

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

**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, 2014**

**Prepared by**

**Business Office**

**RIVER VALE BOARD OF EDUCATION  
TABLE OF CONTENTS**

**Page**

**INTRODUCTORY SECTION**

Letter of Transmittal	i-v
Organizational Chart	vi
Roster of Officials	vii
Consultants and Advisors	viii

**FINANCIAL SECTION**

Independent Auditor's Report	1-3
------------------------------	-----

**REQUIRED SUPPLEMENTARY INFORMATION- PART I**

Management's Discussion and Analysis	4-16
--------------------------------------	------

**Basic Financial Statements**

**A. District-wide Financial Statements**

A-1 Statement of Net Position	17
A-2 Statement of Activities	18

**B. Fund Financial Statements**

*Governmental Funds*

B-1 Balance Sheet	19
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	20
B-3 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the District-Wide Statements	21

*Proprietary Funds*

B-4 Statement of Net Position	22
B-5 Statement of Revenues, Expenses, and Changes in Net Position	23
B-6 Statement of Cash Flows	24

*Fiduciary Funds*

B-7 Statement of Fiduciary Net Position	25
B-8 Statement of Changes in Fiduciary Net Position	26

<b>Notes to the Financial Statements</b>	27-51
--	-------

**RIVER VALE BOARD OF EDUCATION  
TABLE OF CONTENTS**

Page

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**C. Budgetary Comparison Schedules**

C-1	Budgetary Comparison Schedule – Budget and Actual - General Fund	52-59
C-2	Budgetary Comparison Schedule – Special Revenue Fund – Budget (Non-GAAP) and Actual	60
C-3	Budgetary Comparison Schedule – Note to Required Supplementary Information	61

**OTHER SUPPLEMENTARY INFORMATION**

**D. School Level Schedules – Not Applicable**

**E. Special Revenue Fund**

E-1	Combining Schedule of Revenues and Expenditures Special Revenue Fund – Budgetary Basis	62
E-2	Preschool Program Aid – Schedule of Expenditures – Budgetary Basis – Not Applicable	63

**F. Capital Projects Fund**

F-1	Summary Schedule of Project Expenditures	64
F-2	Summary Schedule of Project Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	65
F-2a	Schedule of Project Revenues, Expenditures, Project Balance – and Project Status – Improvements to the Middle School and Elementary Schools	66
F-2b	Schedule of Project Revenues, Expenditures, Project Balance – and Project Status – Information Technology Project	67
F-2c	Schedule of Project Revenues, Expenditures, Project Balance – and Project Status – Boiler Replacement Project	68
F-2d	Schedule of Project Revenues, Expenditures, Project Balance – and Project Status – Roberge Elementary School Roof Replacement	69
F-2e	Schedule of Project Revenues, Expenditures, Project Balance – and Project Status – Roberge Elementary School – Upgrade 2 Gang Bathrooms and 2 Staff Bathrooms	70

**G. Proprietary Funds**

G-1	Combining Schedule of Net Position – Not Applicable	71
G-2	Combining Schedule of Revenues, Expenses and Changes in Net Position – Not Applicable	71
G-3	Combining Schedule of Cash Flows – Not Applicable	71

**RIVER VALE BOARD OF EDUCATION  
TABLE OF CONTENTS**

**Page**

**H. Fiduciary Funds**

H-1	Combining Schedule of Agency Assets and Liabilities	72
H-2	Combining Schedule of Changes in Net Position – Not Applicable	72
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	73
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	73

**I. Long-Term Debt**

I-1	Schedule of Serial Bonds	74
I-2	Schedule of Obligations under Capital Leases	75
I-3	Debt Service Fund Budgetary Comparison Schedule	76

**J. STATISTICAL SECTION (Unaudited)**

J-1	Net Position by Component	77
J-2	Changes in Net Position	78-79
J-3	Fund Balances – Governmental Funds	80
J-4	Changes in Fund Balances - Governmental Funds	81-82
J-5	General Fund Other Local Revenue by Source	83
J-6	Assessed Value and Actual Value of Taxable Property	84
J-7	Property Tax Rates	85
J-8	Principal Property Taxpayers	86
J-9	Property Tax Levies and Collections	87
J-10	Ratios of Outstanding Debt by Type	88
J-11	Ratios of Net General Bonded Debt Outstanding	89
J-12	Direct and Overlapping Governmental Activities Debt	90
J-13	Legal Debt Margin Information	91
J-14	Demographic and Economic Statistics	92
J-15	Principal Employers	93
J-16	Full-Time Equivalent District Employees by Function/Program	94
J-17	Operating Statistics	95
J-18	School Building Information	96
J-19	Schedule of Required Maintenance for School Facilities	97
J-20	Schedule of Insurance	98

**RIVER VALE BOARD OF EDUCATION  
TABLE OF CONTENTS**

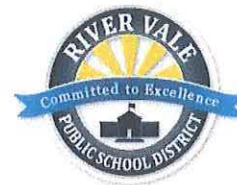
Page

**K.**

**SINGLE AUDIT SECTION**

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matter on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	99-100
K-2	Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133 and New Jersey OMB Circular 04-04 – Independent Auditor’s Report	101-103
K-3	Schedule of Expenditures of Federal Awards	104
K-4	Schedule of Expenditures of State Financial Assistance	105
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	106-107
K-6	Schedule of Findings and Questioned Costs	108-112
K-7	Summary Schedule of Prior Year Audit Findings	113

**INTRODUCTORY SECTION**



# RIVER VALE PUBLIC SCHOOLS

---

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

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

November 24, 2014

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, 2014 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the River Vale Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

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

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



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

The district provides a full range of educational services appropriate to grade levels K through 8. These include regular education as well as special education for handicapped youngsters. The district completed the 2013/2014 fiscal year with an enrollment of 1285 students, which is a decrease of 8 students over the previous year's enrollment.

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

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

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

**Average Daily Enrollment**

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
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	1,375.6	-2.15%
2008-2009	1,405.2	1.6%
2007-2008	1,383	1.50%
2006-2007	1,362	1.18%
2005-2006	1,346	.2%
2004-2005	1,343	-4.2%
2003-2004	1,402	7.4%

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

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

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

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

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

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

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

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2014.

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

**DEBT ADMINISTRATION:** At June 30, 2014 the River Vale School District had \$5,545,000 in bonded debt.

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

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

**OTHER INFORMATION:**

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

**AWARDS AND ACKNOWLEDGMENTS:**

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

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

A Certification of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA and ASBO to determine its eligibility for another certificate.

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

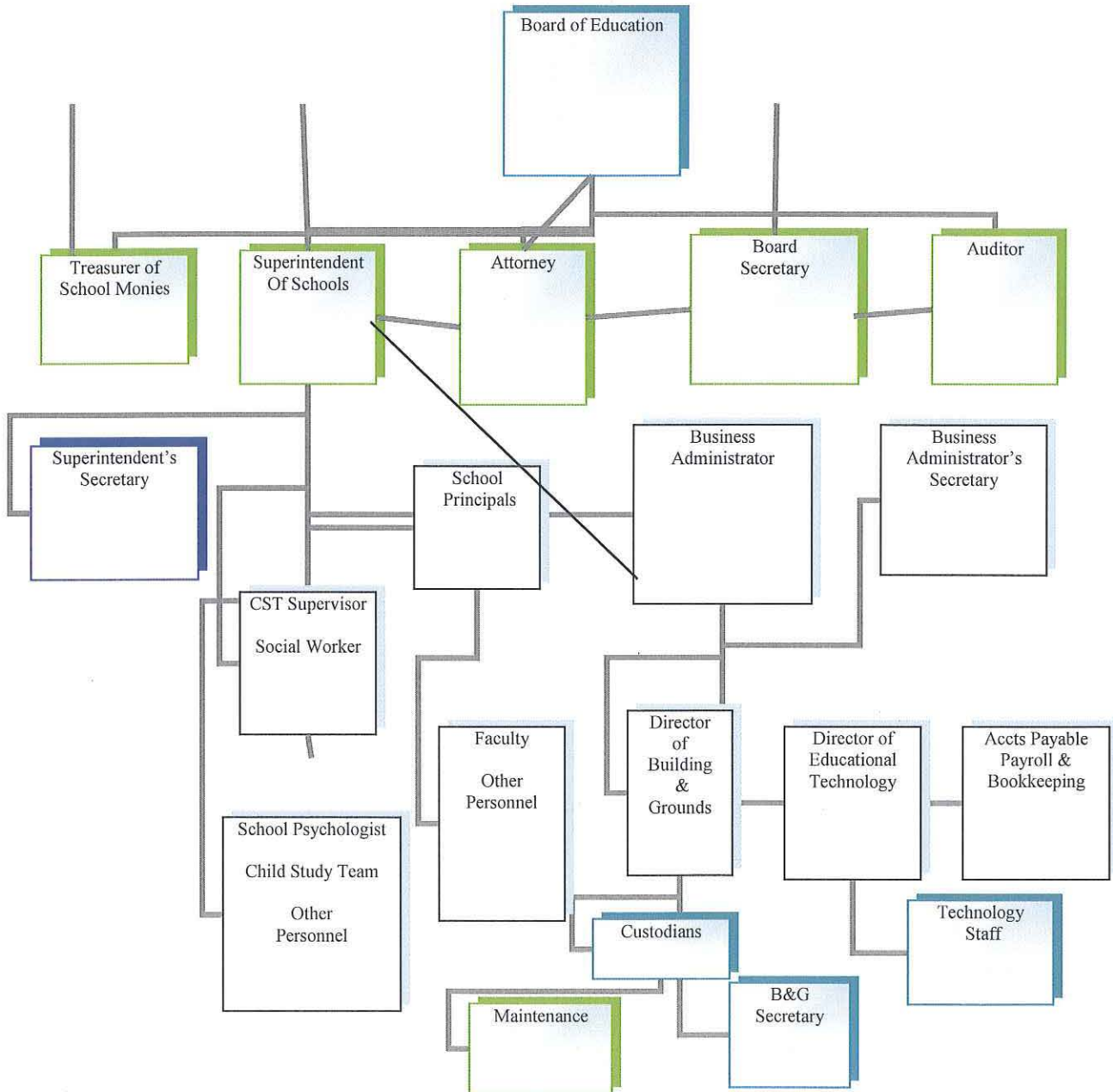
Respectfully submitted,

*Kelly Ippolito*

Kelly Ippolito  
Business Administrator/Board Secretary

RIVER VALE BOARD OF EDUCATION

ORGANIZATION CHART



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

ROSTER OF OFFICIALS  
JUNE 30, 2014

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Lorraine Waldes, President	2015
Steven Rosini, Vice President	2014
Sheryl Eaton	2016
William Ellis	2015
David Moon	2014
Michael Shirey	2014
Andrew Spector	2016

**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, 2014**

**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

DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
LORI T. MANUKIAN, CPA, PSA  
MARK SACO, CPA  
CHYNNA C. DESTEFANO, CPA, PSA  
KEVIN LOMSKI, CPA  
EDWARD P. MURPHY, CPA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ANDREW PARENTE, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA

## INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

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

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

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

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

### *Opinions*

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

### *Other Matters*

#### *Required Supplementary Information*

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

#### *Other Information*

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

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

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

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

In accordance with Government Auditing Standards, we have also issued our report dated December 4, 2014 on our consideration of the River Vale Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the River Vale Board of Education's internal control over financial reporting and compliance.



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



Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
December 4, 2014

**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, 2014**

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, 2014. 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 2014 are as follows:

- District-Wide - Overall revenues were \$23,783,781. General revenues accounted for \$20,942,954 or 88 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2,840,827 or 12 percent of total revenues of \$23,783,781.
- District-Wide - The School District had \$22,715,761 in expenses; only \$2,840,827 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$20,942,954 were adequate to provide for these programs.
- Fund Financials - As of the close of the current fiscal year, the River Vale Board of Education's governmental funds reported combined ending fund balances of \$3,250,098, a decrease of \$565,042 in comparison with the prior year.
- Fund Financials - At the end of June 30, 2014, unassigned fund balance (budgetary basis) for the General Fund was \$652,277, an increase of \$79,148.

# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

**RIVER VALE BOARD OF EDUCATION**

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

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

	District-Wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance and food service	Activities the district operates similar to private businesses
Required financial statements	Statements of Net Position 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, deferred outflows, liabilities and deferred inflows, both financial and capital, short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

**District-wide Statements**

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

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

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



# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

### District-wide Statements (Continued)

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

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

### Fund Financial Statements

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

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

The District has three kinds of funds:

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

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



# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

### Fund Financial Statements (Continued)

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

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

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

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

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

Table A-1 provides a summary of the school district's net position for fiscal years 2014 and 2013. Net position for 2014 and 2013 were \$15,237,274 and \$14,169,254, respectively.

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

# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

**Table A-1**  
**Statement of Net Position**  
**As of June 30, 2014 and 2013**

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current and Other Assets	\$ 3,359,099	\$ 4,202,363	\$ 14,348	\$ 19,241	\$ 3,373,447	\$ 4,221,604
Capital Assets	<u>18,542,504</u>	<u>17,819,254</u>	<u>880</u>	<u>1,270</u>	<u>18,543,384</u>	<u>17,820,524</u>
<b>Total Assets</b>	<u>21,901,603</u>	<u>22,021,617</u>	<u>15,228</u>	<u>20,511</u>	<u>21,916,831</u>	<u>22,042,128</u>
<b>Total Deferred Outflows of Resources</b>	<u>132,077</u>	<u>172,517</u>	<u>-</u>	<u>-</u>	<u>132,077</u>	<u>172,517</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>22,033,680</u>	<u>22,194,134</u>	<u>15,228</u>	<u>20,511</u>	<u>22,048,908</u>	<u>22,214,645</u>
Other Liabilities	172,412	455,755	8,833	12,891	181,245	468,646
Long-Term Liabilities	<u>6,630,389</u>	<u>7,576,745</u>	<u>-</u>	<u>-</u>	<u>6,630,389</u>	<u>7,576,745</u>
<b>Total Liabilities</b>	<u>6,802,801</u>	<u>8,032,500</u>	<u>8,833</u>	<u>12,891</u>	<u>6,811,634</u>	<u>8,045,391</u>
Net Position:						
Net Invested in Capital Assets	13,275,640	11,598,974	880	1,270	13,276,520	11,600,244
Restricted	1,055,866	641,463			1,055,866	641,463
Unrestricted	<u>899,373</u>	<u>1,921,197</u>	<u>5,515</u>	<u>6,350</u>	<u>904,888</u>	<u>1,927,547</u>
<b>Total Net Position</b>	<u>\$ 15,230,879</u>	<u>\$ 14,161,634</u>	<u>\$ 6,395</u>	<u>\$ 7,620</u>	<u>\$ 15,237,274</u>	<u>\$ 14,169,254</u>

# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

**Governmental activities.** Governmental activities increased the District's net position by \$1,069,245. Key elements of this increase are as follows:

**Table A-2**  
**Changes in Net Position**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 17,801	\$ 27,350	\$ 16,679	\$ 25,034	\$ 34,480	\$ 52,384
Operating Grants and Contributions	2,778,294	2,940,129	5,793	8,147	2,784,087	2,948,276
Capital Grants and Contributions	22,260	100,000			22,260	100,000
General Revenues						
Property Taxes	20,804,887	20,258,781			20,804,887	20,258,781
Other	137,981	177,426	86	86	138,067	177,512
<b>Total Revenues</b>	<u>23,761,223</u>	<u>23,503,686</u>	<u>22,558</u>	<u>33,267</u>	<u>23,783,781</u>	<u>23,536,953</u>
<b>Expenses</b>						
Instruction						
Regular	10,345,903	10,096,119			10,345,903	10,096,119
Special Education	2,573,541	2,231,290			2,573,541	2,231,290
Other Instruction	619,745	672,031			619,745	672,031
School Sponsored Activities and Ath.	136,012	124,146			136,012	124,146
Support Services						
Student and Instruction Related Serv.	2,661,439	2,444,437			2,661,439	2,444,437
Attendance and Social Work	98,199	200,410			98,199	200,410
Educational Media/School Library	275,962	297,026			275,962	297,026
General Administrative Services	619,558	724,425			619,558	724,425
School Administrative Services	1,183,983	1,192,633			1,183,983	1,192,633
Plant Operations and Maintenance	2,275,527	2,078,059			2,275,527	2,078,059
Pupil Transportation	390,519	397,901			390,519	397,901
Central Services	1,299,740	1,095,091			1,299,740	1,095,091
Food Services			19,770	22,039	19,770	22,039
Park Academy			4,013	4,899	4,013	4,899
Interest on Long-Term Debt	211,850	229,357	-	-	211,850	229,357
<b>Total Expenses</b>	<u>22,691,978</u>	<u>21,782,925</u>	<u>23,783</u>	<u>26,938</u>	<u>22,715,761</u>	<u>21,809,863</u>
Change in Net Position	1,069,245	1,720,761	(1,225)	6,329	1,068,020	1,727,090
Transfer to Participating Districts	-	-	-	(147,126)	-	(147,126)
Net Position, Beginning of Year	14,161,634	14,558,228	7,620	148,417	14,169,254	14,706,645
Prior Period Adjustment	-	(2,117,355)	-	-	-	(2,117,355)
<b>Net Position, End of Year</b>	<u>\$ 15,230,879</u>	<u>\$ 14,161,634</u>	<u>\$ 6,395</u>	<u>\$ 7,620</u>	<u>\$ 15,237,274</u>	<u>\$ 14,169,254</u>

# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

**Governmental activities.** The District's total governmental revenues were \$23,761,223. The general share of the revenues, that included property taxes, interest, unrestricted state aid and miscellaneous revenue, amounted to \$20,942,868 or 88% of total revenues. Funding from restricted state and federal sources amounted to \$2,818,355 or 12%.

