

RIVER VALE BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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, 2018

Prepared by

Business Office

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INTRODUCTORY SECTION



RIVER VALE PUBLIC SCHOOLS

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School Business Administrator/
Board Secretary
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January 25, 2019

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

Dear Board Members:

The comprehensive annual financial report of the River Vale School District for the fiscal year ended June 30, 2018 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the River Vale Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the district's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon including the Management Discussion and Analysis. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The district is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Uniform Guidance, and the state Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

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 2017/2018 fiscal year with an enrollment of 1,147 students, which is a decrease of 16 students from the previous year's enrollment.

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

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2017-2018	1,147	-1.39%
2016-2017	1,163	-1.44%
2015-2016	1,180	-3.59%
2014-2015	1,224	-4.7%
2013-2014	1,285	-.01%
2012-2013	1,293	-2.2%
2011-2012	1,322	-5.5%
2010-2011	1,399	1.57%
2009-2010	1,375	-2.15%
2008-2009	1,405	1.6%

ECONOMIC CONDITION AND OUTLOOK: River Vale Township comprises a land area of 4.5 square miles and is located in the northeastern part of Bergen County. River Vale is a suburban community consisting of mainly single-family homes, and additionally, has three (3) condominium developments. The Township of River Vale is experiencing a period of development and expansion. The Fairways at Edgewood LLC, is proposing to remove an existing maintenance building and 9 holes of the existing golf course and construct 225 market rate units (193 townhomes and 32 quadplex units) and 24 affordable rental units in a three story building. All of the total 193 townhouse units are proposed with three bedrooms. Of the 32 quadplex units, 16 are two bedroom and 16 are three bedroom. Of the 24 affordable units, 4 are one bedroom, 15 are two bedroom and 5 are three bedroom. The School District's most recent demographic study was presented in December 2015 by Whitehall Associates, Inc.

GENERAL EDUCATIONAL GOALS: The River Vale School District is a 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 continues to attract excellent teachers. More than half of the teachers are tenured. More than half are on the MA+ level. Enrollment for the 2017/2018 school year was 1,147 students including out-of-district special education placements. Enrollment for 2018/2019 is expected to continue to decline slightly. Homerooms average twenty (20) students and reading/math groups have a lower faculty/student ratio.

GENERAL EDUCATIONAL GOALS (Continued)

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.

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

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

Beginning in the 2014-2015 school-year, the River Vale School District underwent a significant transformation in terms of increasing student access to technology as a dynamic instructional tool as well as making the decision to purchase the Learning Management System *Canvas*, also used at our sending Regional High School, Pascack Valley, which is an important tool that transforms the way students and teachers communicate and accomplish learning goals.

In the 2015-2016 school-year all 8th graders were provided a district-owned laptop that they could take home, giving teachers the opportunity to continue transforming and modernizing instructional practices, and students the opportunity to engage more fully in critical thinking, collaboration, accessing information, and creating new products. In the 2016-2017 school-year, all 6th and 7th graders have received laptops that stay at school for an *in-school* 1:1 initiative, all students in grades 3-5 received their own Chromebook for an *in-class* 1:1 initiative, and students in grades K-2 have been given increased access to Chromebooks and tablets.

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

Educate 2B Mindfulness Program: Thanks to a generous donation from the *River Vale Educational Fund*, the district's *Educate 2B* mindfulness program will be expanded in the 2016-2017 school-year so that over 40 staff members receive an innovative and important way to help address mental health for all students in the district.

Being a "Leading" School District: In addition to being a member of the New Jersey Department of Education's *innovateNJ* program, a state-wide program aimed at supporting innovation by fostering sharing and collaboration between districts, the River Vale School District is also a member of *EdLeader21*, a national consortium focused on integrating vital 21st Century Skills into the classroom. This is an important time in public education, and our district

Being a "Leading" School District (Continued)

needs to be a leader in terms of what a great education should look like for all children in New Jersey.

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

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

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

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

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assignments of fund balance at June 30, 2018.

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, 2018 the River Vale School District had \$2,385,000 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.

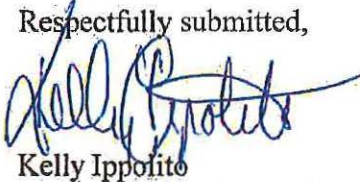
OTHER INFORMATION:

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 U.S. Uniform Guidance and state Treasury Circular Letter 15-08 OMB. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

ACKNOWLEDGMENTS:

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

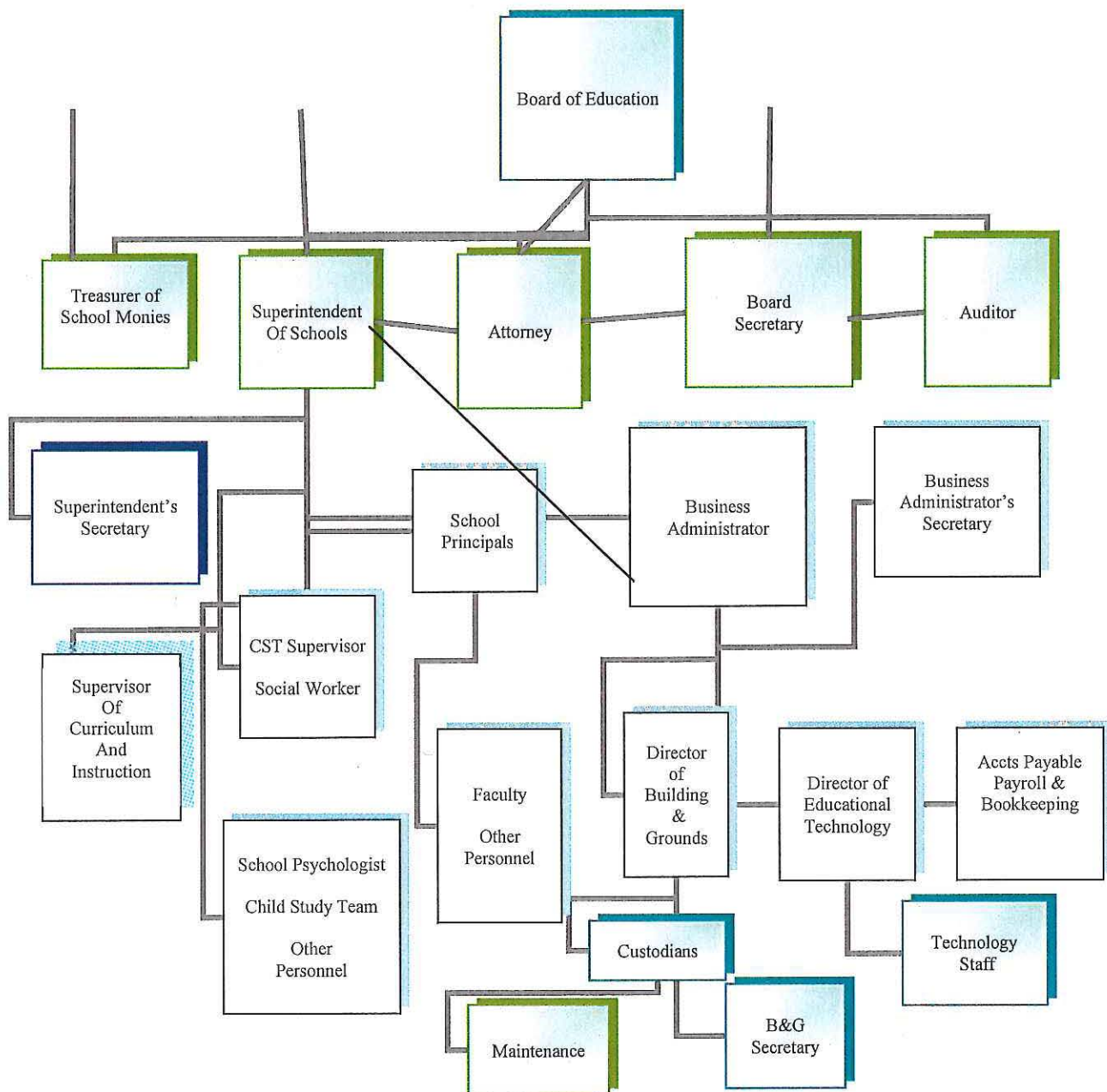
Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Kelly Ippolito", written over a printed name.

