	713,138	(35,269)			(35,269)	713,138	
On-Behalf TPAF Social Security Aid	18-495-034-5094-003	7/1/17-6/30/18	688,716	(34,321)			34,321							
TPAF Pension Benefit Contributions	19-495-034-5094-002	7/1/18-6/30/19	1,848,362				1,848,362	1,848,362					1,848,362	
TPAF Pension - NCGI Premium	19-495-034-5094-004	7/1/18-6/30/19	38,691				38,691	38,691					38,691	
TPAF - Post Retirement Medical	19-495-034-5094-001	7/1/18-6/30/19	855,964				855,964	855,964					855,964	
TPAF - Long-Term Disability Insurance Contributions	19-495-034-5094-004	7/1/18-6/30/19	1,114	-	-	-	1,114	1,114	-	-	-	-	1,114	
<b>Total General Fund</b>				<u>(276,605)</u>	<u>-</u>	<u>-</u>	<u>4,316,432</u>	<u>4,354,769</u>	<u>(314,942)</u>	<u>-</u>	<u>-</u>	<u>(43,389)</u>	<u>4,354,769</u>	
<b>Capital Project Fund</b>														
Roberge Elementary School Upgrade Two Gang Bathrooms and Two Staff Bathrooms	4430-060-14-1001	N/A	95,880	(95,880)	-	-	-	-	(95,880)	-	-	(95,880)	95,880	
<b>Total Capital Projects Fund/SDA Cluster</b>				<u>(95,880)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(95,880)</u>	<u>-</u>	<u>-</u>	<u>(95,880)</u>	<u>95,880</u>	
<b>Total State Financial Assistance Subject to Single Audit Determination</b>				<u>(372,485)</u>	<u>-</u>	<u>-</u>	<u>4,316,432</u>	<u>4,354,769</u>	<u>(410,822)</u>	<u>-</u>	<u>-</u>	<u>(139,269)</u>	<u>4,450,649</u>	
<b>State Financial Assistance Not Subject to Major Program Determination</b>														
<b>General Fund</b>														
TPAF Pension Benefit Contributions	19-495-034-5094-002	7/1/18-6/30/19	1,848,362				(1,848,362)	(1,848,362)					(1,848,362)	
TPAF Pension - NCGI Premium	19-495-034-5094-004	7/1/18-6/30/19	38,691				(38,691)	(38,691)					(38,691)	
TPAF - Post Retirement Medical	19-495-034-5094-001	7/1/18-6/30/19	855,964				(855,964)	(855,964)					(855,964)	
TPAF - Long-Term Disability Insurance Contributions	19-495-034-5094-004	7/1/18-6/30/19	1,114	-	-	-	(1,114)	(1,114)	-	-	-	-	(1,114)	
<b>Total State Financial Assistance Subject to Major Program Determination</b>				<u>\$ (372,485)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,572,301</u>	<u>\$ 1,610,638</u>	<u>\$ (410,822)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (139,269)</u>	<u>\$ 1,706,518</u>	

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**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, 2019**

**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 financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$38,549 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 financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 4,290	\$ 4,316,220	\$ 4,320,510
Special Revenue Fund	248,195		248,195
Food Service Fund	<u>6,349</u>	<u>-</u>	<u>6,349</u>
Total Financial Assistance	<u>\$ 258,834</u>	<u>\$ 4,316,220</u>	<u>\$ 4,575,054</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, 2019**

**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 \$713,138 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, 2019. The amount reported as TPAF Pension System Contributions in the amount of \$1,887,053, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,114 and TPAF Long-Term Disability Insurance in the amount of \$855,964 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2019.

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

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance 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 financial statements and the amount subject to State single audit and major program determination.

**NOTE 6 DE MINIMIS INDIRECT COST RATE**

The District has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**RIVER VALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

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

**Federal Awards Section**

Not Applicable

**RIVER VALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

*Part I – Summary of Auditor’s Results*

**State Awards Section**

Internal Control over compliance:

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

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

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? \_\_\_\_\_ yes      X   no

Identification of major programs:

<u>State Grant/Project Number</u>	<u>Name of State Program</u>
19-495-034-5094-003	TPAF Social Security Aid

Dollar threshold used to determine Type A and Type B programs: \$ 750,000

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, 2019**

*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, 2019**

*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 U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

Not applicable.

**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, 2019**

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. Uniform Guidance and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

There were none.