The District's total governmental expenses were \$22,691,978 and are predominantly related to instruction and support services. Instruction totaled \$13,675,201 (60%), student and other support services totaled \$8,804,927 (39%) and interest on long-term debt total \$211,850 (1%) of total expenditures. (See Table A-3.)

Table A-2 Revenues by Source- Governmental Activities  
For Fiscal Year 2014

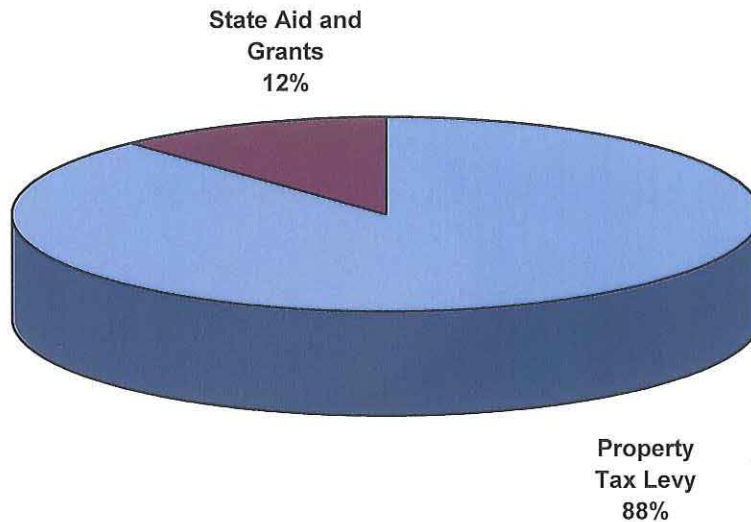
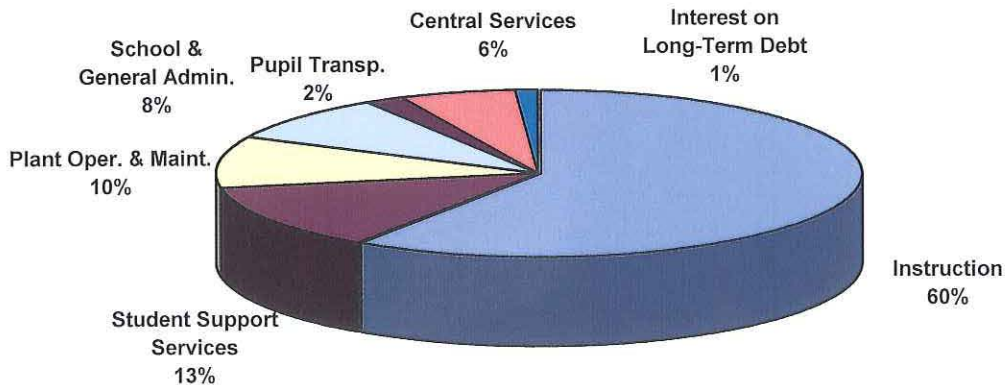


Table A-2 Expenditures by Type- Governmental Activities  
For Fiscal Year 2014



# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

**Table A-4**  
**Total and Net Cost of Governmental Activities**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Governmental Activities				
Instruction				
Regular	\$ 10,345,903	\$ 10,096,119	\$ 9,173,521	\$ 8,741,799
Special Education	2,573,541	2,231,290	1,485,740	1,218,644
Other Instruction	619,745	672,031	537,948	576,826
School Sponsored Activities and Athletics	136,012	124,146	136,012	124,146
Support Services				
Student and Instruction Related Svcs.	2,661,439	2,444,437	2,432,446	2,254,308
Attendance and Social Work	98,199	200,410	98,199	162,337
Educational Media/School Library	275,962	297,026	248,690	261,392
General Administrative Services	619,558	724,425	592,168	681,492
School Administrative Services	1,183,983	1,192,633	1,092,658	974,164
Plant Operations and Maintenance	2,275,527	2,078,059	2,234,056	2,060,490
Pupil Transportation	390,519	397,901	362,668	372,311
Central Services	1,299,740	1,095,091	1,267,667	1,058,180
Interest on Long-Term Debt	211,850	229,357	211,850	229,357
Total Governmental Activities	<u>\$ 22,691,978</u>	<u>\$ 21,782,925</u>	<u>\$ 19,873,623</u>	<u>\$ 18,715,446</u>

### Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2014 was \$23,783. These costs were funded by operating grants and charges for services (Detailed on Table A-2). The operations resulted in a decrease in net position of \$1,225. The decrease in the net position is attributable to food service expenses exceeding revenues.

# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

As the District completed the year, its governmental funds reported a combined fund balance of \$3,250,098. At June 30, 2013 the fund balance was \$3,815,140.

#### The District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$23,761,223 and expenditures were \$24,326,265.

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, 2014 and 2013.

	<u>Year Ended</u> <u>June 30, 2014</u>	<u>Year Ended</u> <u>June 30, 2013</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Increase</u> <u>(Decrease)</u>
Local Sources	\$ 20,964,760	\$ 20,570,557	\$ 394,203	1.92%
State Sources	2,413,787	2,717,235	(303,448)	-11.17%
Federal Sources	382,676	221,894	160,782	72.46%
 Total Revenues	 <u>\$ 23,761,223</u>	 <u>\$ 23,509,686</u>	 <u>\$ 251,537</u>	 1.07%

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, 2014 and 2013.

	<u>Year Ended</u> <u>June 30, 2014</u>	<u>Year Ended</u> <u>June 30, 2013</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Increase</u> <u>(Decrease)</u>
Instruction	\$ 13,048,550	\$ 12,752,715	\$ 295,835	2.32%
Undistributed	8,697,986	8,238,400	459,586	5.58%
Capital Outlay	1,430,373	390,908	1,039,465	265.91%
Debt Service				
Principal	924,358	820,247	104,111	12.69%
Interest	224,998	244,888	(19,890)	-8.12%
 Total Expenditures	 <u>\$ 24,326,265</u>	 <u>\$ 22,447,158</u>	 <u>\$ 1,879,107</u>	 8.37%

# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

### Budgetary Highlights

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

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

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

- \* The District applied for and received \$223,898 in extraordinary aid.

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

## RIVER VALE BOARD OF EDUCATION

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

**Capital Assets.** The River Vale Board of Education's investment in capital assets for its governmental and business type activities as of June 30, 2014 amounts to \$18,543,384 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and building improvements, and machinery and equipment.

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

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

	Governmental Activities		Business-Type Activities		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land	\$ 31,805	\$ 31,805			\$ 31,805	\$ 31,805
Construction in Progress	55,650	-			55,650	-
Land Improvements	384,600	384,600			384,600	384,600
Buildings and Building Improvements	24,170,941	23,243,104			24,170,941	23,243,104
Machinery, Equipment and Vehicles	<u>1,568,181</u>	<u>1,121,295</u>	\$ 15,258	\$ 15,258	<u>1,583,439</u>	<u>1,136,553</u>
<b>Total</b>	26,211,177	24,780,804	15,258	15,258	26,226,435	24,796,062
Less: Accumulated Depreciation	<u>7,668,673</u>	<u>6,991,550</u>	<u>14,378</u>	<u>13,988</u>	<u>7,683,051</u>	<u>7,005,538</u>
<b>Total</b>	<u>\$ 18,542,504</u>	<u>\$ 17,789,254</u>	<u>\$ 880</u>	<u>\$ 1,270</u>	<u>\$ 18,543,384</u>	<u>\$ 17,790,524</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, 2014 the school district had long-term debt and outstanding long-term liabilities in the amount of \$6,472,097 as stated in Table A-5.

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

	<u>2014</u>	<u>2013</u>
Serial Bonds	\$ 5,545,000	\$ 6,290,000
Capital Leases	497,215	676,573
Compensated Absences Payable	<u>429,882</u>	<u>403,413</u>
<b>Total</b>	<u>\$ 6,472,097</u>	<u>\$ 7,369,986</u>



## **RIVER VALE BOARD OF EDUCATION**

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

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

The District has outstanding general obligation serial bonds in the amount of \$5,545,000. These bonds were used to finance the facilities acquisitions and construction services at Holdrum, Woodside and Roberge Schools. The capital leases are comprised of technology improvements and a boiler upgrade. The compensated absences represents the District's liability for unused accrued sick leave and unused vacation.

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

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

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

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

#### **FOR THE FUTURE**

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

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

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

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

**BASIC FINANCIAL STATEMENTS**

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,070,218	\$ 12,190	\$ 3,082,408
Internal Balances	2,919	(2,919)	-
Receivables, net			
Receivables from Other Governments	285,762	1,064	286,826
Other	200	4,013	4,213
Capital Assets, Not Being Depreciated	87,455		87,455
Capital Assets, Being Depreciated, Net	<u>18,455,049</u>	<u>880</u>	<u>18,455,929</u>
 Total Assets	 <u>21,901,603</u>	 <u>15,228</u>	 <u>21,916,831</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Refunding of Debt	<u>132,077</u>	<u>-</u>	<u>132,077</u>
 Total Deferred Outflows of Resources	 <u>132,077</u>	 <u>-</u>	 <u>132,077</u>
 Total Assets and Deferred Outflows of Resources	 <u>22,033,680</u>	 <u>15,228</u>	 <u>22,048,908</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	38,840		38,840
Due to Other Funds	65,000		65,000
Accrued Interest Payable	63,411		63,411
Unearned Revenue	5,161	8,833	13,994
Noncurrent Liabilities			
Due Within One Year	936,628		936,628
Due Beyond One Year	<u>5,693,761</u>	<u>-</u>	<u>5,693,761</u>
 Total Liabilities	 <u>6,802,801</u>	 <u>8,833</u>	 <u>6,811,634</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	13,275,640	880	13,276,520
Restricted for			
Capital Projects	905,866		905,866
Plant Maintenance	150,000		150,000
Unrestricted	<u>899,373</u>	<u>5,515</u>	<u>904,888</u>
 Total Net Position	 <u>\$ 15,230,879</u>	 <u>\$ 6,395</u>	 <u>\$ 15,237,274</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, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 10,345,903		\$ 1,172,382		\$ (9,173,521)		\$ (9,173,521)
Special Education	2,573,541	\$ 17,801	1,070,000		(1,485,740)		(1,485,740)
Other Instruction	619,745		81,797		(537,948)		(537,948)
School Sponsored Activities and Athletics	136,012				(136,012)		(136,012)
Support Services							
Student and Instruction Related Services	2,661,439		228,993		(2,432,446)		(2,432,446)
Attendance and Social Work	98,199		-		(98,199)		(98,199)
Educational Media/School Library	275,962		27,272		(248,690)		(248,690)
School Administrative Services	1,183,983		91,325		(1,092,658)		(1,092,658)
General and Business Administrative Services	619,558		27,390		(592,168)		(592,168)
Plant Operations and Maintenance	2,275,527		19,211	\$ 22,260	(2,234,056)		(2,234,056)
Pupil Transportation	390,519		27,851		(362,668)		(362,668)
Central Services	1,299,740		32,073		(1,267,667)		(1,267,667)
Interest on Long-Term Debt	211,850		-		(211,850)		(211,850)
<b>Total Governmental Activities</b>	<b>22,691,978</b>	<b>17,801</b>	<b>2,778,294</b>	<b>22,260</b>	<b>(19,873,623)</b>	<b>-</b>	<b>(19,873,623)</b>
<b>Business-Type Activities</b>							
Food Service	19,770	12,666	5,793	-	-	\$ (1,311)	(1,311)
Park Academy	4,013	4,013	-	-	-	-	-
<b>Total Business-Type Activities</b>	<b>23,783</b>	<b>16,679</b>	<b>5,793</b>	<b>-</b>	<b>-</b>	<b>(1,311)</b>	<b>(1,311)</b>
<b>Total Primary Government</b>	<b>\$ 22,715,761</b>	<b>\$ 34,480</b>	<b>\$ 2,784,087</b>	<b>\$ 22,260</b>	<b>(19,873,623)</b>	<b>(1,311)</b>	<b>(19,874,934)</b>
<b>General Revenues</b>							
Property Taxes					20,804,887		20,804,887
Interest on Investments					14,063	86	14,149
Miscellaneous Income					123,918	-	123,918
<b>Total General Revenues</b>					<b>20,942,868</b>	<b>86</b>	<b>20,942,954</b>
<b>Change in Net Position</b>					<b>1,069,245</b>	<b>(1,225)</b>	<b>1,068,020</b>
<b>Net Position, Beginning of Year</b>					<b>16,278,989</b>	<b>7,620</b>	<b>16,286,609</b>
<b>Prior Period Adjustments</b>					<b>(2,117,355)</b>	<b>-</b>	<b>(2,117,355)</b>
<b>Net Position, Beginning of Year, as Adjusted</b>					<b>14,161,634</b>	<b>7,620</b>	<b>14,169,254</b>
<b>Net Position, End of Year</b>					<b>\$ 15,230,879</b>	<b>\$ 6,395</b>	<b>\$ 15,237,274</b>

**FUND FINANCIAL STATEMENTS**

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 2,378,327		\$ 691,891		\$ 3,070,218
Due from Other Funds	223,685		87,415		311,100
Other Receivables	200				200
Receivables from Other Governments	39,069	\$ 224,433	22,260	-	285,762
<b>Total Assets</b>	<u>\$ 2,641,281</u>	<u>\$ 224,433</u>	<u>\$ 801,566</u>	<u>\$ -</u>	<u>\$ 3,667,280</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable	\$ 36,843				\$ 36,843
Accrued Salaries & Wages	1,997				1,997
Due to Other Funds	153,509	\$ 219,672			373,181
Unearned Revenue	400	4,761	-	-	5,161
<b>Total Liabilities</b>	<u>192,749</u>	<u>224,433</u>	<u>-</u>	<u>-</u>	<u>417,182</u>
Fund Balance					
Restricted:					
Excess Surplus - Designated for Subsequent Year's Expenditures	277,370				277,370
Excess Surplus	399,563				399,563
Capital Reserve	905,866				905,866
Maintenance Reserve	150,000				150,000
Capital Projects			801,566		801,566
Committed Fund Balance					
Year End Encumbrances	111,222				111,222
Assigned Fund Balance					
Year End Encumbrances	215,128				215,128
Unassigned Fund Balance					
General Fund	389,383	-	-	-	389,383
<b>Total Fund Balances</b>	<u>2,448,532</u>	<u>-</u>	<u>801,566</u>	<u>-</u>	<u>3,250,098</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,641,281</u>	<u>\$ 224,433</u>	<u>\$ 801,566</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$26,211,177 and the accumulated depreciation is \$7,668,673

18,542,504

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

(63,411)

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.