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, 2018

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Lorraine Waldes, President	2018
Steven Rosini, Vice President	2020
David Moon	2020
Patrice Pintarelli	2020
John Puccio	2018
Deborah Rothenberg	2019
Andrew Spector	2019

Other Officials

Rory McCourt, Superintendent of Schools

Kelly Ippolito, School Business Administrator/Board Secretary

Gennaro Rotella, Treasurer of School Monies

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

Consultants and Advisors

As of June 30, 2018

Architect

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

Audit Firm

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

Attorney

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

Official Depository

Capital One Bank
553 Broadway Ave.
Westwood, NJ 07675

Risk Manager

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

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the River Vale Board of Education, as of and for the fiscal year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the River Vale Board of Education as of June 30, 2018, 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.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2018 the River Vale Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information


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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated January 25, 2019 on our consideration of the River Vale Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the River Vale Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the River Vale Board of Education's internal control over financial reporting and compliance.



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



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
January 25, 2019

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

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, 2018. 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 2018 are as follows:

- District-Wide - Overall revenues were \$31,252,453. General revenues accounted for \$22,721,625 or 73 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$8,530,828 or 27 percent of total revenues of \$31,252,453.
- District-Wide - The School District had \$29,336,552 in expenses; only \$8,530,828 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$22,721,625 were adequate to provide for these programs.
- Fund Financials - As of the close of the current fiscal year, the River Vale Board of Education's governmental funds reported combined ending fund balances of \$7,516,538, an increase of \$1,403,235 in comparison with the prior year.
- Fund Financials - At the end of June 30, 2018, unassigned fund balance (budgetary basis) for the General Fund was \$639,328, a decrease of \$46,632 from the balance of \$685,960 from June 30, 2017.

RIVER VALE BOARD OF EDUCATION

Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

RIVER VALE BOARD OF EDUCATION

Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2018

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

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

District-wide Statements

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

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

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

RIVER VALE BOARD OF EDUCATION

Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2018

District-wide Statements (Continued)

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

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

RIVER VALE BOARD OF EDUCATION

Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2018

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 2018 and 2017. Net position for 2018 and 2017 were \$16,388,037 and \$14,472,136, respectively.

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

RIVER VALE BOARD OF EDUCATION

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2018**

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

**Table A-1
Statement of Net Position
As of June 30, 2018 and 2017**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Assets						
Current and Other Assets	\$ 7,865,426	\$ 6,297,708	\$ 9,380	\$ 8,564	\$ 7,874,806	\$ 6,306,272
Capital Assets	18,795,812	18,428,714	-	-	18,795,812	18,428,714
Total Assets	<u>26,661,238</u>	<u>24,726,422</u>	<u>9,380</u>	<u>8,564</u>	<u>26,670,618</u>	<u>24,734,986</u>
Total Deferred Outflows of Resources	<u>1,523,329</u>	<u>2,292,518</u>	<u>-</u>	<u>-</u>	<u>1,523,329</u>	<u>2,292,518</u>
Total Assets and Deferred Outflows of Resources	<u>28,184,567</u>	<u>27,018,940</u>	<u>9,380</u>	<u>8,564</u>	<u>28,193,947</u>	<u>27,027,504</u>
Liabilities						
Other Liabilities	380,657	226,468	4,342	4,004	384,999	230,472
Long-Term Liabilities	9,955,587	12,290,678	-	-	9,955,587	12,290,678
Total Liabilities	<u>10,336,244</u>	<u>12,517,146</u>	<u>4,342</u>	<u>4,004</u>	<u>10,340,586</u>	<u>12,521,150</u>
Total Deferred Inflows of Resources	<u>1,465,324</u>	<u>34,218</u>	<u>-</u>	<u>-</u>	<u>1,465,324</u>	<u>34,218</u>
Total Liabilities and Deferred Inflows of Resources	<u>11,801,568</u>	<u>12,551,364</u>	<u>4,342</u>	<u>4,004</u>	<u>11,805,910</u>	<u>12,555,368</u>
Net Position:						
Net Invested in Capital Assets	16,285,030	15,262,477			16,285,030	15,262,477
Restricted	5,162,107	4,094,443			5,162,107	4,094,443
Unrestricted	(5,064,138)	(4,889,344)	5,038	4,560	(5,059,100)	(4,884,784)
Total Net Position	<u>\$ 16,382,999</u>	<u>\$ 14,467,576</u>	<u>\$ 5,038</u>	<u>\$ 4,560</u>	<u>\$ 16,388,037</u>	<u>\$ 14,472,136</u>

RIVER VALE BOARD OF EDUCATION

Management's Discussion and Analysis (continued)

For the Fiscal Year Ended June 30, 2018

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

Governmental activities. Governmental activities increased the District's net position by \$1,915,423. Key elements of this increase are as follows:

Table A-2
Changes in Net Position
For the Fiscal Years Ended June 30, 2018 and 2017

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues						
Program Revenues						
Charges for Services	\$ 34,867	\$ 31,540	\$ 14,256	\$ 18,059	\$ 49,123	\$ 49,599
Operating Grants and Contributions	8,471,792	7,968,230	6,938	7,258	8,478,730	7,975,488
Capital Grants and Contributions	2,975				2,975	-
General Revenues						
Property Taxes	22,280,759	21,917,688			22,280,759	21,917,688
Other	440,827	182,176	39	28	440,866	182,204
Total Revenues	<u>31,231,220</u>	<u>30,099,634</u>	<u>21,233</u>	<u>25,345</u>	<u>31,252,453</u>	<u>30,124,979</u>
Expenses						
Instruction						
Regular	14,844,590	14,660,861			14,844,590	14,660,861
Special Education	3,197,258	3,307,958			3,197,258	3,307,958
Other Instruction	778,351	735,632			778,351	735,632
School Sponsored Activities and Ath.	197,371	195,003			197,371	195,003
Support Services						
Student and Instruction Related Serv.	3,755,883	3,520,859			3,755,883	3,520,859
Attendance and Social Work	115,397	93,463			115,397	93,463
Educational Media/School Library	404,105	281,046			404,105	281,046
General Administrative Services	683,631	627,090			683,631	627,090
School Administrative Services	1,389,406	1,398,509			1,389,406	1,398,509
Plant Operations and Maintenance	2,176,186	2,263,671			2,176,186	2,263,671
Pupil Transportation	384,269	351,882			384,269	351,882
Central Services	1,283,092	1,274,128			1,283,092	1,274,128
Food Services			19,648	20,537	19,648	20,537
Non Major			1,107	3,436	1,107	3,436
Interest on Long-Term Debt	106,258	135,810	-	-	106,258	135,810
Total Expenses	<u>29,315,797</u>	<u>28,845,912</u>	<u>20,755</u>	<u>23,973</u>	<u>29,336,552</u>	<u>28,869,885</u>
Change in Net Position	1,915,423	1,253,722	478	1,372	1,915,901	1,255,094
Net Position, Beginning of Year	<u>14,467,576</u>	<u>13,213,854</u>	<u>4,560</u>	<u>3,188</u>	<u>14,472,136</u>	<u>13,217,042</u>
Net Position, End of Year	<u>\$ 16,382,999</u>	<u>\$ 14,467,576</u>	<u>\$ 5,038</u>	<u>\$ 4,560</u>	<u>\$ 16,388,037</u>	<u>\$ 14,472,136</u>

RIVER VALE BOARD OF EDUCATION

Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2018

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

Governmental activities. The District's total governmental revenues were \$31,231,220. The general share of the revenues, that included property taxes, interest, unrestricted state aid and miscellaneous revenue, amounted to \$22,721,586 or 73% of total revenues. Funding from restricted state and federal sources amounted to \$8,474,767 or 27%. Charges for services amounted to \$34,867 or less than 1%.

The District's total governmental expenses were \$29,315,797 and are predominantly related to instruction and support services. Instruction totaled \$19,017,570 (65%), student and other support services totaled \$10,191,969 (35%) and interest on long-term debt total \$106,258 (less than 1%) of total expenses. (See Table A-3.)

Table A-2 Revenues by Source- Governmental Activities
For Fiscal Year 2018

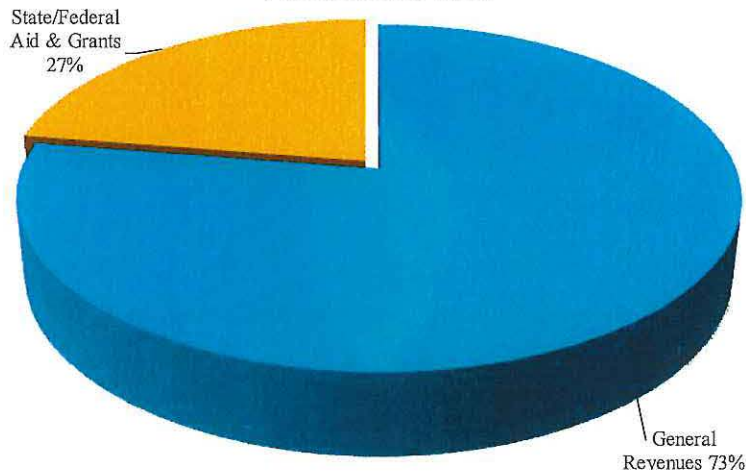
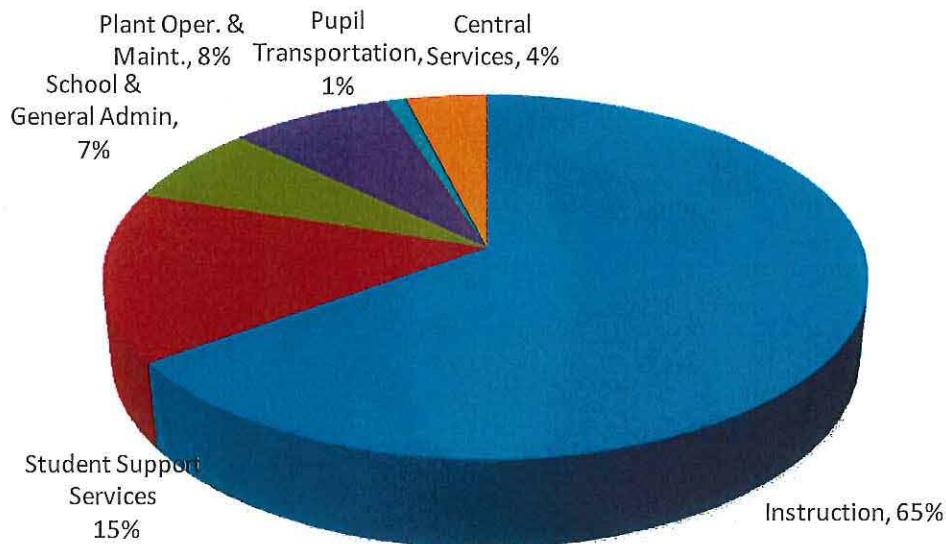