132,077

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

General Obligation Bonds Payable, Net	5,703,292
Capital Leases Payable	497,215
Compensated Absences	429,882
	<u>(6,630,389)</u>

**Net position of governmental activities (Exhibit A-1)** \$ 15,230,879

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Local Property Tax Levy	\$ 19,835,531			\$ 969,356	\$ 20,804,887
Tuition	17,801				17,801
Interest on Investment	13,161		\$ 902		14,063
Miscellaneous	123,918	\$ 4,091	-	-	128,009
<b>Total - Local Sources</b>	<b>19,990,411</b>	<b>4,091</b>	<b>902</b>	<b>969,356</b>	<b>20,964,760</b>
State Sources	2,391,527		22,260		2,413,787
Federal Sources	-	382,676	-	-	382,676
<b>Total Revenues</b>	<b>22,381,938</b>	<b>386,767</b>	<b>23,162</b>	<b>969,356</b>	<b>23,761,223</b>
<b>EXPENDITURES</b>					
Current					
Regular Instruction	9,674,135	4,091	\$ 8,546		9,686,772
Special Education Instruction	2,227,759	362,405			2,590,164
Other Instruction	637,518				637,518
School-Sponsored Activities and Athletics	134,096				134,096
Support Services					
Student and Instruction Related Services	2,624,801	20,271			2,645,072
Attendance and Social Work	99,155				99,155
Educational Media/School Library	258,142				258,142
School Administrative Services	1,149,939				1,149,939
General Administrative Services	617,850				617,850
Plant Operations and Maintenance	2,254,127				2,254,127
Pupil Transportation	390,519				390,519
Central Services	1,283,182				1,283,182
Debt Service					
Principal	179,358			745,000	924,358
Interest and Other Charges	642			224,356	224,998
Capital Outlay	949,710	-	480,663	-	1,430,373
<b>Total Expenditures</b>	<b>22,480,933</b>	<b>386,767</b>	<b>489,209</b>	<b>969,356</b>	<b>24,326,265</b>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	(98,995)	-	(466,047)	-	(565,042)
Other Financing Sources and (Uses)					
Transfers In	902		487,980		488,882
Transfers Out	(487,980)	-	(902)	-	(488,882)
<b>Total Other Financing Sources and Uses</b>	<b>(487,078)</b>	<b>-</b>	<b>487,078</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(586,073)</b>	<b>-</b>	<b>21,031</b>	<b>-</b>	<b>(565,042)</b>
Fund Balance, Beginning of Year	3,034,605	-	780,535	-	3,815,140
<b>Fund Balance, End of Year</b>	<b>\$ 2,448,532</b>	<b>\$ -</b>	<b>\$ 801,566</b>	<b>\$ -</b>	<b>\$ 3,250,098</b>

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, 2014**

<b>Total net change in fund balances - governmental funds (Exhibit B-2)</b>	<b>\$</b>	<b>(565,042)</b>
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period.</p>		
Capital Outlay		1,430,373
Depreciation Expense		<u>(707,123)</u>
		723,250
<p>In the statement of activities, certain operating expenses - compensated absences and claims and judgements for self insurance claims - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):</p>		
Compensated Absences, Net		(26,469)
<p>Repayment of bond and lease purchase principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.</p>		
Reduction on Long-Term Debt		924,358
<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		48,467
Amortization of Deferred Amounts on Refunding		<u>(40,440)</u>
		8,027
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.</p>		
Decrease in accrued interest		<u>5,121</u>
<b>Change in net position of governmental activities (Exhibit A-2)</b>	<b>\$</b>	<b><u>1,069,245</u></b>



**RIVER VALE BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2014**

	<u>Business-Type Activities</u>		<u>Total Enterprise Funds</u>
	<u>Park Academy</u>	<u>Food Service</u>	
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents		\$ 12,190	\$ 12,190
Intergovernmental Receivable		-	
Federal		1,064	1,064
Other	\$ 4,013	-	4,013
Due from Other Funds	-	1,094	1,094
	<u>4,013</u>	<u>14,348</u>	<u>18,361</u>
Total Current Assets			
Capital Assets			
Equipment		15,258	15,258
Less: Accumulated Depreciation	-	(14,378)	(14,378)
	<u>-</u>	<u>880</u>	<u>880</u>
Total Capital Assets, Net	-	880	880
	<u>4,013</u>	<u>15,228</u>	<u>19,241</u>
Total Assets			
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable			-
Due to Other Funds	4,013		4,013
Unearned Revenue	-	8,833	8,833
	<u>4,013</u>	<u>8,833</u>	<u>12,846</u>
Total Current Liabilities	4,013	8,833	12,846
	<u>4,013</u>	<u>8,833</u>	<u>12,846</u>
Total Liabilities	4,013	8,833	12,846
<b>NET POSITION</b>			
Net Investment in Capital Assets			
Unrestricted	-	880	880
	<u>-</u>	<u>5,515</u>	<u>5,515</u>
Total Net Position	<u>\$ -</u>	<u>\$ 6,395</u>	<u>\$ 6,395</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, 2014**

	<u>Business-Type Activities</u>		<u>Total Enterprise Funds</u>
	<u>Park Academy</u>	<u>Food Service</u>	
<b>OPERATING REVENUE</b>			
Charges for Services			
Daily Sales - Milk		\$ 12,666	\$ 12,666
Miscellaneous Fees	\$ 4,013	-	4,013
<b>Total Operating Revenues</b>	<u>4,013</u>	<u>12,666</u>	<u>16,679</u>
<b>OPERATING EXPENSES</b>			
Cost of Sales		8,967	8,967
Salaries and Benefits	4,013	10,200	14,213
Supplies and Materials		213	213
Depreciation	-	390	390
<b>Total Operating Expenses</b>	<u>4,013</u>	<u>19,770</u>	<u>23,783</u>
Operating Income/(Loss)	<u>-</u>	<u>(7,104)</u>	<u>(7,104)</u>
<b>NONOPERATING REVENUE</b>			
Interest		86	86
Federal Sources			
Special Milk Program	-	5,793	5,793
<b>Total Nonoperating Revenues</b>	<u>-</u>	<u>5,879</u>	<u>5,879</u>
Income (Loss)	<u>-</u>	<u>(1,225)</u>	<u>(1,225)</u>
Total Net Position, Beginning of Year	<u>-</u>	<u>7,620</u>	<u>7,620</u>
Total Net Position, End of Year	<u>\$ -</u>	<u>\$ 6,395</u>	<u>\$ 6,395</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, 2014**

	<u>Business-Type Activities</u>		<u>Total Enterprise Funds</u>
	<u>Park Academy</u>	<u>Food Service</u>	
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 4,013	\$ 13,507	\$ 17,520
Cash Payments to Suppliers for Goods and Services	<u>(4,013)</u>	<u>(19,380)</u>	<u>(23,393)</u>
Net Cash Provided by (Used by) Operating Activities	<u>-</u>	<u>(5,873)</u>	<u>(5,873)</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Cash Received from State and Federal Subsidy Reimbursements	<u>-</u>	<u>4,323</u>	<u>4,323</u>
Net Cash Provided by (Used by) Noncapital Financing Activities	<u>-</u>	<u>4,323</u>	<u>4,323</u>
<b>Cash Flows from Investing Activities</b>			
Interest Earnings	<u>-</u>	<u>86</u>	<u>86</u>
Net Cash Provided by Investing Activities	<u>-</u>	<u>86</u>	<u>86</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>-</u>	<u>(1,464)</u>	<u>(1,464)</u>
Cash and Cash Equivalents, Beginning of Year	<u>-</u>	<u>13,654</u>	<u>13,654</u>
Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$ 12,190</u>	<u>12,190</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities</b>			
Operating Income (Loss)	<u>\$ -</u>	<u>\$ (7,104)</u>	<u>\$ (7,104)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used for Operating Activities			
Depreciation		390	390
Change in Assets and Liabilities			
(Increase)/Decrease in Intergovernmental Receivable - Other	-		-
Increase/(Decrease) in Accounts Payable	-		-
Increase/(Decrease) in Unearned Revenue	<u>-</u>	<u>841</u>	<u>841</u>
Total Adjustments	<u>-</u>	<u>1,231</u>	<u>1,231</u>
Net Cash (Used by) Operating Activities	<u>\$ -</u>	<u>\$ (5,873)</u>	<u>\$ (5,873)</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, 2014**

	<b>Unemployment Compensation <u>Trust</u></b>	<b><u>Agency Fund</u></b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 294,291	\$ 203,421
Due from General Fund	<u>65,000</u>	<u>-</u>
 Total Assets	 <u>359,291</u>	 <u>\$ 203,421</u>
 <b>LIABILITIES</b>		
Payroll Deductions and Withholdings		\$ 5,866
Accrued Salaries and Wages		2,401
Flex Spending Benefits		357
Due to State of New Jersey	2,262	87,974
Due to Student Groups	<u>-</u>	<u>106,823</u>
 Total Liabilities	 <u>2,262</u>	 <u>\$ 203,421</u>
 <b>NET POSITION</b>		
Held in Trust for Unemployment Claims	<u>\$ 357,029</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, 2014**

	<b>Unemployment Compensation <u>Trust</u></b>
<b>ADDITIONS</b>	
Contributions	
District	\$ 220,000
Employees	31,258
Investment Earnings	
Interest	838
Total Additions	252,096
<b>DEDUCTIONS</b>	
Unemployment Claims and Contributions	57,244
Total Deductions	57,244
Change in Net Position	194,852
Net Position, Beginning of Year	162,177
Net Position, End of Year	\$ 357,029

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, 2014**

**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 2014, the District adopted the following GASB statement:

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

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

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

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

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

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

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

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

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

**District-Wide Financial Statements**

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

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

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

**Fund Financial Statements**

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



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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements

Fund Financial Statements (Continued)

The District reports the following major governmental funds:

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

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

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

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

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

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

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

Additionally, the government reports the following fund types:

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

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

Reclassifications

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

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

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

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

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

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

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

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

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

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

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

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

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

**2. *Receivables***

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

**3. *Inventories***

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

**4. *Capital Assets***

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

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, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

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

**5. *Deferred Outflows of Resources***

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. *Compensated Absences*

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

7. *Long-Term Obligations*

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

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

8. *Net Position/Fund Balance*

District-Wide Statements

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

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

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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements

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

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

*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.)

*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.

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

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

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

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

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

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

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

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

**F. Revenues and Expenditures/Expenses**

**1. *Program Revenues***

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

**2. *Property Taxes***

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

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

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

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

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

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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

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

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

**A. Budgetary Information (Continued)**

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2013/2014. Also, during 2013/2014 the Board increased the original budget by \$2,214,425. The increase was funded by grant awards, capital reserve and the reappropriation of prior year general fund encumbrances.

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

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

**B. Capital Reserve**

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

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

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

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

**B. Capital Reserve (Continued)**

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

Balance, July 1, 2013		\$ 641,463
Increases		
Interest earnings	\$ 2,383	
Deposits Approved by Board Resolution	<u>750,000</u>	
		752,383
Withdrawals		
Approved by Board Resolution		<u>(487,980)</u>
Balance, June 30, 2014		<u>\$ 905,866</u>

The June 30, 2014 LRF balance of local support costs of uncompleted capital projects is \$2,983,500. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

**C. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2014 is \$676,933. Of this amount, \$277,370 was designated and appropriated in the 2014/2015 original budget certified for taxes and the remaining amount of \$399,563 will be appropriated in the 2015/2016 original budget certified for taxes.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

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



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

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

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

**Cash Deposits (Continued)**

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2014, the book value of the Board's deposits were \$3,580,120 and bank and brokerage firm balances of the Board's deposits amounted to \$4,072,388. 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>4,072,388</u>
---------	---------------------

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

**Investments**

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Food Service Fund	Park Academy Fund	Total
Receivables:						
Intergovernmental						
Federal		\$224,433		\$ 1,064		\$ 225,497
State	\$ 39,069		\$ 22,260			61,329
Local	-	-	-	-	\$ 4,013	4,013
	<u>39,069</u>	<u>224,433</u>	<u>22,260</u>	<u>1,064</u>	<u>4,013</u>	<u>290,839</u>
Gross Receivables	39,069	224,433	22,260	1,064	4,013	290,839
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 39,069</u>	<u>\$224,433</u>	<u>\$ 22,260</u>	<u>\$ 1,064</u>	<u>\$ 4,013</u>	<u>\$ 290,839</u>

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

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

**C. Unearned Revenue**

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

	<u>Unearned</u>
General Fund	
Prepayments of Preschool Tuition	\$ 400
Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>4,761</u>
 Total Deferred Revenue for Governmental Funds	 <u>\$ 5,161</u>

**D. Capital Assets**

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

	<u>Balance, July 1, 2013</u>	<u>Prior Period Adjustment</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2014</u>
<b>Governmental activities:</b>					
Capital Assets, not being Depreciated:					
Land	\$ 43,525	\$ (11,720)			\$ 31,805
Construction in Progress	<u>-</u>	<u>-</u>	\$ 55,650	-	<u>55,650</u>
Total Capital Assets, not being depreciated	<u>43,525</u>	<u>(11,720)</u>	<u>55,650</u>	<u>-</u>	<u>87,455</u>
Capital Assets, being depreciated:					
Buildings and Building Improvements	24,374,247	(1,131,143)	927,837		24,170,941
Machinery and Equipment	2,348,379	(1,227,084)	446,886		1,568,181
Land Improvements	<u>573,030</u>	<u>(188,430)</u>	<u>-</u>	<u>-</u>	<u>384,600</u>
Total Capital Assets being Depreciated	<u>27,295,656</u>	<u>(2,546,657)</u>	<u>1,374,723</u>	<u>-</u>	<u>26,123,722</u>
Less Accumulated Depreciation for:					
Buildings and Building Improvements	(5,705,844)	(311,195)	(489,843)		(6,506,882)
Machinery and Equipment	(1,424,778)	752,116	(200,580)		(873,242)
Land Improvements	<u>(271,950)</u>	<u>101</u>	<u>(16,700)</u>	<u>-</u>	<u>(288,549)</u>
Total Accumulated Depreciation	<u>(7,402,572)</u>	<u>441,022</u>	<u>(707,123)</u>	<u>-</u>	<u>(7,668,673)</u>
Total Capital Assets, being Depreciated, net	<u>19,893,084</u>	<u>(2,105,635)</u>	<u>667,600</u>	<u>-</u>	<u>18,455,049</u>
Governmental Activities Capital Assets, net	<u>\$ 19,936,609</u>	<u>\$ (2,117,355)</u>	<u>\$ 723,250</u>	<u>\$ -</u>	<u>\$ 18,542,504</u>

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

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

**D. Capital Assets (Continued)**

	Balance, <u>July 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2014</u>
<b>Business-type activities:</b>				
Food Service Fund				
Capital Assets, being Depreciated:				
Machinery and Equipment	\$ 15,258	-	-	\$ 15,258
Total Capital Assets being Depreciated	<u>15,258</u>	<u>-</u>	<u>-</u>	<u>15,258</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(13,988)</u>	\$ (390)	-	<u>(14,378)</u>
Total Accumulated Depreciation	<u>(13,988)</u>	<u>(390)</u>	<u>-</u>	<u>(14,378)</u>
Total Capital Assets, being Depreciated, net	<u>1,270</u>	<u>(390)</u>	<u>-</u>	<u>880</u>
Business-Type Activities Capital Assets, net	<u>\$ 1,270</u>	<u>\$ (390)</u>	<u>\$ -</u>	<u>\$ 880</u>

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

**Governmental activities:**

Instruction

Regular	\$ 656,448
Special	-
Other Special Instruction	<u>-</u>

Total Instruction 656,448

Support Services

Support Services - Students and Instructional Staff	16,367
General Administration	429
School Administration	14,405
Operations and Maintenance of Plant	19,474
Business and Other Support Services	<u>-</u>

Total Support Services 50,675

Total Depreciation Expense - Governmental Activities \$ 707,123

**Business-Type activities:**

Food Service Fund	<u>\$ 390</u>
-------------------	---------------

Total Depreciation Expense-Business-Type Activities \$ 390

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

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

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

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

**Due to/from other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 219,672
General Fund	Park Academy	4,013
Capital Projects Fund	General Fund	87,415
Unemployment	General Fund	65,000
Food Service	General Fund	1,094
		<u>\$ 377,194</u>

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

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

**Interfund transfers**

	<u>Transfer In:</u>		
	<u>General Fund</u>	<u>Capital Projects</u>	<u>Total</u>
Transfer Out:			
General Fund		\$ 487,980	\$ 487,980
Capital Projects Fund	\$ 902	-	902
Total Transfers Out	<u>\$ 902</u>	<u>\$ 487,980</u>	<u>\$ 488,882</u>