Table A-2 Expenses by Type- Governmental Activities
For Fiscal Year 2018



RIVER VALE BOARD OF EDUCATION

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2018**

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

**Table A-4
Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2018 and 2017**

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Governmental Activities				
Instruction				
Regular	14,844,590	14,660,861	\$ 9,763,711	\$ 9,718,491
Special Education	3,197,258	3,307,958	1,693,393	1,801,837
Other Instruction	778,351	735,632	497,804	463,899
School Sponsored Activities and Athletics	197,371	195,003	182,535	195,003
Support Services				
Student and Instruction Related Svcs.	3,755,883	3,520,859	2,952,180	2,823,852
Attendance and Social Work	115,397	93,463	106,930	93,463
Educational Media/School Library	404,105	281,046	379,984	281,046
General Administrative Services	683,631	627,090	650,958	627,090
School Administrative Services	1,389,406	1,398,509	987,227	1,002,072
Plant Operations and Maintenance	2,176,186	2,263,671	2,042,557	2,236,265
Pupil Transportation	384,269	351,882	347,809	320,475
Central Services	1,283,092	1,274,128	1,094,817	1,146,839
Interest on Long-Term Debt	106,258	135,810	106,258	135,810
Total Governmental Activities	<u>\$ 29,315,797</u>	<u>\$ 28,845,912</u>	<u>\$ 20,806,163</u>	<u>\$ 20,846,142</u>

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2018 was \$20,755. These costs were funded by operating grants and charges for services (Detailed on Table A-2). The operations resulted in an increase in net position of \$478. The increase in the net position is attributable to food service revenues exceeding expenses.

RIVER VALE BOARD OF EDUCATION

Management's Discussion and Analysis (continued)

For the Fiscal Year Ended June 30, 2018

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

As the District completed the year, its governmental funds reported a combined fund balance of \$7,516,538. At June 30, 2017 the fund balance was \$6,113,303.

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 \$26,729,329 and expenditures were \$25,883,617. In addition, the District had other financing sources in the amount of \$557,523.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the governmental fund revenues for the fiscal year ended June 30, 2018 and 2017.

	Fiscal Year Ended <u>June 30, 2018</u>	Fiscal Year Ended <u>June 30, 2017</u>	Amount of Increase <u>(Decrease)</u>	Percent <u>Change</u>
Local Sources	\$ 22,756,431	\$ 22,125,242	\$ 631,189	2.85%
State Sources	3,748,401	3,328,671	419,730	12.61%
Federal Sources	<u>224,497</u>	<u>313,986</u>	<u>(89,489)</u>	-28.50%
 Total Revenues	 <u>\$ 26,729,329</u>	 <u>\$ 25,767,899</u>	 <u>\$ 961,430</u>	 3.73%

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, 2018 and 2017.

	Fiscal Year Ended <u>June 30, 2018</u>	Fiscal Year Ended <u>June 30, 2017</u>	Amount of Increase <u>(Decrease)</u>	Percent <u>Change</u>
Instruction	\$ 14,757,741	\$ 14,519,823	\$ 237,918	1.64%
Support Services	8,880,716	8,508,681	372,035	4.37%
Capital Outlay	1,139,885	737,044	402,841	54.66%
Debt Service				
Principal	984,895	980,545	4,350	0.44%
Interest	<u>120,380</u>	<u>147,230</u>	<u>(26,850)</u>	-18.24%
 Total Expenditures	 <u>\$ 25,883,617</u>	 <u>\$ 24,893,323</u>	 <u>\$ 990,294</u>	 3.98%

RIVER VALE BOARD OF EDUCATION

Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2018

Budgetary Highlights

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

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

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

- * The District applied for and received \$186,242 in extraordinary aid.

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

RIVER VALE BOARD OF EDUCATION

Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2018

Capital Assets. The River Vale Board of Education's investment in capital assets for its governmental and business type activities as of June 30, 2018 amounts to \$18,795,812 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and building improvements, and machinery and equipment.

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

Table A-4
Capital Assets
(net of depreciation) at June 30, 2018 and 2017

	Governmental Activities		Business-Type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land	\$ 31,805	\$ 31,805			\$ 31,805	\$ 31,805
Construction in Progress	828,423	315,577			828,423	315,577
Land Improvements	480,155	384,600			480,155	384,600
Buildings and Building Improvements	26,068,800	25,896,785			26,068,800	25,896,785
Machinery, Equipment and Vehicles	<u>2,045,878</u>	<u>1,685,534</u>	\$ 15,258	\$ 15,258	<u>2,061,136</u>	<u>1,700,792</u>
Total	29,455,061	28,314,301	15,258	15,258	29,470,319	28,329,559
Less: Accumulated Depreciation	<u>10,659,249</u>	<u>9,885,587</u>	<u>15,258</u>	<u>15,258</u>	<u>10,674,507</u>	<u>9,900,845</u>
Total	<u>\$ 18,795,812</u>	<u>\$ 18,428,714</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,795,812</u>	<u>\$ 18,428,714</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, 2018 the school district had long-term debt and outstanding long-term liabilities in the amount of \$9,955,587 as stated in Table A-5.

Table A-5
Outstanding Long-Term Liabilities

	<u>2018</u>	<u>2017</u>
Serial Bonds (including Premium)	\$ 2,414,618	\$ 3,237,727
Capital Leases/Lease Purchase Agreement	643,595	270,967
Compensated Absences Payable	664,978	540,795
Net Pension Liability	<u>6,232,396</u>	<u>8,241,189</u>
Total	<u>\$ 9,955,587</u>	<u>\$ 12,290,678</u>

RIVER VALE BOARD OF EDUCATION

Management's Discussion and Analysis (continued) For the Fiscal Year Ended June 30, 2018

Debt Administration (Continued)

The District has outstanding general obligation serial bonds in the amount of \$2,385,000. These bonds were used to finance the facilities acquisitions and construction services at Holdrum, Woodside and Roberge Schools. The capital leases are comprised of technology improvements, copiers and boiler upgrades. The compensated absences represent the District's liability for unused accrued sick leave and unused vacation. The net pension liability represents the District's proportionate share of the unfunded pension liability of the State of New Jersey's Public Employees Retirement System Pension Fund.

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

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

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

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

FOR THE FUTURE

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

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

**RIVER VALE BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2018**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 7,704,465	\$ 8,762	\$ 7,713,227
Internal Balances	503	(503)	-
Receivables, net			
Receivables from Other Governments	152,958	618	153,576
Other	7,500	503	8,003
Capital Assets, Not Being Depreciated	860,228		860,228
Capital Assets, Being Depreciated, Net	<u>17,935,584</u>	<u>-</u>	<u>17,935,584</u>
 Total Assets	 <u>26,661,238</u>	 <u>9,380</u>	 <u>26,670,618</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	24,714	-	24,714
Deferred Amounts on Net Pension Liability	<u>1,498,615</u>	<u>-</u>	<u>1,498,615</u>
 Total Deferred Outflows of Resources	 <u>1,523,329</u>	 <u>-</u>	 <u>1,523,329</u>
 Total Assets and Deferred Outflows of Resources	 <u>28,184,567</u>	 <u>9,380</u>	 <u>28,193,947</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	347,888	738	348,626
Accrued Interest Payable	31,769		31,769
Unearned Revenue	1,000	3,604	4,604
Noncurrent Liabilities			
Due Within One Year	1,028,951		1,028,951
Due Beyond One Year	<u>8,926,636</u>	<u>-</u>	<u>8,926,636</u>
 Total Liabilities	 <u>10,336,244</u>	 <u>4,342</u>	 <u>10,340,586</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>1,465,324</u>	<u>-</u>	<u>1,465,324</u>
 Total Deferred Inflows of Resources	 <u>1,465,324</u>	 <u>-</u>	 <u>1,465,324</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>11,801,568</u>	 <u>4,342</u>	 <u>11,805,910</u>
NET POSITION			
Net Investment in Capital Assets	16,285,030		16,285,030
Restricted for			
Capital Projects	4,412,107		4,412,107
Plant Maintenance	750,000		750,000
Unrestricted	<u>(5,064,138)</u>	<u>5,038</u>	<u>(5,059,100)</u>
 Total Net Position	 <u>\$ 16,382,999</u>	 <u>\$ 5,038</u>	 <u>\$ 16,388,037</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, 2018

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
Governmental Activities							
Instruction							
Regular	\$ 14,844,590	\$ 34,867	\$ 5,046,012		\$ (9,763,711)		\$ (9,763,711)
Special Education	3,197,258		1,503,865		(1,693,393)		(1,693,393)
Other Instruction	778,351		280,547		(497,804)		(497,804)
School Sponsored Activities and Athletics	197,371		14,836		(182,535)		(182,535)
Support Services							
Student and Instruction Related Services	3,755,883		803,703		(2,952,180)		(2,952,180)
Attendance and Social Work	115,397		8,467		(106,930)		(106,930)
Educational Media/School Library	404,105		24,121		(379,984)		(379,984)
School Administrative Services	1,389,406		399,204	\$ 2,975	(987,227)		(987,227)
General Administrative Services	683,631		32,673		(650,958)		(650,958)
Plant Operations and Maintenance	2,176,186		133,629		(2,042,557)		(2,042,557)
Pupil Transportation	384,269		36,460		(347,809)		(347,809)
Central Services	1,283,092		188,275		(1,094,817)		(1,094,817)
Interest on Long-Term Debt	106,258	-	-	-	(106,258)	-	(106,258)
Total Governmental Activities	29,315,797	34,867	8,471,792	2,975	(20,806,163)	-	(20,806,163)
Business-Type Activities							
Food Service	19,648	13,149	6,938	-	-	\$ 439	439
Non-Major	1,107	1,107	-	-	-	-	-
Total Business-Type Activities	20,755	14,256	6,938	-	-	439	439
Total Primary Government	\$ 29,336,552	\$ 49,123	\$ 8,478,730	\$ 2,975	(20,806,163)	439	(20,805,724)
General Revenues							
Taxes							
Property Taxes Levied for General Purposes					21,366,659		21,366,659
Property Taxes Levied for Debt Services					914,100		914,100
Unrestricted State Aid					12,366		12,366
Interest on Investments					33,464	39	33,503
Miscellaneous Income					394,997	-	394,997
Total General Revenues					22,721,586	39	22,721,625
Change in Net Position					1,915,423	478	1,915,901
Net Position, Beginning of Year					14,467,576	4,560	14,472,136
Net Position, End of Year					\$ 16,382,999	\$ 5,038	\$ 16,388,037

FUND FINANCIAL STATEMENTS

**RIVER VALE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2018**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 6,275,724		\$ 750,655		\$ 7,026,379
Cash and Cash Equivalents with Fiscal Agent			678,086		678,086
Due from Other Funds	111,520				111,520
Other Receivables		\$ 7,500			7,500
Receivables from Other Governments	43,601	13,477	95,880	-	152,958
Total Assets	<u>\$ 6,430,845</u>	<u>\$ 20,977</u>	<u>\$ 1,524,621</u>	<u>\$ -</u>	<u>\$ 7,976,443</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 211,781	\$ 3,840	\$ 85,143		\$ 300,764
Accrued Salaries & Wages	47,124				47,124
Due to Other Funds		17,137	93,880		111,017
Unearned Revenue	1,000	-	-	-	1,000
Total Liabilities	<u>259,905</u>	<u>20,977</u>	<u>179,023</u>	<u>-</u>	<u>459,905</u>
Fund Balance					
Restricted:					
Excess Surplus	212,893				212,893
Excess Surplus - Designated for Subsequent Year's Expenditures (2018/19 Budget)	242,581				242,581
Capital Reserve	2,891,071				2,891,071
Capital Reserve - Designated for Subsequent Year's Expenditures (2018/19 Budget)	600,000				600,000
Maintenance Reserve	750,000				750,000
Emergency Reserve	210,513				210,513
Capital Projects			1,345,598		1,345,598
Committed:					
Year-End Encumbrances	433,214				433,214
Assigned:					
Year-End Encumbrances	375,991				375,991
Designated for Subsequent Year's Expenditures	48,353				48,353
Unassigned Fund Balance	406,324	-	-	-	406,324
Total Fund Balances	<u>6,170,940</u>	<u>-</u>	<u>1,345,598</u>	<u>-</u>	<u>7,516,538</u>
Total Liabilities and Fund Balances	<u>\$ 6,430,845</u>	<u>\$ 20,977</u>	<u>\$ 1,524,621</u>	<u>\$ -</u>	<u>\$ 7,976,443</u>

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

**RIVER VALE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2018**

Total Fund Balances (Exhibit B-1) \$ 7,516,538

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 \$29,455,061 and the accumulated depreciation is \$10,659,249.

18,795,812

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

(31,769)

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and amortized over future years.

Deferred Outflows of Resources
Deferred Inflows of Resources

\$ 1,498,615
(1,465,324)

33,291

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.