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

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

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

**F. Leases**

**Operating Leases**

The District leases copiers under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2014 were \$52,359. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2015	\$ 52,359
2016	52,359
2017	52,359
2018	<u>39,268</u>
	<u>\$ 196,345</u>

**Capital Leases**

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

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2014 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2015	\$ 177,400
2016	177,400
2017	77,400
2018	77,400
2019	<u>-</u>
Total minimum lease payments	509,600
Less: amount representing interest	<u>(12,385)</u>
Present value of minimum lease payments	<u>\$ 497,215</u>

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

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

**G. Long-Term Debt**

**General Obligation Bonds**

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

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

\$7,080,000, 2010 Bonds, due in annual installments of \$330,000 to \$805,000 through September 25, 2020, interest at 2.75% to 4.5% \$ 5,545,000

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

**Governmental Activities:**

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2015	\$ 765,000	\$ 203,594	\$ 968,594
2016	790,000	177,276	967,276
2017	805,000	145,376	950,376
2018	800,000	114,101	914,101
2019	800,000	82,926	882,926
2020-2021	<u>1,585,000</u>	<u>69,013</u>	<u>1,654,013</u>
	<u>\$ 5,545,000</u>	<u>\$ 792,286</u>	<u>\$ 6,337,286</u>

**Statutory Borrowing Power**

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

3% of Equalized Valuation Basis (Municipal)	\$ 59,749,289
Less: Net Debt	<u>5,545,000</u>
Remaining Borrowing Power	<u>\$ 54,204,289</u>

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

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

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

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

	<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	\$ 6,290,000		\$ 745,000	\$ 5,545,000	\$ 765,000
Deferred Amounts:					
Add: Original Issue Premium	<u>206,759</u>	<u>-</u>	<u>48,467</u>	<u>158,292</u>	<u>-</u>
Total Bonds Payable	6,496,759	-	793,467	5,703,292	765,000
Capital Leases Payable	676,573	-	179,358	497,215	171,628
Compensated Absences	<u>403,413</u>	<u>\$ 66,252</u>	<u>39,783</u>	<u>429,882</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 7,576,745</u>	<u>\$ 66,252</u>	<u>\$ 1,012,608</u>	<u>\$ 6,630,389</u>	<u>\$ 936,628</u>

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

**I. Short-Term Debt**

The Board's short-term activity for the fiscal year ended June 30, 2014 was as follows:

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

The Board issued grant anticipation notes to interim finance capital projects funded by State Development Authority's Facility construction grants. The Board's short-term debt activity for the year ended June 30, 2014 was a follows:

<u>Purpose</u>	<u>Balance, July 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2014</u>
Grant Anticipation Note	\$ 275,000	<u>\$ -</u>	\$ 275,000	<u>\$ -</u>
	<u>\$ 275,000</u>	<u>\$ -</u>	<u>\$ 275,000</u>	<u>\$ -</u>

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

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

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

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

NESBIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the insurance fund is 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 Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014	\$ 220,000	\$ 31,258	\$ 57,244	\$ 357,029
2013	55,000	29,450	21,519	162,177
2012	97,000	26,785	68,473	98,660

**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.



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

NOTE 4 OTHER INFORMATION (Continued)

**B. Contingent Liabilities (Continued)**

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

**C. Federal Arbitrage Regulations**

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

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

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

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

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

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

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Other Pension Funds**

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

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

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

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

**Basis of Accounting**

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

**Significant Legislation**

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

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

- For new members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members) decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the TPAF and PERS active member rates from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years for members hired or reappointed on or after June 28, 2011. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members takes place in July of each subsequent fiscal year.

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Significant Legislation**

- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension system's unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

**Investment Valuation**

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

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

**Funding Status and Funding Progress**

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

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

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

**Actuarial Methods and Assumptions**

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Employer and Employee Pension Contributions**

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

**Annual Pension Costs (APC)**

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

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

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2014	\$ 206,666	\$ 405,467	\$ 10,126
2013	206,046	632,096	4,362
2012	227,592	294,223	6,992

During fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$405,467 for normal cost pension and NCGI premium. For fiscal years 2012/2013 and 2011/2012, the state contributed \$632,096 and \$294,223, respectively for normal cost pension, accrued liability and the NCGI premium.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$691,575 during the fiscal year ended June 30, 2014 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, along with the on-behalf TPAF pension contribution, has been included in the district-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

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

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits**

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

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

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

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

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

**Basis of Accounting**

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

**Significant Legislation**

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Investment Valuation**

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

**Funded Status and Funding Progress**

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

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

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

**Actuarial Methods and Assumptions**

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

**Post-Retirement Medical Benefits Contributions**

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

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2014, 2013 and 2012 were \$664,814, \$714,741 and \$591,415, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**BUDGETARY COMPARISON SCHEDULES**



**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 19,835,531		\$ 19,835,531	\$ 19,835,531	
Interest on Investments	17,000		17,000	13,161	\$ (3,839)
Tuition	20,000		20,000	17,801	(2,199)
Building Rental	87,900		87,900	102,900	15,000
Donation				300	300
Miscellaneous	10,000	-	10,000	20,718	10,718
<b>Total - Local Sources</b>	<b>19,970,431</b>	<b>-</b>	<b>19,970,431</b>	<b>19,990,411</b>	<b>19,980</b>
State Sources					
Special Education Aid	397,703		397,703	397,703	-
Transportation Aid	23,548		23,548	23,548	-
Security Aid	19,204		19,204	19,204	-
Extraordinary Aid				223,898	223,898
Nonpublic School Transportation Aid				4,238	4,238
On-behalf TPAF Pension Payments - Pension Contribution (Non-Budget)				372,581	372,581
NCGI Premium (Non-Budget)				32,886	32,886
Post Retirement Medical Benefits (Non-Budget)				664,814	664,814
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	691,575	691,575
<b>Total - State Sources</b>	<b>440,455</b>	<b>-</b>	<b>440,455</b>	<b>2,430,447</b>	<b>1,989,992</b>
<b>Total Revenues</b>	<b>20,410,886</b>	<b>-</b>	<b>20,410,886</b>	<b>22,420,858</b>	<b>2,009,972</b>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES</b>					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	598,535	\$ (67,034)	531,501	531,058	443
Grades 1-5	3,409,923	(7,716)	3,402,207	3,348,986	53,221
Grades 6-8	2,694,336	(160,203)	2,534,133	2,534,132	1
Instruction - Home					
Salaries of Teachers	2,000	20,120	22,120	22,119	1
Purchased Professional - Educational Services	5,500	(5,237)	263	-	263
<b>Total Instruction - Regular</b>	<b>6,710,294</b>	<b>(220,070)</b>	<b>6,490,224</b>	<b>6,436,295</b>	<b>53,929</b>
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	111,000	69,205	180,205	177,402	2,803
Other Purchased Services	175,139	49,888	225,027	222,433	2,594
General Supplies	291,165	5,901	297,066	261,284	35,782
Textbooks	16,157	(11,216)	4,941	4,575	366
Other Objects	1,500	-	1,500	532	968
<b>Total Regular Programs</b>	<b>594,961</b>	<b>113,778</b>	<b>708,739</b>	<b>666,226</b>	<b>42,513</b>

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<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)					
Multiple Disabilities					
Salaries of Teachers	\$ -	\$ -	-	-	-
Other Salaries for Instruction	-	-	-	-	-
<b>Total Multiple Disabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Resource Room					
Salaries of Teachers	584,975	4,750	\$ 589,725	\$ 579,387	\$ 10,338
Purchased Professional-Educational Services	1,500	15,514	17,014	15,118	1,896
General Supplies	1,500	(42)	1,458	1,276	182
Textbooks	400	(120)	280	237	43
<b>Total Resource Room</b>	<b>588,375</b>	<b>20,102</b>	<b>608,477</b>	<b>596,018</b>	<b>12,459</b>
Preschool Disabilities - Part Time					
Salaries of Teachers	98,745	1	98,746	98,745	1
Other Salaries for Instruction	15,288	50,521	65,809	65,808	1
Purchased Professional - Educational Services	500	509	1,009	761	248
General Supplies	1,233	7,118	8,351	8,351	-
<b>Total Preschool Disabilities - Part Time</b>	<b>115,766</b>	<b>58,149</b>	<b>173,915</b>	<b>173,665</b>	<b>250</b>
<b>Total Special Education</b>	<b>704,141</b>	<b>78,251</b>	<b>782,392</b>	<b>769,683</b>	<b>12,709</b>
Basic Skills/Remedial					
Salaries of Teachers	391,838	(29,142)	362,696	345,211	17,485
Purchased Professional - Educational Services	1,000	2,750	3,750	3,364	386
General Supplies	795	285	1,080	836	244
Textbooks	250	788	1,038	70	968
<b>Total Basic Skills/Remedial</b>	<b>393,883</b>	<b>(25,319)</b>	<b>368,564</b>	<b>349,481</b>	<b>19,083</b>
Bilingual Education					
Salaries of Teachers	98,346	250	98,596	98,595	1
Purchased Professional - Educational Services	1,500	1,106	2,606	1,966	640
General Supplies	300	(178)	122	117	5
<b>Total Bilingual Education</b>	<b>100,146</b>	<b>1,178</b>	<b>101,324</b>	<b>100,678</b>	<b>646</b>
School Sponsored Co/Extra Curricular Activities					
Salaries	56,843	36	56,879	56,387	492
<b>Total School Sponsored Co/Extra Curricular Activities</b>	<b>56,843</b>	<b>36</b>	<b>56,879</b>	<b>56,387</b>	<b>492</b>
School Sponsored Athletics - Instruction					
Salaries	53,717	86	53,803	53,803	-
Purchased Services	4,500	778	5,278	5,278	-
Supplies and Materials	2,724	3,547	6,271	6,271	-
<b>Total School Sponsored Athletics - Instruction</b>	<b>60,941</b>	<b>4,411</b>	<b>65,352</b>	<b>65,352</b>	<b>-</b>
<b>Total - Instruction</b>	<b>8,621,209</b>	<b>(47,735)</b>	<b>8,573,474</b>	<b>8,444,102</b>	<b>129,372</b>

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Special	\$ 438,284	\$ 39,710	\$ 477,994	\$ 473,313	\$ 4,681
Tuition to Private School Disabled - Within State	582,089	96,912	679,001	666,934	12,067
Total Undistributed Expenditures - Instruction	1,020,373	136,622	1,156,995	1,140,247	16,748
Attendance and Social Work Services					
Salaries	72,842	(9,247)	63,595	62,731	864
Other Purchased Services	10,677	-	10,677	10,552	125
Total Attendance and Social Work Services	83,519	(9,247)	74,272	73,283	989
Health Services					
Salaries	219,149	9,707	228,856	206,434	22,422
Purchased Professional - Educational Services	17,600	2,905	20,505	10,739	9,766
Supplies and Materials	1,248	5,778	7,026	7,025	1
Total Health Services	237,997	18,390	256,387	224,198	32,189
Speech, OT, PT & Related Services					
Salaries	189,490	(22,008)	167,482	157,755	9,727
Purchased Professional - Educational Services	268,020	(111,847)	156,173	153,653	2,520
Supplies and Materials	1,652	(30)	1,622	747	875
Total Speech, OT, PT and Related Services	459,162	(133,885)	325,277	312,155	13,122
Other Support Services - Students - Extra. Service					
Salaries	450,538	17,245	467,783	446,538	21,245
Purchased Professional - Educational Services		1,981	1,981	1,981	-
Supplies and Materials	2,100	(1,986)	114	113	1
Total Other Support Svcs.-Students-Extra. Service.	452,638	17,240	469,878	448,632	21,246
Guidance					
Salaries of Other Professional Staff	204,806	100,110	304,916	302,626	2,290
Purchased Professional - Educational Services	6,800	(1,444)	5,356	-	5,356
Other Purchased Professional & Technical Services	8,000	-	8,000	2,219	5,781
General Supplies	6,190	1,275	7,465	4,242	3,223
Total Guidance	225,796	99,941	325,737	309,087	16,650
Child Study Team					
Salaries of Other Professional Staff	389,924	450	390,374	382,455	7,919
Salaries of Secretarial and Clerical Assistants	58,466	313	58,779	58,779	-
Purchased Professional-Educational Services	7,500	(3,550)	3,950	3,950	-
Other Purchased Prof. and Technical Services	81,500	(22,064)	59,436	59,435	1
Other Purchased Services	15,977	5,333	21,310	20,509	801
Supplies and Materials	5,000	25	5,025	5,024	1
Other Objects	785	235	1,020	1,020	-
Total Child Study Team	559,152	(19,258)	539,894	531,172	8,722

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Improvement of Inst. Serv.					
Salaries of Other Professional Staff	\$ 85,000	\$ 49,033	\$ 134,033	\$ 133,882	\$ 151
Other Salaries		-	-	-	-
Purchased Professional-Educational Services	70,000	(19,320)	50,680	22,165	28,515
Supplies and Materials	2,000	(590)	1,410	-	1,410
	<u>157,000</u>	<u>29,123</u>	<u>186,123</u>	<u>156,047</u>	<u>30,076</u>
Educational Media Services/School Library					
Salaries	237,590	254	237,844	168,964	68,880
Other Purchased Services	21,261	(704)	20,557	13,476	7,081
Supplies and Materials	7,439	2,477	9,916	9,460	456
Other Objects	-	-	-	-	-
	<u>266,290</u>	<u>2,027</u>	<u>268,317</u>	<u>191,900</u>	<u>76,417</u>
Instructional Staff Training Services					
Other Salaries	6,000	240	6,240	240	6,000
Purchased Professional - Educational Services	500	4,430	4,930	4,647	283
Other Purchased Prof and Tech Services	5,000	35,760	40,760	40,760	-
Other Purchased Services	10,450	2,910	13,360	10,833	2,527
Supplies and Materials	-	5,238	5,238	3,218	2,020
	<u>21,950</u>	<u>48,578</u>	<u>70,528</u>	<u>59,698</u>	<u>10,830</u>
Support Services General Administration					
Salaries	274,831	(27,944)	246,887	218,217	28,670
Legal Services	48,000	25,000	73,000	70,209	2,791
Audit Fees	40,000	40,000	80,000	26,507	53,493
Architectural/Engineering Services	10,000	25,255	35,255	24,925	10,330
Other Purchased Professional Services	18,000	-	18,000	10,380	7,620
Miscellaneous Purchased Services	59,500	302	59,802	50,915	8,887
Communications/Telephone	53,500	-	53,500	47,142	6,358
BOE Other Purchased Services	5,000	-	5,000	2,250	2,750
General Supplies	10,000	(2,835)	7,165	4,671	2,494
Judgements Against the School	35,000	-	35,000	5,949	29,051
Miscellaneous Expenditures	8,809	-	8,809	4,841	3,968
BOE Membership Dues and Fees	12,550	-	12,550	9,472	3,078
	<u>575,190</u>	<u>59,778</u>	<u>634,968</u>	<u>475,478</u>	<u>159,490</u>
Support Services School Administration					
Salaries of Principals/Asst. Principals	423,475	146,674	570,149	570,149	-
Salaries of Other Professional Staff	25,500	-	25,500	25,500	-
Salaries of Secretarial and Clerical Assistants	206,086	16,609	222,695	222,695	-
Other Purchased Services	20,856	(4,411)	16,445	15,857	588
General Supplies	11,074	(4,853)	6,221	5,929	292
Other Objects	11,419	(1,894)	9,525	9,401	124
	<u>698,410</u>	<u>152,125</u>	<u>850,535</u>	<u>849,531</u>	<u>1,004</u>

RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Central Services					
Salaries	\$ 387,175	\$ 3,362	\$ 390,537	\$ 390,535	\$ 2
Purchased Professional Services	5,000	(1,755)	3,245	-	3,245
Purchased Technical Services		67,745	67,745	67,219	526
Misc. Purchased Services	19,541	2,707	22,248	17,285	4,963
Supplies and Materials	5,000	55,551	60,551	59,466	1,085
Interest on Current Loans	3,200	(532)	2,668	2,668	-
Interest on Lease Purchase Agreements	3,038	(2,396)	642	642	-
Miscellaneous Expenditures	4,300	(549)	3,751	3,751	-
<b>Total Central Services</b>	<b>427,254</b>	<b>124,133</b>	<b>551,387</b>	<b>541,566</b>	<b>9,821</b>
Admin. Info. Tech.					
Salaries	243,882	(12,500)	231,382	231,038	344
Purchased Professional Services	21,785	(1,232)	20,553	18,213	2,340
Purchased Technical Services	53,081	82,709	135,790	125,454	10,336
Other Purchased Services	15,743	(5,204)	10,539	6,924	3,615
Supplies and Materials	65,572	25,346	90,918	88,022	2,896
Other Objects	19,748	(700)	19,048	18,858	190
<b>Total Admin. Info. Tech.</b>	<b>419,811</b>	<b>88,419</b>	<b>508,230</b>	<b>488,509</b>	<b>19,721</b>
Required Maintenance for School Facilities					
Salaries	118,889	4,974	123,863	122,184	1,679
Cleaning, Repair and Maintenance Service	105,750	87,015	192,765	150,939	41,826
General Supplies	27,500	-	27,500	24,882	2,618
<b>Total Required Maintenance for School Facilities</b>	<b>252,139</b>	<b>91,989</b>	<b>344,128</b>	<b>298,005</b>	<b>46,123</b>
Custodial Services					
Salaries	736,510	11,573	748,083	723,145	24,938
Salaries of Non-Instructional Aides	35,270	10,124	45,394	34,887	10,507
Other Salaries	36,000	(8,200)	27,800	19,294	8,506
Purchased Professional and Technical Services	23,300	45,320	68,620	58,395	10,225
Cleaning, Repair, Maintenance	104,599	18,584	123,183	83,186	39,997
Other Purchased Property	18,000	-	18,000	16,751	1,249
Insurance	136,763	(18,288)	118,475	118,475	-
Other Purchased Services	12,900	37,088	49,988	42,076	7,912
General Supplies	112,900	86,273	199,173	154,203	44,970
Energy (Natural Gas)	136,000	-	136,000	69,928	66,072
Energy (Electricity)	292,000	3,145	295,145	212,842	82,303
Miscellaneous Expenditures	9,500	(2,200)	7,300	3,085	4,215
<b>Total Custodial Services</b>	<b>1,653,742</b>	<b>183,419</b>	<b>1,837,161</b>	<b>1,536,267</b>	<b>300,894</b>
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Service	18,000	30,515	48,515	36,820	11,695
General Supplies	12,000	-	12,000	7,564	4,436
<b>Total Care and Upkeep of Grounds</b>	<b>30,000</b>	<b>30,515</b>	<b>60,515</b>	<b>44,384</b>	<b>16,131</b>

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<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	\$ 57,760	22,880	\$ 80,640	\$ 1,120	79,520
Cleaning, Repair and Maintenance Service	12,000	(58)	11,942	2,671	9,271
General Supplies	57,001	(22,743)	34,258	16,257	18,001
Total Security	<u>126,761</u>	<u>79</u>	<u>126,840</u>	<u>20,048</u>	<u>106,792</u>
Student Transportation Services					
Contracted Services-Aid in Lieu of Pymts-Non-Public Schools	35,000	(26,292)	8,708	8,707	1
Contracted Services (Between Home and School) - Vendors	167,870	(5,708)	162,162	154,387	7,775
Contracted Services (Other Than Between Home and School) - Vendors	25,810	-	25,810	20,275	5,535
Contracted Services (Spec. Ed. Students) - Joint Agreement	305,000	-	305,000	207,150	97,850
Total Student Transportation Services	<u>533,680</u>	<u>(32,000)</u>	<u>501,680</u>	<u>390,519</u>	<u>111,161</u>
Employee Benefits - Unallocated					
Social Security Contributions	205,000	15,035	220,035	220,034	1
Other Retirement Contributions - PERS	253,273	(44,941)	208,332	208,332	-
Other Retirement Contributions - Regular	5,400	11,464	16,864	10,126	6,738
Unemployment Insurance	155,000	125,000	280,000	220,000	60,000
Workmen's Compensation	140,919	(26,510)	114,409	102,501	11,908
Health Benefits	2,535,053	(157,565)	2,377,488	2,298,046	79,442
Tuition Reimbursement	22,700	-	22,700	9,873	12,827
Other Employee Benefits	149,752	(99,250)	50,502	35,477	15,025
Total Employee Benefits - Unallocated	<u>3,467,097</u>	<u>(176,767)</u>	<u>3,290,330</u>	<u>3,104,389</u>	<u>185,941</u>
On-behalf TPAF Pension Payments -					
Pension Contribution				372,581	(372,581)
NCGI Premium (Non-Budget)				32,886	(32,886)
Post Retirement Medical Benefits (Non-Budget)				664,814	(664,814)
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	691,575	(691,575)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,761,856</u>	<u>(1,761,856)</u>
Total Undistributed Expenditures	<u>11,667,961</u>	<u>711,221</u>	<u>12,379,182</u>	<u>12,956,971</u>	<u>(577,789)</u>
Total Current Expenditures	<u>20,289,170</u>	<u>663,486</u>	<u>20,952,656</u>	<u>21,401,073</u>	<u>(448,417)</u>

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<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)					
<b>CAPITAL OUTLAY</b>					
Interest Deposit to Capital Reserve	\$ 2,000		\$ 2,000		\$ 2,000
Equipment					
Instruction		\$ 314,762	314,762	\$ 312,659	2,103
General Administration		2,145	2,145	2,145	
Central Services		7,613	7,613	-	7,613
Admin. Info. Tech.		59,411	59,411	17,212	42,199
Required Maintenance for School Facilities	30,000	31,705	61,705	61,536	169
<b>Total Undistributed Expenditures - Instruction</b>	<u>32,000</u>	<u>415,636</u>	<u>447,636</u>	<u>393,552</u>	<u>54,084</u>
<b>Total Equipment</b>	<u>32,000</u>	<u>415,636</u>	<u>447,636</u>	<u>393,552</u>	<u>54,084</u>
Facilities Acquisition and Construction Services					
Construction Services	213,769	475,449	689,218	556,158	133,060
Lease Purchase Agreements - Principal	80,000		80,000	79,619	381
Assessment for Debt Service on SDA Funding	79,282	(28,751)	50,531	50,531	-
<b>Total Facilities Acquisition and Construction Svcs.</b>	<u>373,051</u>	<u>446,698</u>	<u>819,749</u>	<u>686,308</u>	<u>133,441</u>
<b>Total Capital Outlay</b>	<u>405,051</u>	<u>862,334</u>	<u>1,267,385</u>	<u>1,079,860</u>	<u>187,525</u>
<b>Total Expenditures - General Fund</b>	<u>20,694,221</u>	<u>1,525,820</u>	<u>22,220,041</u>	<u>22,480,933</u>	<u>(260,892)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(283,335)</u>	<u>(1,525,820)</u>	<u>(1,809,155)</u>	<u>(60,075)</u>	<u>1,749,080</u>
Other Financing Sources/(Uses)					
Transfer to Capital Projects		(487,980)	(487,980)	(487,980)	-
Operating Transfer In	-	-	-	902	902
<b>Total Other Financing Sources</b>	<u>-</u>	<u>(487,980)</u>	<u>(487,980)</u>	<u>(487,078)</u>	<u>902</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources	<u>(283,335)</u>	<u>(2,013,800)</u>	<u>(2,297,135)</u>	<u>(547,153)</u>	<u>1,749,982</u>
Fund Balances, Beginning of Year	<u>3,258,579</u>	<u>-</u>	<u>3,258,579</u>	<u>3,258,579</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 2,975,244</u>	<u>\$ (2,013,800)</u>	<u>\$ 961,444</u>	<u>\$ 2,711,426</u>	<u>\$ 1,749,982</u>

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<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 - Designated for Subsequent Year's Expenditures				\$ 277,370	
Excess Surplus				399,563	
Capital Reserve				905,866	
Maintenance Reserve				150,000	
Committed Fund Balance					
Year End Encumbrances				111,222	
Assigned Fund Balance					
Year End Encumbrances				215,128	
Unassigned Fund Balance				<u>652,277</u>	
				2,711,426	
Reconciliation to Governmental Funds Statements (GAAP)					
State Aid Public			\$ 38,996		
Extraordinary Aid Payment			<u>223,898</u>		
				<u>262,894</u>	
Fund Balances Per Governmental Funds (GAAP)				<u>\$ 2,448,532</u>	



**RIVER VALE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<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		\$ 4,141	\$ 4,141	\$ 4,091	\$ (50)
Federal	\$ 286,076	196,484	482,560	382,676	(99,884)
Total Revenues	<u>286,076</u>	<u>200,625</u>	<u>486,701</u>	<u>386,767</u>	<u>(99,934)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries & Benefits	-	3,800	3,800	3,800	-
Purchased Professional/Educational Services	192,308	158,018	350,326	250,442	99,884
Tuition	65,868	41,173	107,041	107,041	-
General Supplies	-	10,228	10,228	10,178	50
Total Instruction	<u>258,176</u>	<u>213,219</u>	<u>471,395</u>	<u>371,461</u>	<u>99,934</u>
Support Services					
Personal Services - Employee Benefits	-	291	291	291	-
Purchased Professional/Education Services	11,400	(1,307)	10,093	10,093	-
General Supplies	16,500	(11,578)	4,922	4,922	-
Total Support Services	<u>27,900</u>	<u>(12,594)</u>	<u>15,306</u>	<u>15,306</u>	<u>-</u>
Facilities Acquisition and Construction Services					
Construction	-	-	-	-	-
Total Facilities Acquisition and Construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>286,076</u>	<u>200,625</u>	<u>486,701</u>	<u>386,767</u>	<u>99,934</u>
Excess Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**RIVER VALE BOARD OF EDUCATION  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

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

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

		<b>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)	\$ 22,420,858	(C-2)	\$ 386,767
Difference - Budget to GAAP				
State Aid payment and Extraordinary Aid (2012/2013) recognized for GAAP statements, not recognized for budgetary statements		223,974		
State Aid payments and Extraordinary Aid (2013/2014) recognized for budgetary purposes, not recognized for GAAP statements		<u>(262,894)</u>		<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures	(B-2)	<u>\$ 22,381,938</u>	(B-2)	<u>\$ 386,767</u>
<b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1)	<u>\$ 22,480,933</u>	(C-2)	<u>\$ 386,767</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2)	<u>\$ 22,480,933</u>	(B-2)	<u>\$ 386,767</u>

**SCHOOL LEVEL SCHEDULES**

**(General Fund)**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**

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

	<u>Actuarial Grant</u>	<u>IDEA Part B- Basic</u>	<u>IDEA Preschool</u>	<u>NCLB Title II</u>	<u>Total</u>
<b>REVENUES</b>					
Intergovernmental					
Local	\$ 4,091				\$ 4,091
Federal	-	\$ 349,256	\$ 13,149	\$ 20,271	\$ 382,676
Total Revenues	<u>\$ 4,091</u>	<u>\$ 349,256</u>	<u>\$ 13,149</u>	<u>\$ 20,271</u>	<u>\$ 386,767</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries & Benefits	\$ 3,800				\$ 3,800
Purchased Professional & Ed Svcs.		\$ 250,442			250,442
Tuition		93,892	13,149		107,041
General Supplies	-	-	-	10,178	10,178
Total Instruction	<u>3,800</u>	<u>344,334</u>	<u>13,149</u>	<u>10,178</u>	<u>371,461</u>
Support Services					
Personal Services - Employee Benefits	\$ 291				\$ 291
Purchased Professional Educational Svcs.				\$ 10,093	10,093
General Supplies	-	\$ 4,922	-	-	4,922
Total Support Services	<u>291</u>	<u>4,922</u>	<u>-</u>	<u>10,093</u>	<u>15,306</u>
Facilities Acquisition and Construction Services					
Construction	-	-	-	-	-
Total Facilities Acquisition and Construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 4,091</u>	<u>\$ 349,256</u>	<u>\$ 13,149</u>	<u>\$ 20,271</u>	<u>\$ 386,767</u>

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

NOT APPLICABLE

**CAPITAL PROJECTS FUND**

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

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures</u>		<u>Prior Year</u>	<u>Balance</u>
		<u>To Date</u>			
		<u>Prior Years</u>	<u>Current Year</u>	<u>Adjustments</u>	<u>June 30, 2014</u>
Facilities Acquisitions and Construction Services at Holdrum, Woodside and Roberge Schools*	\$ 19,750,000	\$ 19,651,090	\$ -	\$ (6,000)	\$ 104,910
Information Technology Project	296,573		70,782		225,791
Boiler Project	380,000		362,777		17,223
Roberge Roof Replacement, except over gym	784,700		40,820		743,880
Roberge Upgrade 2 Gang Bathrooms and 2 Staff Bathrooms	<u>292,200</u>	<u>-</u>	<u>14,830</u>	<u>-</u>	<u>277,370</u>
 Total	 <u>\$ 21,503,473</u>	 <u>\$ 19,651,090</u>	 <u>\$ 489,209</u>	 <u>\$ (6,000)</u>	 <u>\$ 1,369,174</u>
 Project Balances, June 30, 2014					\$ 1,369,174
Less: Unrealized Local Match					(158,160)
Debt Authorized But Not Issued					<u>(948)</u>
 Fund Balance, Budgetary Basis					 <u>\$ 1,210,066</u>
 <b>Reconciliation to Governmental Funds Statements (GAAP):</b>					
Fund Balance, Budgetary Basis					\$ 1,210,066
Less: Unearned Revenue - SDA Grants					<u>(408,500)</u>
Fund Balance Per Governmental Funds (GAAP)					<u>\$ 801,566</u>
 Analysis of Restricted Fund Balance					
Year End Encumbrances					\$ 756,600
Restricted Fund Balance					<u>44,966</u>
Fund Balance Per Governmental Funds (GAAP)					<u>\$ 801,566</u>

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



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

**Revenues and Other Financing Sources**

Transfers from Capital Outlay	\$ 487,980
SDA Grant Proceeds	430,760
Interest	<u>902</u>
 Total Revenues	 <u>919,642</u>

**Expenditures and Other Financing Uses**

Professional Services	55,650
Construction Services	433,559
Transfer Out to General Fund	<u>902</u>
 Total Expenditures	 <u>490,111</u>

Excess (Deficiency) of Revenue and Other Financing Sources and (Uses) Over/(Under) Expenditures and Other Financing Uses	429,531
 Fund Balance, Beginning of Year	 <u>780,535</u>
 Fund Balance, End of Year	 <u>\$ 1,210,066</u>

**RIVER VALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS  
IMPROVEMENTS TO THE MIDDLE SCHOOL AND ELEMENTARY SCHOOLS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Prior Year Adjustments</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	12,834,948
Transfer from Capital Reserve	800,000			800,000	800,000
<b>Total Revenues</b>	<u>19,749,052</u>	<u>-</u>	<u>-</u>	<u>19,749,052</u>	<u>19,750,000</u>
<b>Expenditures and Other Financing Uses</b>					
Construction Services	19,651,090	\$ -	\$ (6,000)	19,645,090	19,750,000
Equipment Purchases					
<b>Total Expenditures</b>	<u>19,651,090</u>	<u>-</u>	<u>(6,000)</u>	<u>19,645,090</u>	<u>19,750,000</u>
Excess (deficiency) or Revenues over (under) Expenditures	<u>\$ 97,962</u>	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ 103,962</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	99%				
Original target completion date	9/1/04				
Revised target completion date	12/1/05				

**RIVER VALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS  
INFORMATION TECHNOLOGY PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Adjustments</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>					
Lease Proceeds	\$ 296,573			\$ 296,573	\$ 296,573
Interest Earnings	-			-	
Total Revenues	<u>296,573</u>	<u>-</u>	<u>-</u>	<u>296,573</u>	<u>296,573</u>
<b>Expenditures and Other Financing Uses</b>					
Construction Services	-	70,782		70,782	296,573
Total Expenditures	<u>-</u>	<u>70,782</u>	<u>-</u>	<u>70,782</u>	<u>296,573</u>
Excess (deficiency) or Revenues over (under) Expenditures	<u>\$ 296,573</u>	<u>\$ (70,782)</u>	<u>\$ -</u>	<u>\$ 225,791</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	296,573				
Additional Authorized Cost	-				
Revised Authorized Cost	296,573				
Percentage Increase over Original Authorized Cost	0.00%				
Percentage completion	0.00%				
Original target completion date	June 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  
BOILER REPLACEMENT PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Adjustments</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>					
Lease Proceeds	\$ 380,000			\$ 380,000	\$ 380,000
Interest Earnings				-	
<b>Total Revenues</b>	<b>380,000</b>	<b>-</b>	<b>-</b>	<b>380,000</b>	<b>380,000</b>
<b>Expenditures and Other Financing Uses</b>					
Construction Services	-	362,777		362,777	380,000
<b>Total Expenditures</b>	<b>-</b>	<b>362,777</b>	<b>-</b>	<b>362,777</b>	<b>380,000</b>
Excess (deficiency) or Revenues over (under) Expenditures	<u>\$ 380,000</u>	<u>\$ (362,777)</u>	<u>\$ -</u>	<u>\$ 17,223</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	380,000				
Additional Authorized Cost	-				
Revised Authorized Cost	380,000				
Percentage Increase over Original Authorized Cost	0.00%				
Percentage completion	0.00%				
Original target completion date	June 2014				
Revised target completion date	June 2015				