24,714

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

General Obligation Bonds Payable, Including Unamortized Premium 2,414,618
Capital Leases Payable 545,440
Lease Purchase Agreements 98,155
Compensated Absences 664,978
Net Pension Liability 6,232,396

(9,955,587)

Net Position of Governmental Activities (Exhibit A-1)

\$ 16,382,999

**RIVER VALE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 21,366,659			\$ 914,100	\$ 22,280,759
Tuition	34,867				34,867
Interest on Investment	30,638		\$ 2,826		33,464
Miscellaneous	394,997	\$ 12,344	-	-	407,341
Total - Local Sources	21,827,161	12,344	2,826	914,100	22,756,431
State Sources	3,748,401				3,748,401
Federal Sources	-	224,497	-	-	224,497
Total Revenues	<u>25,575,562</u>	<u>236,841</u>	<u>2,826</u>	<u>914,100</u>	<u>26,729,329</u>
EXPENDITURES					
Current					
Regular Instruction	11,147,936	12,344			11,160,280
Special Education Instruction	2,628,641	192,635			2,821,276
Other Instruction	600,161				600,161
School-Sponsored Activities and Athletics	176,024				176,024
Support Services					
Student and Instruction Related Services	3,117,123	31,862			3,148,985
Attendance and Social Work	103,592				103,592
Educational Media/School Library	368,409				368,409
School Administrative Services	1,125,295				1,125,295
General Administrative Services	633,979				633,979
Plant Operations and Maintenance	1,999,126				1,999,126
Pupil Transportation	384,269				384,269
Central Services	1,117,061				1,117,061
Debt Service					
Principal	184,895			800,000	984,895
Interest and Other Charges	6,280			114,100	120,380
Capital Outlay	1,029,945	-	109,940	-	1,139,885
Total Expenditures	<u>24,622,736</u>	<u>236,841</u>	<u>109,940</u>	<u>914,100</u>	<u>25,883,617</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>952,826</u>	<u>-</u>	<u>(107,114)</u>	<u>-</u>	<u>845,712</u>
Other Financing Sources and (Uses)					
Lease Proceeds	126,983		430,540		557,523
Transfers In	655		650,000		650,655
Transfers Out	(650,000)	-	(655)	-	(650,655)
Total Other Financing Sources and Uses	<u>(522,362)</u>	<u>-</u>	<u>1,079,885</u>	<u>-</u>	<u>557,523</u>
Net Change in Fund Balances	430,464	-	972,771	-	1,403,235
Fund Balance, Beginning of Year	<u>5,740,476</u>	<u>-</u>	<u>372,827</u>	<u>-</u>	<u>6,113,303</u>
Fund Balance, End of Year	<u>\$ 6,170,940</u>	<u>\$ -</u>	<u>\$ 1,345,598</u>	<u>\$ -</u>	<u>\$ 7,516,538</u>

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

**RIVER VALE BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ 1,403,235**

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

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

Capital Outlay	\$ 1,139,885	
Donated Assets	2,975	
Depreciation Expense	<u>(775,762)</u>	367,098

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

Increase in Compensated Absences, Net	(124,183)	
Increase in Pension Expense	<u>(172,221)</u>	(296,404)

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.

Debt Issued:		
Capital Leases	(557,523)	
Principal Repayments:		
Serial Bonds	800,000	
Capital Leases	<u>184,895</u>	427,372

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.

Amortization of Bond Premium	23,109	
Amortization of Deferred Amounts on Refunding	<u>(19,281)</u>	3,828

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

Decrease in Accrued Interest		<u>10,294</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 1,915,423**

**RIVER VALE BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2018**

	<u>Business-Type Activities</u>		
	<u>Food Service</u>	<u>Non-Major Park Academy</u>	<u>Total Enterprise Funds</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 8,762		\$ 8,762
Intergovernmental Receivable			
Federal	618		618
Other	-	\$ 503	503
Total Current Assets	<u>9,380</u>	<u>503</u>	<u>9,883</u>
Capital Assets			
Equipment	15,258		15,258
Less: Accumulated Depreciation	<u>(15,258)</u>	<u>-</u>	<u>(15,258)</u>
Total Capital Assets, Net	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>9,380</u>	<u>503</u>	<u>9,883</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	738		738
Due to Other Funds		503	503
Unearned Revenue	<u>3,604</u>	<u>-</u>	<u>3,604</u>
Total Current Liabilities	<u>4,342</u>	<u>503</u>	<u>4,845</u>
Total Liabilities	<u>4,342</u>	<u>503</u>	<u>4,845</u>
NET POSITION			
Unrestricted	<u>5,038</u>	<u>-</u>	<u>5,038</u>
Total Net Position	<u>\$ 5,038</u>	<u>\$ -</u>	<u>\$ 5,038</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, 2018**

	<u>Business-Type Activities</u>		
	<u>Food Service</u>	<u>Non-Major Park Academy</u>	<u>Total Enterprise Funds</u>
OPERATING REVENUE			
Charges for Services			
Daily Sales - Milk	\$ 13,149		\$ 13,149
Miscellaneous Fees	-	\$ 1,107	1,107
	<u>13,149</u>	<u>1,107</u>	<u>14,256</u>
Total Operating Revenues	<u>13,149</u>	<u>1,107</u>	<u>14,256</u>
OPERATING EXPENSES			
Cost of Sales	10,375		10,375
Salaries and Benefits	9,000		9,000
Purchased Professional - Educational Services		1,107	1,107
Supplies and Materials	273	-	273
	<u>19,648</u>	<u>1,107</u>	<u>20,755</u>
Total Operating Expenses	<u>19,648</u>	<u>1,107</u>	<u>20,755</u>
Operating Income/(Loss)	<u>(6,499)</u>	<u>-</u>	<u>(6,499)</u>
NONOPERATING REVENUE			
Interest	39		39
Federal Sources			-
Special Milk Program	6,938	-	6,938
	<u>6,977</u>	<u>-</u>	<u>6,977</u>
Total Nonoperating Revenues	<u>6,977</u>	<u>-</u>	<u>6,977</u>
Change in Net Position	478	-	478
Total Net Position, Beginning of Year	<u>4,560</u>	<u>-</u>	<u>4,560</u>
Total Net Position, End of Year	<u>\$ 5,038</u>	<u>\$ -</u>	<u>\$ 5,038</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, 2018**