**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, 2014**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Adjustments</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>					
SDA Grant Proceeds		\$ 313,880		\$ 313,880	\$ 313,880
Transfer from Capital Outlay		470,820		345,540	470,820
<b>Total Revenues</b>	<b>-</b>	<b>784,700</b>	<b>-</b>	<b>659,420</b>	<b>784,700</b>
<b>Expenditures and Other Financing Uses</b>					
Professional Services		40,820		40,820	51,700
Construction Services	-	-		-	733,000
<b>Total Expenditures</b>	<b>-</b>	<b>40,820</b>	<b>-</b>	<b>40,820</b>	<b>784,700</b>
Excess (deficiency) or Revenues over (under) Expenditures	\$ -	\$ 743,880	\$ -	\$ 618,600	\$ -

**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  
 Additional Authorized Cost     -  
 Revised Authorized Cost       784,700

Percentage Increase over Original  
   Authorized Cost               0.00%  
 Percentage completion         0.00%  
 Original target completion date   Dec 2014  
 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  
ROBERGE ELEMENTARY SCHOOL - UPGRADE 2 GANG BATHROOMS AND 2 STAFF BATHROOMS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Adjustments</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>					
SDA Grant Proceeds		\$ 116,880		\$ 116,880	\$ 116,880
Transfer from Capital Outlay		142,440		142,440	175,320
<b>Total Revenues</b>	-	259,320	-	259,320	292,200
<b>Expenditures and Other Financing Uses</b>					
Professional Services		14,830		14,830	19,450
Construction Services	-	-		-	272,750
<b>Total Expenditures</b>	-	14,830	-	14,830	292,200
Excess (deficiency) or Revenues over (under) Expenditures	\$ -	\$ 244,490	\$ -	\$ 244,490	\$ -

**Additional project information:**

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  
 Additional Authorized Cost         -  
 Revised Authorized Cost            292,200

Percentage Increase over Original  
   Authorized Cost                    0.00%  
 Percentage completion              0.00%  
 Original target completion date    Dec 2014  
 Revised target completion date     N/A

**PROPRIETARY FUNDS**

**EXHIBIT G-1**

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

**NOT APPLICABLE**

**EXHIBIT G-2**

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

**NOT APPLICABLE**

**EXHIBIT G-3**

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

**NOT APPLICABLE**



**FIDUCIARY FUNDS**

**RIVER VALE BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING SCHEDULE OF AGENCY ASSETS AND LIABILITIES  
AS OF JUNE 30, 2014**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 106,823	\$ 96,598	\$ 203,421
Total Assets	<u>\$ 106,823</u>	<u>\$ 96,598</u>	<u>\$ 203,421</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 5,866	\$ 5,866
Accrued Salaries and Wages		2,401	2,401
Flex Spending Benefits		357	357
Due to State of New Jersey		87,974	87,974
Due to Student Groups	<u>\$ 106,823</u>	<u>-</u>	<u>106,823</u>
Total Liabilities	<u>\$ 106,823</u>	<u>\$ 96,598</u>	<u>\$ 203,421</u>

**FIDUCIARY FUNDS  
COMBINING SCHEDULE OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOT APPLICABLE

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

	<b>Balance, July 1, <u>2013</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2014</u></b>
<b>SCHOOLS</b>				
Roberge Elementary	\$ 13,569	\$ 22,441	\$ 21,327	\$ 14,683
Woodside Elementary	12,557	22,349	23,040	11,866
Holdrum Middle School	<u>70,586</u>	<u>161,928</u>	<u>152,240</u>	<u>80,274</u>
Total All Schools	<u>\$ 96,712</u>	<u>\$ 206,718</u>	<u>\$ 196,607</u>	<u>\$ 106,823</u>

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

	<b>Balance, July 1, <u>2013</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2014</u></b>
Payroll Deductions and Withholdings	\$ 5,685	\$ 13,462,114	\$ 13,461,933	\$ 5,866
Accrued Salaries and Wages	1,965	7,719,402	7,718,966	2,401
Flex Spending Benefits	349	8,667	8,659	357
Due to State of New Jersey	<u>82,678</u>	<u>87,974</u>	<u>82,678</u>	<u>87,974</u>
Total	<u>\$ 90,677</u>	<u>\$ 21,278,157</u>	<u>\$ 21,272,236</u>	<u>\$ 96,598</u>

**LONG-TERM DEBT**

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

<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, 2013</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2014</u>
School District Refunding Bonds - 2009	2/25/2010	\$ 7,080,000	9/15/2014	765,000	2.75 %				
			9/15/2015	790,000	4.00				
			9/15/2016	805,000	4.00				
			9/15/2017	470,000	4.00				
			9/15/2017	330,000	3.50				
			9/15/2018	800,000	4.00				
			9/15/2019	355,000	4.50				
			9/15/2019	440,000	3.50				
			9/15/2020	790,000	4.50	\$ 6,290,000	-	\$ 745,000	\$ 5,545,000
						\$ 6,290,000	\$ -	\$ 745,000	\$ 5,545,000

74

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

<u>Description</u>	<u>Interest Rate</u>	<u>Amount of Original Obligation</u>	<u>Balance, July 1, 2013</u>	<u>Increased</u>	<u>Retired</u>	<u>Balance, June 30, 2014</u>
Information Technology	1.070%	296,573	\$ 296,573		\$ 99,739	\$ 196,834
Boiler Project	1.220%	380,000	<u>380,000</u>	<u>-</u>	<u>79,619</u>	<u>300,381</u>
Total			<u>\$ 676,573</u>	<u>\$ -</u>	<u>\$ 179,358</u>	<u>\$ 497,215</u>

**RIVER VALE BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

76

	<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	\$ 969,356	-	\$ 969,356	\$ 969,356	-
Total Revenues	<u>969,356</u>	<u>-</u>	<u>969,356</u>	<u>969,356</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	745,000		745,000	745,000	
Interest	<u>224,356</u>	<u>-</u>	<u>224,356</u>	<u>224,356</u>	<u>-</u>
Total Expenditures	<u>969,356</u>	<u>-</u>	<u>969,356</u>	<u>969,356</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)*

	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 10,100,306	\$ 10,263,055	\$ 10,454,235	\$ 10,920,772	\$ 11,300,821	\$ 11,562,104	\$ 12,298,108	\$ 13,128,780	\$ 11,598,974	\$ 13,275,640
Restricted	268,376	205,507	211,903	219,144	221,823	235,897	224,076	716,927	641,463	1,055,866
Unrestricted	168,021	337,990	412,966	318,313	161,187	208,646	510,526	712,521	1,921,197	899,373
<b>Total Governmental Activities Net Position</b>	<b>\$ 10,536,703</b>	<b>\$ 10,806,552</b>	<b>\$ 11,079,104</b>	<b>\$ 11,458,229</b>	<b>\$ 11,683,831</b>	<b>\$ 12,006,647</b>	<b>\$ 13,032,710</b>	<b>\$ 14,558,228</b>	<b>\$ 14,161,634</b>	<b>\$ 15,230,879</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 4,412	\$ 4,163	\$ 3,732	\$ 3,301	\$ 2,870	\$ 2,439	\$ 2,049	\$ 1,659	\$ 1,270	\$ 880
Restricted										
Unrestricted	6,485	9,252	29,808	76,094	99,481	101,100	171,329	146,758	6,350	5,515
<b>Total Business-Type Activities Net Position</b>	<b>\$ 10,897</b>	<b>\$ 13,415</b>	<b>\$ 33,540</b>	<b>\$ 79,395</b>	<b>\$ 102,351</b>	<b>\$ 103,539</b>	<b>\$ 173,378</b>	<b>\$ 148,417</b>	<b>\$ 7,620</b>	<b>\$ 6,395</b>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 10,104,718	\$ 10,267,218	\$ 10,457,967	\$ 10,924,073	\$ 11,303,691	\$ 11,564,543	\$ 12,300,157	\$ 13,130,439	\$ 11,600,244	\$ 13,276,520
Restricted	268,376	205,507	211,903	219,144	221,823	235,897	224,076	716,927	641,463	1,055,866
Unrestricted	174,506	347,242	442,774	394,407	260,668	309,746	681,855	859,279	1,927,547	904,888
<b>Total District Net Position</b>	<b>\$ 10,547,600</b>	<b>\$ 10,819,967</b>	<b>\$ 11,112,644</b>	<b>\$ 11,537,624</b>	<b>\$ 11,786,182</b>	<b>\$ 12,110,186</b>	<b>\$ 13,206,088</b>	<b>\$ 14,706,645</b>	<b>\$ 14,169,254</b>	<b>\$ 15,237,274</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)*

	2005	2006	2007	2008	Fiscal Year Ended June 30,		2011	2012	2013	2014
					2009	2010				
<b>Expenses</b>										
Governmental Activities										
Instruction										
Regular	\$ 8,389,069	\$ 8,662,658	\$ 9,485,795	\$ 9,562,717	\$ 9,244,287	\$ 9,676,884	\$ 9,737,441	\$ 9,833,606	\$ 10,096,119	\$ 10,345,903
Special Education	1,656,779	1,319,651	1,673,647	1,903,183	1,857,575	2,333,154	2,129,638	2,230,343	2,231,290	2,573,541
Other Instruction	406,733	518,550	549,047	571,252	469,976	538,942	543,070	677,912	672,031	619,745
School Sponsored Activities and Athletics	126,116	118,763	128,705	131,806	136,354	137,292	111,249	120,488	124,146	136,012
Support Services:										
Student & Instruction Related Services	1,511,348	1,631,621	1,766,408	1,914,871	1,861,330	1,867,320	2,178,179	2,329,447	2,444,437	2,661,439
Attendance and Social Work	63,456	80,746	87,303	102,585	152,102	168,345	118,281	113,304	200,410	98,199
Educational Media/School Library	252,368	293,549	317,648	327,141	313,761	336,393	227,370	423,129	297,026	275,962
School Administrative Services	761,119	797,799	924,889	943,170	901,583	951,097	925,318	1,133,352	1,192,633	1,183,983
General Administration	690,539	673,008	676,129	615,720	762,636	635,394	691,280	742,344	724,425	619,558
Central Services	656,940	837,282	877,481	892,744	895,645	968,795	1,132,238	1,099,110	1,095,091	1,299,740
Plant Operations and Maintenance	1,664,260	1,789,695	1,915,028	2,092,545	2,074,072	2,148,125	2,046,993	1,965,809	2,078,059	2,275,527
Pupil Transportation	344,106	360,512	376,815	471,600	506,282	531,200	456,736	443,474	397,901	390,519
Other Support Services										
Interest on Long-Term Debt	512,035	497,049	463,080	457,397	427,156	363,885	289,404	248,380	229,357	211,850
Total Governmental Activities Expenses	<u>17,034,868</u>	<u>17,580,883</u>	<u>19,241,975</u>	<u>19,986,731</u>	<u>19,602,759</u>	<u>20,656,826</u>	<u>20,587,197</u>	<u>21,360,698</u>	<u>21,782,925</u>	<u>22,691,978</u>
Business-Type Activities:										
Food Service	18,132	26,722	19,677	26,967	22,377	35,526	41,891	48,026	22,039	19,770
Safety Town	1,482	2,060	2,404	2,243	2,151	7,856	-	-	-	-
Park Academy	-	234,349	192,961	209,428	219,897	245,975	616,541	7,662	4,899	4,013
Total Business-Type Activities Expense	<u>19,614</u>	<u>263,131</u>	<u>215,042</u>	<u>238,638</u>	<u>244,425</u>	<u>289,357</u>	<u>658,432</u>	<u>55,688</u>	<u>26,938</u>	<u>23,783</u>
Total District Expenses	<u>\$ 17,054,482</u>	<u>\$ 17,844,014</u>	<u>\$ 19,457,017</u>	<u>\$ 20,225,369</u>	<u>\$ 19,847,184</u>	<u>\$ 20,946,183</u>	<u>\$ 21,245,629</u>	<u>\$ 21,416,386</u>	<u>\$ 21,809,863</u>	<u>\$ 22,715,761</u>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 268,073		\$ 15,087	\$ 13,435	\$ 12,794		\$ 17,600	\$ 20,260	\$ 27,350	\$ 17,801
Operating Grants and Contributions	2,075,656	\$ 2,184,228	2,824,689	2,956,062	1,946,518	\$ 2,373,202	1,823,995	2,655,210	2,940,129	2,778,294
Capital Grants and Contributions	-	-	-	-	-	-	-	221,010	100,000	22,260
Total Governmental Activities Program Revenues	<u>2,343,729</u>	<u>2,184,228</u>	<u>2,839,776</u>	<u>2,969,497</u>	<u>1,959,312</u>	<u>2,373,202</u>	<u>1,841,595</u>	<u>2,896,480</u>	<u>3,067,479</u>	<u>2,818,355</u>