	Business-Type Activities		
	Food Service	Non-Major Park Academy	Total Enterprise Funds
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 12,749	\$ 2,775	\$ 15,524
Cash Payments for Salaries and Benefits	(9,000)		(9,000)
Cash Payments to Suppliers for Goods and Services	(9,910)	(2,775)	(12,685)
Net Cash Provided by (Used by) Operating Activities	(6,161)	-	(6,161)
Cash Flows from Noncapital Financing Activities			
Cash Received from State and Federal Subsidy Reimbursements	8,427	-	8,427
Net Cash Provided by (Used by) Noncapital Financing Activities	8,427	-	8,427
Cash Flows from Investing Activities			
Interest Earnings	39	-	39
Net Cash Provided by Investing Activities	39	-	39
Net Increase/(Decrease) in Cash and Cash Equivalents	2,305	-	2,305
Cash and Cash Equivalents, Beginning of Year	6,457	-	6,457
Cash and Cash Equivalents, End of Year	\$ 8,762	\$ -	\$ 8,762
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities			
Operating Income (Loss)	\$ (6,499)	\$ -	\$ (6,499)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used for Operating Activities			
Change in Assets and Liabilities			
(Increase)/Decrease in Intergovernmental Receivable - Other		1,668	1,668
Increase/(Decrease) in Accounts Payable	738		738
Increase/(Decrease) in Due to Other Funds		(1,668)	(1,668)
Increase/(Decrease) in Unearned Revenue	(400)	-	(400)
Total Adjustments	338	-	338
Net Cash (Used by) Operating Activities	\$ (6,161)	\$ -	\$ (6,161)

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, 2018**

	Unemployment Compensation Trust	Agency Fund
ASSETS		
Cash and Cash Equivalents	\$ 703,696	\$ 155,169
Cash and Cash Equivalents with Fiscal Agent		10,253
Due from Other Funds	<u>922</u>	<u>-</u>
 Total Assets	 <u>\$ 704,618</u>	 <u>\$ 165,422</u>
 LIABILITIES		
Payroll Deductions and Withholdings		\$ 12,830
Accrued Salaries and Wages		3,999
Flex Spending Benefits		10,253
Due to Other Funds		922
Due to State of New Jersey	\$ 3,397	
Due to Student Groups	<u>-</u>	<u>137,418</u>
 Total Liabilities	 <u>3,397</u>	 <u>\$ 165,422</u>
 NET POSITION		
Held in Trust for Unemployment Claims	<u>\$ 701,221</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, 2018**

	Unemployment Compensation <u>Trust</u>
ADDITIONS	
Contributions	
Employees	\$ 32,376
Investment Earnings	
Interest	<u>3,583</u>
Total Additions	<u>35,959</u>
DEDUCTIONS	
Unemployment Claims and Contributions	<u>13,100</u>
Total Deductions	<u>13,100</u>
Change in Net Position	22,859
Net Position, Beginning of Year	<u>678,362</u>
Net Position, End of Year	<u><u>\$ 701,221</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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 2018, the District adopted the following GASB statements:

- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits (OPEB)).
- GASB No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB No. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.
- GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, will be effective beginning with the fiscal year ending June 30, 2019. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistency provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms association with debt will be disclosed.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, will be effective beginning with the fiscal year ending June 30, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

C. Basis of Presentation - Financial Statements

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

RIVER VALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for teachers and special events.

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

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

Additionally, the government reports the following fund types:

The *fiduciary trust fund* is used to account for resources legally held in trust for state unemployment insurance claims. All resources of the funds, 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.

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

**RIVER VALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital Assets

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

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

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

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

5. Deferred Outflows/Inflows of Resources

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

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

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

7. *Pensions*

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

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

8. *Long-Term Obligations*

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

In the fund financial statements, governmental fund types recognize bond premiums 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

RIVER VALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2018 audited excess surplus that is required to be appropriated in the 2019/2020 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2017 audited excess surplus that was appropriated in the 2018/2019 original budget certified for taxes.

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

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2018/2019 District budget certified for taxes.

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

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

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

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

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

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

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2018/2019 District budget certified for taxes.

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

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

10. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

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

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

Tuition Expenditures - Tuition charges for the fiscal years 2016-2017 and 2017-2018 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 Nonoperating Revenues and Expenses

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

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2017/2018. Also, during 2017/2018 the Board increased the original budget by \$1,345,055. The increase was funded by additional surplus appropriated, grant awards and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional fund balance appropriations of \$260,795 from the general fund was made on August 29, 2017.

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

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

**RIVER VALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2018 is as follows:

Balance, July 1, 2017		\$ 3,375,578
Increased by:		
Interest earnings	\$ 15,493	
Deposits Approved by Board Resolution	<u>750,000</u>	
		<u>765,493</u>
		4,141,071
Decreased by:		
Withdrawals Approved by Adopted Budget		<u>650,000</u>
Balance, June 30, 2018		<u>\$ 3,491,071</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan. \$600,000 of the capital reserve balance at June 30, 2018 was designated and appropriated for use in the 2018/2019 original budget certified for taxes.

C. Maintenance Reserve

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

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

**RIVER VALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2018 is as follows:

Balance, July 1, 2017	\$ 450,000
Increased by	
Deposits Approved by Board Resolution	<u>300,000</u>
Balance, June 30, 2018	<u>\$ 750,000</u>

The June 30, 2018 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$759,616.

D. Emergency Reserve

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

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

The activity of the emergency reserve for the fiscal year ended June 30, 2018 is as follows:

Increased by	
Deposits Approved by Board Resolution	<u>\$ 210,513</u>
Balance, June 30, 2018	<u>\$ 210,513</u>

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2018 is \$455,474. Of this amount, \$242,581 was designated and appropriated in the 2018/2019 original budget certified for taxes and the remaining amount of \$212,893 will be appropriated in the 2019/2020 original budget certified for taxes.

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2018, the book value of the Board's deposits were \$8,582,345 and bank and brokerage firm balances of the Board's deposits amounted to \$8,958,765. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	<u>\$ 8,958,765</u>
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Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2018 the Board's bank balances were not exposed to custodial credit risk.

Investments

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

As of June 30, 2018, the Board had no outstanding investments.