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

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

	2005	2006	2007	2008	Fiscal Year Ended June 30,		2011	2012	2013	2014
					2009	2010				
<b>Business-Type Activities:</b>										
Charges for Services										
Food Service	\$ 8,563	\$ 20,812	\$ 9,258	\$ 19,260	\$ 17,671	\$ 28,932	\$ 25,835	\$ 19,804	\$ 17,169	\$ 12,666
Safety Town	1,275	750	2,018	4,250	5,350	2,300				
Park Academy		244,087	209,855	244,670	227,724	246,947	689,928	1,175	7,865	4,013
Operating Grants and Contributions	12,921		11,457	14,076	15,663	11,168	11,028	9,594	8,147	5,793
<b>Total Business Type Activities Program Revenues</b>	<b>22,759</b>	<b>265,649</b>	<b>232,588</b>	<b>282,256</b>	<b>266,408</b>	<b>289,347</b>	<b>726,791</b>	<b>30,573</b>	<b>33,181</b>	<b>22,472</b>
<b>Total District Program Revenues</b>	<b>\$ 2,366,488</b>	<b>\$ 2,449,877</b>	<b>\$ 3,072,364</b>	<b>\$ 3,251,753</b>	<b>\$ 2,225,720</b>	<b>\$ 2,662,549</b>	<b>\$ 2,568,386</b>	<b>\$ 2,927,053</b>	<b>\$ 3,100,660</b>	<b>\$ 2,840,827</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (14,691,139)	\$ (15,396,655)	\$ (16,402,199)	\$ (17,017,234)	\$ (17,643,447)	\$ (18,283,624)	\$ (18,745,602)	\$ (18,464,218)	\$ (18,715,446)	\$ (19,873,623)
Business-Type Activities	3,145	2,518	17,546	43,618	21,983	(10)	68,359	(25,115)	6,243	(1,311)
<b>Total district-wide net expense</b>	<b>\$ (14,687,994)</b>	<b>\$ (15,394,137)</b>	<b>\$ (16,384,653)</b>	<b>\$ (16,973,616)</b>	<b>\$ (17,621,464)</b>	<b>\$ (18,283,634)</b>	<b>\$ (18,677,243)</b>	<b>\$ (18,489,333)</b>	<b>\$ (18,709,203)</b>	<b>\$ (19,874,934)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, net	\$ 14,890,207	\$ 15,413,445	\$ 16,414,093	\$ 17,151,984	\$ 17,795,531	\$ 18,524,538	\$ 19,525,073	\$ 19,881,917	\$ 20,258,781	\$ 20,804,887
Unrestricted Grants and Contributions	93,500	93,702	93,322	114,890	5,672		3,800			
Donation of Capital Assets	9,690									
Consolidated Aid										
Net Gain(Loss) on Contributed Asset					(4,710)		176,827	(1,336)		
Investment Earnings		73,300	131,320	100,886	32,426	18,264	20,188	6,358	14,022	14,063
Miscellaneous Income	50,834	86,057	36,016	28,599	40,130	63,638	45,777	160,702	163,404	123,918
<b>Total Governmental Activities</b>	<b>15,044,231</b>	<b>15,666,504</b>	<b>16,674,751</b>	<b>17,396,359</b>	<b>17,869,049</b>	<b>18,606,440</b>	<b>19,771,665</b>	<b>20,047,641</b>	<b>20,436,207</b>	<b>20,942,868</b>
Business-Type Activities:										
Transfer to Participating Districts									(147,126)	-
Investment Earnings	16		2,579	2,237	973	1,198	1,480	154	86	86
<b>Total Business-Type Activities</b>	<b>16</b>	<b>-</b>	<b>2,579</b>	<b>2,237</b>	<b>973</b>	<b>1,198</b>	<b>1,480</b>	<b>154</b>	<b>(147,040)</b>	<b>86</b>
<b>Total District-Wide</b>	<b>\$ 15,044,247</b>	<b>\$ 15,666,504</b>	<b>\$ 16,677,330</b>	<b>\$ 17,398,596</b>	<b>\$ 17,870,022</b>	<b>\$ 18,607,638</b>	<b>\$ 19,773,145</b>	<b>\$ 20,047,795</b>	<b>\$ 20,289,167</b>	<b>\$ 20,942,954</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 353,092	\$ 269,849	\$ 272,552	\$ 379,125	\$ 225,602	\$ 322,816	\$ 1,026,063	\$ 1,583,423	\$ 1,720,761	\$ 1,069,245
Business-Type Activities	3,161	2,518	20,125	45,855	22,956	1,188	69,839	(24,961)	(140,797)	(1,225)
<b>Total District</b>	<b>\$ 356,253</b>	<b>\$ 272,367</b>	<b>\$ 292,677</b>	<b>\$ 424,980</b>	<b>\$ 248,558</b>	<b>\$ 324,004</b>	<b>\$ 1,095,902</b>	<b>\$ 1,558,462</b>	<b>\$ 1,579,964</b>	<b>\$ 1,068,020</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,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 702,037	\$ 864,009	\$ 879,700	\$ 783,312	\$ 812,576	\$ 923,012				
Unreserved	360,892	236,968	296,609	315,266	143,275	134,847				
Restricted							\$ 736,062	\$ 1,253,603	\$ 1,202,168	\$ 1,732,799
Committed							39,020	203,890	991,418	111,222
Assigned							164,666	168,056	491,864	215,128
Unassigned							377,532	351,097	349,155	389,383
<b>Total General Fund</b>	<b>\$ 1,062,929</b>	<b>\$ 1,100,977</b>	<b>\$ 1,176,309</b>	<b>\$ 1,098,578</b>	<b>\$ 955,851</b>	<b>\$ 1,057,859</b>	<b>\$ 1,317,280</b>	<b>\$ 1,976,646</b>	<b>\$ 3,034,605</b>	<b>\$ 2,448,532</b>
All Other Governmental Funds										
Reserved	\$ 612,252	\$ 608,693	\$ 251,843	\$ 246,158	\$ 8,000	\$ 32,528				
Unreserved	16,245	192,774	103,738	38,788	21,715	212,136				
Restricted							\$ 174,556	\$ 99,393	\$ 780,535	\$ 801,566
<b>Total All Other Governmental Funds</b>	<b>\$ 628,497</b>	<b>\$ 801,467</b>	<b>\$ 355,581</b>	<b>\$ 284,946</b>	<b>\$ 29,715</b>	<b>\$ 244,664</b>	<b>\$ 174,556</b>	<b>\$ 99,393</b>	<b>\$ 780,535</b>	<b>\$ 801,566</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,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Tax Levy	\$ 14,890,207	\$ 15,413,445	\$ 16,414,093	\$ 17,151,984	\$ 17,795,531	\$ 18,524,538	\$ 19,525,073	\$ 19,881,917	\$ 20,258,781	\$ 20,804,887
Tuition Charges	268,073		15,087	13,435	12,794		17,600	20,260	27,350	17,801
Interest Earnings		73,300	131,320	100,886	32,426	18,264	20,188	6,358	14,022	14,063
Miscellaneous	52,084	86,361	37,169	29,946	40,930	69,261	50,083	165,008	270,404	128,009
State Sources	1,901,074	2,066,927	2,656,768	2,719,628	1,683,813	1,988,656	1,614,682	2,389,274	2,717,235	2,413,787
Federal Sources	266,832	210,699	260,088	349,977	267,577	378,923	208,807	482,640	221,894	382,676
<b>Total revenues</b>	<b>17,378,270</b>	<b>17,850,732</b>	<b>19,514,525</b>	<b>20,365,856</b>	<b>19,833,071</b>	<b>20,979,642</b>	<b>21,436,433</b>	<b>22,945,457</b>	<b>23,509,686</b>	<b>23,761,223</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	8,222,473	8,373,221	9,176,613	9,239,618	8,918,736	9,349,456	9,501,344	9,632,797	9,783,099	9,686,772
Special Education Instruction	1,637,877	1,293,263	1,645,822	1,878,856	1,826,679	2,297,602	2,093,252	2,196,405	2,196,058	2,590,164
Other Instruction	398,717	500,910	532,102	545,309	453,279	521,366	535,452	650,355	649,412	637,518
School Sponsored Activities and Athletics	123,399	118,763	128,705	131,806	136,354	137,292	111,249	120,488	124,146	134,096
<b>Support Services:</b>										
Student & Inst. Related Services	1,486,744	1,595,227	1,711,437	1,847,569	1,822,801	1,821,328	2,135,150	2,267,078	2,377,621	2,645,072
Attendance and Social Work	61,958	77,964	84,464	98,831	146,193	156,757	107,755	109,653	193,460	99,155
Educational Media/School Library	246,959	284,211	307,818	316,369	303,359	326,303	234,664	410,009	287,810	258,142
General Administration	684,585	662,132	664,416	604,394	751,340	593,714	658,334	713,172	734,678	617,850
School Administrative Services	746,104	770,855	894,225	942,283	874,501	919,633	895,576	1,094,797	1,142,196	1,149,939
Central Services	656,940	815,134	853,956	866,266	867,274	947,671	1,121,085	1,066,219	1,063,281	1,283,182
Plant Operations and Maintenance	1,642,485	1,751,119	1,873,210	2,045,237	2,034,298	2,109,046	2,020,305	1,922,929	2,041,453	2,254,127
Pupil Transportation	332,221	360,512	376,815	471,600	506,282	531,200	456,736	443,474	397,901	390,519
Other Support Services										
Capital Outlay	419,742	519,651	529,153	203,956	363,501	164,005	239,102	671,042	390,908	1,430,373
<b>Debt Service:</b>										
Principal	568,888	596,630	641,987	848,073	787,869	670,127	817,134	792,303	820,247	924,358
Interest and Other Charges	520,019	500,122	464,356	474,055	438,563	394,185	319,982	270,533	244,888	224,998
Cost of Issuance						107,344				
Advance Refunding Escrow						409,817				
<b>Total Expenditures</b>	<b>17,749,111</b>	<b>18,219,714</b>	<b>19,885,079</b>	<b>20,514,222</b>	<b>20,231,029</b>	<b>21,456,846</b>	<b>21,247,120</b>	<b>22,361,254</b>	<b>22,447,158</b>	<b>24,326,265</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,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Excess (Deficiency) of Revenues over (under) Expenditures	\$ (370,841)	\$ (368,982)	\$ (370,554)	\$ (148,366)	\$ (397,958)	\$ (477,204)	\$ 189,313	\$ 584,203	\$ 1,062,528	\$ (565,042)
<b>Other Financing Sources (uses)</b>										
Capital Leases (non-budgeted)		580,000				277,000			676,573	-
Refunding Bond Proceeds						7,080,000				
Premium on Notes/Bonds						491,161				
Bonds Refunded						(7,054,000)				
Transfers In	12,510	122,239	20,298	12,724	3,564	885	212,762	8,066	1,161	488,862
Transfers Out	(12,510)	(122,239)	(20,298)	(12,724)	(3,564)	(885)	(212,762)	(8,066)	(1,161)	(488,862)
Total Other Financing Sources (uses)	-	580,000	-	-	-	794,161	-	-	676,573	-
Net Change in Fund Balances	<u>\$ (370,841)</u>	<u>\$ 211,018</u>	<u>\$ (370,554)</u>	<u>\$ (148,366)</u>	<u>\$ (397,958)</u>	<u>\$ 316,957</u>	<u>\$ 189,313</u>	<u>\$ 584,203</u>	<u>\$ 1,739,101</u>	<u>\$ (565,042)</u>
Debt Service as a Percentage of Noncapital Expenditures	6.28%	6.20%	5.72%	6.51%	6.17%	7.43%	5.41%	4.90%	4.83%	5.02%

\* Noncapital expenditures are total expenditures less capital outlay.

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

<u>Ended June 30</u>	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Donations</u>	<u>Administration Fee</u>	<u>E-Rate Rebate</u>	<u>Insurance Refund</u>	<u>Rentals</u>	<u>Miscellaneous</u>	<u>Total</u>
2005	\$ 268,073	\$ 27,964						\$ 10,360	\$ 306,397
2006		73,300						52,792	126,092
2007	15,087	101,171						36,016	152,274
2008	13,435	85,840			\$ 20,698			7,901	127,874
2009	12,794	28,739			13,608	8,337		18,185	81,663
2010		17,343			15,911	399		47,328	80,981
2011	17,600	19,002		\$ 15,057	783	6,352		23,585	82,379
2012	20,260	6,292			26,105	21,163	\$ 102,900	10,534	187,254
2013	27,350	12,861	\$ 100,000		22,575	7,316	102,900	30,613	303,615
2014	17,801	13,161	\$ 300		-	-	102,900	20,718	154,880

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>
2005	\$ 17,591,750	\$ 918,378,267	\$ 714,000	\$ 48,799,150	\$ -	\$ 4,834,400	\$ 990,317,567	\$ -	\$ 990,317,567	\$ 1,933,744,455	\$ 2
2006	16,638,050	930,721,467	714,000	49,179,450	-	4,834,400	1,002,087,367	-	1,002,087,367	2,142,448,500	2.493
2007	14,660,850	937,134,067	714,000	44,232,950	-	5,219,700	1,001,961,567	-	1,001,961,567	2,144,817,497	2.680
2008	27,018,600	1,958,207,600	1,791,500	103,944,500	-	13,034,700	2,103,996,900	-	2,103,996,900	2,357,792,210	1.295
2009	30,596,900	1,956,094,500	1,791,500	101,944,500	-	13,034,700	2,103,462,100	-	2,103,462,100	2,230,833,059	1.335
2010	30,632,200	1,963,018,600	-	104,445,700	-	13,034,700	2,111,131,200	-	2,111,131,200	2,179,123,352	1.372
2011	27,416,700	1,969,780,400	-	70,900,800	-	13,034,700	2,081,132,600	-	2,081,132,600	2,075,161,024	1.433
2012	28,687,500	1,961,429,200	-	76,456,600	-	13,034,700	2,079,608,000	-	2,079,608,000	2,043,697,829	1.478
2013	24,311,200	1,966,807,500	-	70,238,400	-	13,034,700	2,074,391,800	-	2,074,391,800	1,984,898,947	1.510
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	1.552

18

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>
2005	\$3.36	\$ 1.517	\$ 0.847	\$ 0.646	\$ 0.350
2006	3.55	1.589	0.904	0.705	0.520
2007	3.85	1.680	1.000	0.800	0.380
2008	1.891	0.831	0.464	0.388	0.208
2009	1.945	0.863	0.472	0.407	0.203
2010	2.001	0.902	0.470	0.427	0.202
2011	2.101	0.947	0.486	0.461	0.207
2012	2.170	0.965	0.513	0.476	0.216
2013	2.229	0.990	0.520	0.500	0.219
2014	2.272	1.018	0.534	0.500	0.220

Source: Tax Duplicate, Township of River Vale

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

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

Taxpayer	2014		2009	
	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	1.03%	\$ 27,235,400	1.29%
United Water Co of NJ			11,247,800	0.53%
River Vale Dev LLC % Garden Homes	8,585,800	0.42%		
Chemitek 2006, LLC C/O Palisades Fin			9,136,400	0.43%
Gal-Ben Associates	7,672,000	0.37%	7,672,000	0.36%
Village on the Green	7,266,400	0.35%	7,266,400	0.35%
United Water Co of NJ	6,850,600	0.33%		
Chemitek 2006, LLC C/O Palisades Fin		0.00%	6,742,400	0.32%
688 Westwood Ave LLC c/o V Luppino	5,548,200	0.27%		
Florentine, Inc.	5,187,100	0.25%	5,187,100	0.25%
River Vale Dev LLC			5,063,500	0.24%
River Vale Dev LLC			5,000,000	0.24%
Lindvale Gardens	4,875,400	0.24%	4,165,300	0.20%
MWD River Vale One LLC	3,222,800	0.16%		
Rudd-O'Connor LLC NJ	2,514,600	0.12%		
	<u>\$ 72,958,300</u>	<u>3.54%</u>	<u>\$ 88,716,300</u>	<u>4.21%</u>

Source: Municipal Tax Assessor

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

Fiscal 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	
2005	\$ 14,890,207	\$ 14,890,207	100.00%	-
2006	15,413,445	15,413,445	100.00%	-
2007	15,429,737	15,429,737	100.00%	-
2008	17,151,984	17,151,984	100.00%	-
2009	17,795,531	17,795,531	100.00%	-
2010	18,524,538	18,524,538	100.00%	-
2011	19,525,073	19,525,073	100.00%	-
2012	19,881,917	19,881,917	100.00%	-
2013	20,258,781	20,258,781	100.00%	-
2014	20,804,887	20,804,887	100.00%	-

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

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Total District	Population	Per Capita
	General Obligation		Capital Leases	Capital Leases			
	Bonds	Capital Leases					
2006	\$ 10,579,000	\$ 785,740	N/A	\$ 11,364,740	9,561	\$ 1,189	
2007	10,059,000	663,753	N/A	10,722,753	9,580	1,119	
2008	9,514,000	360,680	N/A	9,874,680	9,593	1,029	
2009	8,944,000	142,811	N/A	9,086,811	9,655	941	
2010	8,370,000	349,684	N/A	8,719,684	9,670	902	
2011	7,715,000	187,550	N/A	7,902,550	9,723	813	
2012	7,015,000	95,247	N/A	7,110,247	9,821	724	
2013	6,290,000	676,573	N/A	6,966,573	9,916	703	
2014	5,545,000	497,215	N/A	6,042,215	9,916 *	609	

Source: District records

Note: \* Estimate

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

General Bonded Debt Outstanding

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2006	\$ 10,579,000		\$ 10,579,000	1.06%	1,106
2007	10,059,000		10,059,000	1.00%	1,050
2008	9,514,000		9,514,000	0.45%	992
2009	8,944,000		8,944,000	0.43%	926
2010	8,370,000		8,370,000	0.40%	866
2011	7,715,000		7,715,000	0.37%	793
2012	7,015,000		7,015,000	0.34%	714
2013	6,290,000		6,290,000	0.30%	634
2014	5,545,000		5,545,000	0.27%	559

Source: District records

**RIVER VALE BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2013  
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Local and Regional School	\$ 11,237,571	\$ 11,237,571	
Golf Course Utility	14,653,500	9,786,280	\$ 4,867,220
Borough of River Vale	<u>18,733,314</u>	<u>23,207</u>	<u>18,710,107</u>
	<u>\$ 44,624,385</u>	<u>\$ 21,047,058</u>	<u>23,577,327</u>
Overlapping Debt Apportioned to the Municipality:			
Bergen County:			
County of Bergen			10,218,292
Bergen Utilities Authority - Water Pollution (B)			<u>2,683,786</u>
			<u>12,902,078</u>
Total Direct and Overlapping Debt			<u>\$ 36,479,405</u>

Source:

(1)Township of River Vale's 2013 Annual Debt Statement

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 46,283,399	\$ 48,682,888	\$ 48,682,888	\$ 63,127,446	\$ 66,064,488	\$ 66,755,947	\$ 64,922,645	\$ 63,067,746	\$ 61,266,214	\$ 59,749,289
Total net debt applicable to limit	<u>11,350,125</u>	<u>10,579,000</u>	<u>10,059,000</u>	<u>9,514,000</u>	<u>8,944,000</u>	<u>8,370,000</u>	<u>7,715,948</u>	<u>7,015,948</u>	<u>6,290,948</u>	<u>5,545,000</u>
Legal debt margin	<u>\$ 34,933,274</u>	<u>\$ 38,103,888</u>	<u>\$ 38,623,888</u>	<u>\$ 53,613,446</u>	<u>\$ 57,120,488</u>	<u>\$ 58,385,947</u>	<u>\$ 57,206,697</u>	<u>\$ 56,051,798</u>	<u>\$ 54,975,266</u>	<u>\$ 54,204,289</u>
16 Total net debt applicable to the limit as a percentage of debt limit	24.52%	21.73%	20.66%	15.07%	13.54%	12.54%	11.88%	11.12%	10.27%	9.28%

**Legal Debt Margin Calculation for Fiscal Year 2012**

	Equalized valuation basis
	2013 \$ 1,948,517,565
	2012 1,985,685,095
	2011 <u>2,040,726,221</u>
	<u>\$ 5,974,928,881</u>
Average equalized valuation of taxable property	\$ 1,991,642,960
Debt limit (3 % of average equalization value)	59,749,289
Total Net Debt Applicable to Limit	<u>5,545,000</u>
Legal debt margin	<u>\$ 54,204,289</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>
2004	9,691	\$ 54,462	3.4%
2005	9,619	56,706	2.1%
2006	9,561	62,714	2.3%
2007	9,580	67,394	2.5%
2008	9,593	68,227	2.7%
2009	9,655	63,198	4.8%
2010	9,670	65,486	4.9%
2011	9,723	66,096	4.9%
2012	9,821	69,919	4.9%
2013	9,916	69,919 *	7.8%

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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Instruction										
Regular	90	92	92	96	97	97	97	97	97	97
Special education	15	15	15	15	15	15	15	15	15	15
Support Services:										
Student & instruction related services	16	17	17	18	14	14	14	14	14	14
General administration	2	2	2	2	2	2	2	2	2	2
School administrative services	7	6	6	6	6	6	6	6	6	6
Administrative Information Technology	1	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>151</u>	<u>155</u>	<u>155</u>	<u>160</u>	<u>157</u>	<u>157</u>	<u>157</u>	<u>157</u>	<u>157</u>	<u>157</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	Teacher/Pupil Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School				
2005	1,342.8	\$ 16,240,462	\$ 12,094	9.95%	129	14.2	10.9	1,342.8	1,290.9	-4.24%	96.13%
2006	1,346.0	16,603,311	12,335	1.99%	126	14.2	10.9	1,346.0	1,346.0	0.24%	100.00%
2007	1,362.0	18,249,583	13,399	8.62%	126	14.2	10.9	1,316.4	1,271.8	-2.20%	96.61%
2008	1,383.0	18,988,138	13,730	2.47%	120	14.1	10	1,390.5	1,337.5	5.63%	96.19%
2009	1,405.0	18,641,096	13,268	-3.36%	120	14.1	10	1,405.2	1,352.9	1.06%	96.28%
2010	1,375.0	19,711,368	14,336	8.05%	120	14.1	10.9	1,375.6	1,327.5	-2.11%	96.50%
2011	1,383.0	19,870,902	14,368	0.23%	127	13.45	11.8	1,398.9	1,351.3	1.69%	96.60%
2012	1,337.0	20,627,376	15,428	7.38%	127	13:45	11.8	1,230.4	1,192.4	-12.05%	96.91%
2013	1,259.0	20,991,115	16,673	16.04%	127	13:45	11.8	1,293.5	1,247.6	-7.53%	96.45%
2014	1,285.0	21,746,536	16,923	9.69%	124	13:45	11.8	1,161.5	1,122.0	4.00%	96.60%

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)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>District Building</b>										
<u>Elementary</u>										
<u>Roberge Elementary</u>										
Square Feet	54,817	54,817	54,817	54,817	54,817	54,817	54,817	54,817	54,817	57,817
Capacity (students)	407	407	407	407	407	407	407	407	407	407
Enrollment										
<u>Woodside Elementary</u>										
Square Feet	46,273	46,273	46,273	46,273	46,273	46,273	46,273	46,273	46,273	46,273
Capacity (students)	454	454	454	454	454	454	454	454	454	454
Enrollment <sup>a</sup>										
<u>Middle School</u>										
Square Feet	62,133	62,133	62,133	62,133	62,133	62,133	62,133	62,133	62,133	62,133
Capacity (students)	363	363	363	363	363	363	363	363	363	363
Enrollment										

Number of Schools at June 30, 2014

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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
School Facilities										
Roberge Elementary School	\$ 49,159	\$ 99,796	\$ 74,527	\$ 77,324	\$ 63,965	\$ 79,589	\$ 138,622	\$ 77,219	\$ 88,851	\$ 97,818
Woodside Elementary School	60,191	66,154	93,211	85,892	73,755	123,032	53,884	66,414	84,313	119,010
Holdrum Middle School	<u>58,888</u>	<u>81,116</u>	<u>71,417</u>	<u>72,412</u>	<u>64,675</u>	<u>108,700</u>	<u>91,209</u>	<u>83,135</u>	<u>76,927</u>	<u>81,177</u>
Grand Total	<u>\$ 168,238</u>	<u>\$ 247,066</u>	<u>\$ 239,155</u>	<u>\$ 235,628</u>	<u>\$ 202,395</u>	<u>\$ 311,321</u>	<u>\$ 283,715</u>	<u>\$ 226,768</u>	<u>\$ 250,091</u>	<u>\$ 298,005</u>

Source: District Records

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

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy - SELECTIVE INS. CO.		
Property - Blanket Building & Contents	\$ 40,632,534	\$ 5,000
Earthquake / Flood (Outside Zones A&V)	5,000,000	50,000
Flood Zones	1,000,000	500,000
Automobile	1,000,000	1,000/COMP&COLL
Comprehensive General Liability	1,000,000	
Comprehensive Crime Coverage-Employee Dishonesty	100,000	5,000
EXCESS CRIME	400,000	
 Environmental - ACE	 2,000,000	 15,000
 Educator's Legal Liability / Employment Practices - Darwin	 1,000,000	 10,000 25,000
 Commercial Umbrella Policy - Selective	 9,000,000	 10,000
 Fireman's Fund CAP Excess Liability Policy (Shared NESBIG)	 50,000,000	
 Cyber Liability - Indian Harbor Ins. Co.	 1,000,000 4,000,000	

Source: District's records

**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
LORI T. MANUKIAN, CPA, PSA  
MARK SACO, CPA  
CHYNNA C. DESTEFANO, CPA, PSA  
KEVIN LOMSKI, CPA  
EDWARD P. MURPHY, CPA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ANDREW PARENTE, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA

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

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the River Vale Board of Education as of and for the fiscal year ended June 30, 2014 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 December 4, 2014.

**Internal Control Over Financial Reporting**

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

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



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

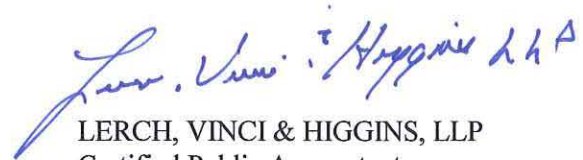
### Compliance and Other Matters

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

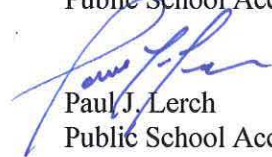
We noted a certain matter that is not required to be reported under Government Auditing Standards that we reported to management of the River Vale Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 4, 2014.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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  
December 4, 2014



# 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  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
JULIUS B. CONSONI, CPA, PSA

DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
LORI T. MANUKIAN, CPA, PSA  
MARK SACO, CPA  
CHYNNA C. DESTEFANO, CPA, PSA  
KEVIN LOMSKI, CPA  
EDWARD P. MURPHY, CPA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ANDREW PARENTE, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA

**REPORT ON COMPLIANCE FOR EACH STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL  
ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 04-04**

**INDEPENDENT AUDITOR'S REPORT**

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

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

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

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

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

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

### **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 New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the River Vale Board of Education's internal control over compliance.

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

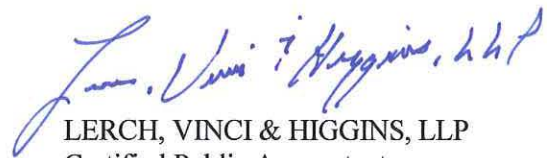
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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



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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund , and the aggregate remaining fund information of the River Vale Board of Education as of and for the fiscal year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated December 4, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 04-04 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
December 4, 2014

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

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance July 1, 2013		Unearned Revenue Carryover Amount	Accounts Receivable Carryover Amount	Cash Received	Budgetary Expenditures	Balance, June 30, 2014			Memo GAAP Receivable
				Unearned Revenue	Accounts Receivable					(Account Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education Passed-through State Department of Education													
Special Milk Program	10.556	7/1/13-6/30/14	\$ 5,793					\$ 4,729	\$ 5,793	\$ (1,064)			\$ (1,064)
Special Milk Program	10.556	7/1/12-6/30/13	8,147	(688)	-	-	-	688	-	-	-	-	-
Total U.S. Department of Agriculture				(688)	-	-	-	5,417	5,793	(1,064)	-	-	(1,064)
U.S. Department of Education Passed-through State Department of Education													
I.D.E.A. Part B, Basic	84.027A	7/1/13-6/30/14	449,140			\$ 213,155	\$ (213,155)	124,823	349,256	(324,317)	\$ 99,884		(224,433)
I.D.E.A. Part B, Basic	84.027A	9/1/12-8/31/13	250,882	\$ 213,155	(250,882)	(213,155)	213,155	37,727		-	-		-
I.D.E.A. Part B, Basic	84.027A	9/1/11-8/31/12	256,064		(45,031)			45,031					-
I.D.E.A. Part B, Preschool	84.173A	7/1/13-6/30/14	13,149					13,149	13,149	-			-
I.D.E.A. Part B, Preschool	84.173A	9/1/12-8/31/13	13,794		(11,089)			11,089		-			-
NCLB Title II	84.367A	7/1/13-6/30/14	20,271					20,271	20,271	-			-
NCLB Title II	84.367A	9/1/12-8/31/13	19,862		(19,862)			19,862		-			-
Total U.S. Department of Education				213,155	(326,864)	-	-	271,952	382,676	(324,317)	99,884	-	(224,433)
Total				\$ 212,467	\$ (326,864)	\$ -	\$ -	\$ 277,369	\$ 388,469	\$ (325,381)	\$ 99,884	\$ -	\$ (225,497)

Note: Not subject to Federal Single Audit

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

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2013			Cash Received	Budgetary Expenditures	Refund of Prior Year's Balances	Balance, June 30, 2014			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	14-495-034-5120-089	7/1/13-6/30/14	\$ 397,703				\$ 362,493	\$ 397,703		(35,210)			\$	397,703
Special Education Aid	13-495-034-5120-089	7/1/12-6/30/13	396,910	\$ (35,138)			35,138	-		-				-
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	19,204				17,503	19,204		(1,701)				19,204
Security Aid	13-495-034-5120-084	7/1/12-6/30/13	19,276	\$ (1,708)			1,708	-		-				-
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	23,548				21,463	23,548		(2,085)				23,548
Transportation Aid	13-495-034-5120-014	7/1/12-6/30/13	24,269	\$ (2,150)			2,150	-		-				-
Extraordinary Aid	14-100-034-5120-473	7/1/13-6/30/14	223,898				-	223,898		(223,898)				223,898
Extraordinary Aid	13-100-034-5120-473	7/1/12-6/30/13	184,978	(184,978)			184,978	-		-				-
Nonpublic School Transportation Aid	N/A	7/1/13-6/30/14	4,238				-	4,238		(4,238)		\$	(4,238)	4,238
Nonpublic School Transportation Aid	N/A	7/1/12-6/30/13	3,470	(3,470)			3,470	-		-				-
Homeless Tuition Aid	N/A	7/1/12-6/30/13	1,709	(1,709)			1,709	-		-				-
On-Behalf TPAF Social Security Aid	14-495-034-5095-002	7/1/13-6/30/14	691,575				636,744	691,575		(34,831)			(34,831)	691,575
On-Behalf TPAF Social Security Aid	13-495-034-5095-002	7/1/12-6/30/13	675,114	(33,723)			33,723	-		-				-
TPAF Pension Benefit Contributions	14-495-034-5095-006	7/1/12-6/30/13	372,581				372,581	372,581		-				372,581
TPAF Pension - NCGI Premium	14-100-034-5095-007	7/1/12-6/30/13	32,886				32,886	32,886		-				32,886
TPAF Pension-Post Retirement Medical	14-100-034-5095-001	7/1/12-6/30/13	664,814	-	-	-	664,814	664,814		-	-	-	-	664,814
<b>Total General Fund</b>				<b>(262,876)</b>	<b>-</b>	<b>-</b>	<b>2,391,360</b>	<b>2,430,447</b>	<b>-</b>	<b>(301,963)</b>	<b>-</b>	<b>-</b>	<b>(39,069)</b>	<b>2,430,447</b>
<b>Capital Project Fund</b>														
Roberge Elementary School														
Roof Replacement, except over gym	4430-060-14-1002	7/1/13-6/30/14	313,880					16,328		(313,880)	297,552		(16,328)	16,328
Roberge Elementary School														
Upgrade Two Gang Bathrooms and Two Staff Bathrooms	4430-060-14-1001	7/1/13-6/30/14	116,880	-	-	-	-	5,932	-	(116,880)	110,948	-	(5,932)	5,932
<b>Total Capital Project Fund</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,260</b>	<b>-</b>	<b>(430,760)</b>	<b>408,500</b>	<b>-</b>	<b>(22,260)</b>	<b>22,260</b>
<b>State Financial Assistance</b>														
<b>Not Subject to Single Audit Determination</b>														
<b>General Fund</b>														
TPAF Pension Benefit Contributions	14-495-034-5095-006	7/1/13-6/30/14	372,581				(372,581)	(372,581)		-	-	-		(372,581)
TPAF Pension - NCGI Premium	14-100-034-5095-007	7/1/13-6/30/14	32,886				(32,886)	(32,886)		-	-	-		(32,886)
TPAF Pension-Post Retirement Medical	14-100-034-5095-001	7/1/13-6/30/14	664,814	-	-	-	(664,814)	(664,814)		-	-	-		(664,814)
<b>Total State Financial Assistance Subject to Single Audit</b>				<b>\$ (262,876)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,321,079</b>	<b>\$ 1,382,426</b>	<b>\$ -</b>	<b>\$ (732,723)</b>	<b>\$ 408,500</b>	<b>\$ -</b>	<b>\$ (61,329)</b>	<b>\$ 1,382,426</b>

103

**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, 2014**

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

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$38,920 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		\$ 2,391,527	\$ 2,391,527
Special Revenue Fund	\$ 382,676		382,676
Capital Projects		22,260	22,260
Food Service Fund	<u>5,793</u>	<u>-</u>	<u>5,793</u>
Total Financial Assistance	<u>\$ 388,469</u>	<u>\$ 2,413,787</u>	<u>\$ 2,802,256</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, 2014**

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

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

**NOTE 5 OTHER INFORMATION**

TPAF Social Security contributions in the amount of \$691,575 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2014. The amount reported as TPAF Pension System Contributions in the amount of \$405,467 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$664,814 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2014.

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

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





**RIVER VALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

*Part I – Summary of Auditor’s Results*

**State Awards Section**

Internal Control over compliance:

1) Material weakness(es) identified? \_\_\_\_\_ yes     X  no

2) Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_\_\_ yes     X  none

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

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

Identification of major programs:

<u>State Grant/Project Number</u>	<u>Name of State Program</u>
14-495-034-5095-002	TPAF Social Security Aid
14-495-034-5120-089	Special Education Aid
14-495-034-5120-084	Security Aid

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

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

**RIVER VALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

*Part 2 - Schedule of Financial Statement Findings*

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

There are none.

**RIVER VALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

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

**CURRENT YEAR FEDERAL AWARDS**

Not applicable.

**RIVER VALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

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

**CURRENT YEAR STATE AWARDS**

There are none.

**RIVER VALE BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

**STATUS OF PRIOR YEAR FINDINGS**

There were none.