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

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2018 for the district’s individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Food Service Fund</u>	<u>Park Academy Fund</u>	<u>Total</u>
Receivables:						
Intergovernmental						
Federal		\$ 13,477		\$ 618		\$ 14,095
State	\$ 43,601		\$ 95,880			139,481
Local					\$ 503	503
Other	-	7,500	-	-	-	7,500
	<u>43,601</u>	<u>20,977</u>	<u>95,880</u>	<u>618</u>	<u>503</u>	<u>161,579</u>
Gross Receivables	43,601	20,977	95,880	618	503	161,579
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 43,601</u>	<u>\$ 20,977</u>	<u>\$ 95,880</u>	<u>\$ 618</u>	<u>\$ 503</u>	<u>\$ 161,579</u>

C. Unearned Revenue

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

	<u>Total</u>
General Fund	
Prepayments of Preschool Tuition	<u>\$ 1,000</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 1,000</u>

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2018 was as follows:

	Balance, July 1, 2017	Increases	Decreases	Balance, June 30, 2018
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 31,805			\$ 31,805
Construction in Progress	<u>315,577</u>	\$ 553,027	\$ 40,181	<u>828,423</u>
Total Capital Assets, Not Being Depreciated	<u>347,382</u>	<u>553,027</u>	<u>40,181</u>	<u>860,228</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	25,896,785	172,015		26,068,800
Machinery and Equipment	1,685,534	362,444	2,100	2,045,878
Land Improvements	<u>384,600</u>	<u>95,555</u>	<u>-</u>	<u>480,155</u>
Total Capital Assets Being Depreciated	<u>27,966,919</u>	<u>630,014</u>	<u>2,100</u>	<u>28,594,833</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(8,164,692)	(584,883)		(8,749,575)
Machinery and Equipment	(1,382,346)	(170,525)	(2,100)	(1,550,771)
Land Improvements	<u>(338,549)</u>	<u>(20,354)</u>	<u>-</u>	<u>(358,903)</u>
Total Accumulated Depreciation	<u>(9,885,587)</u>	<u>(775,762)</u>	<u>(2,100)</u>	<u>(10,659,249)</u>
Total Capital Assets, Being Depreciated, Net	<u>18,081,332</u>	<u>(145,748)</u>	<u>-</u>	<u>17,935,584</u>
Governmental Activities Capital Assets, net	<u>\$ 18,428,714</u>	<u>\$ 407,279</u>	<u>\$ 40,181</u>	<u>\$ 18,795,812</u>

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2018</u>
Business-Type Activities:				
Food Service Fund				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 15,258	-	-	\$ 15,258
Total Capital Assets Being Depreciated	<u>15,258</u>	-	-	<u>15,258</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(15,258)</u>	\$ -	-	<u>(15,258)</u>
Total Accumulated Depreciation	<u>(15,258)</u>	-	-	<u>(15,258)</u>
Total Capital Assets, Being Depreciated, Net	<u>-</u>	-	-	<u>-</u>
Business-Type Activities Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Governmental activities:

Instruction	
Regular	\$ <u>702,588</u>
Total Instruction	<u>702,588</u>
Support Services	
Students and Instructional Related Services	43,389
General Administrative Services	1,094
School Administrative Services	9,987
Plant Operations and Maintenance	<u>18,704</u>
Total Support Services	<u>73,174</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 775,762</u>

**RIVER VALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2018:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Boiler Replacement at Roberge Elementary School	\$ 16,569	\$ 396,831
Chiller Replacement at Roberge Elementary School	220,411	15,351
Renovation of Media Center at Woodside Elementary School	353,809	24,322
Macadem Paving at Holdrum Middle School		<u>216,299</u>
Total		<u>\$ 652,803</u>

The District has other significant commitments at June 30, 2018 as follows:

<u>Purposes</u>	<u>Remaining Commitment</u>
Lockdown Emergency Notification System	\$ 124,628
Shoretel Telephone System	115,926
Playground Equipment at Woodside Elementary School	<u>64,919</u>
Total	<u>\$ 305,473</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2018, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 17,137
General Fund	Capital Projects Fund	93,880
General Fund	Park Academy Fund	503
Unemployment Compensation Trust Fund	Agency Fund	<u>922</u>
		<u>\$ 112,442</u>

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

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

**RIVER VALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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

Interfund transfers

	Transfer In:		
	<u>General Fund</u>	<u>Capital Projects</u>	<u>Total</u>
Transfer Out:			
General Fund		\$ 650,000	\$ 650,000
Capital Projects Fund	\$ 655	-	655
Total Transfers Out	<u>\$ 655</u>	<u>\$ 650,000</u>	<u>\$ 650,655</u>

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

F. Leases

Operating Leases

The District leases copiers under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2018 were \$39,268 and was the final payment on the lease.

Capital Leases

The District is leasing boiler and generator improvements and copiers totaling \$557,523 under capital leases. Also, the District is leasing technology totaling \$294,500 under lease purchase agreements. The leases are for terms of 3 to 5 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Construction in Progress	\$ 109,940
Machinery and Equipment	<u>126,983</u>
Total	<u>\$ 236,923</u>

The unexpended proceeds from capital leases and lease purchase agreements in the amount of \$320,600 and \$269,664, respectively, at June 30, 2018 are held with the Fiscal Agent.

**RIVER VALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

Capital Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 were as follows:

<u>Fiscal</u> <u>Year Ending June 30</u>	<u>Amount</u>
2019	\$ 227,549
2020	116,889
2021	116,889
2022	116,889
2023	<u>103,115</u>
Total minimum lease payments	681,331
Less: amount representing interest	<u>(37,736)</u>
Present value of minimum lease payments	<u>\$ 643,595</u>

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2018 are comprised of the following issues:

\$7,080,000, 2010 Bonds, due in annual installments of \$790,000 to \$800,000 through September 15, 2020, interest at 3.5% to 4.5%	<u>\$ 2,385,000</u>
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**RIVER VALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

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

Governmental Activities:

Fiscal Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
2019	\$ 800,000	\$ 82,926	\$ 882,926
2020	795,000	51,238	846,238
2021	<u>790,000</u>	<u>17,775</u>	<u>807,775</u>
Total	<u>\$ 2,385,000</u>	<u>\$ 151,939</u>	<u>\$ 2,536,939</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2018 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 61,151,919
Less: Net Debt	<u>2,385,948</u>
Remaining Borrowing Power	<u>\$ 58,765,971</u>

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable	\$ 3,185,000		\$ 800,000	\$ 2,385,000	\$ 800,000
Deferred Amounts:					
Add: Original Issue Premium	<u>52,727</u>	<u>-</u>	<u>23,109</u>	<u>29,618</u>	<u>-</u>
Total Bonds Payable	3,237,727	-	823,109	2,414,618	800,000
Capital Leases Payable	76,467	\$ 557,523	88,550	545,440	121,761
Lease Purchase Agreements	194,500		96,345	98,155	98,155
Compensated Absences	540,795	124,183		664,978	9,035
Net Pension Liability	<u>8,241,189</u>	<u>-</u>	<u>2,008,793</u>	<u>6,232,396</u>	<u>-</u>
Governmental Activities Long-Term Liabilities	<u>\$ 12,290,678</u>	<u>\$ 681,706</u>	<u>\$ 3,016,797</u>	<u>\$ 9,955,587</u>	<u>\$ 1,028,951</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

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

**RIVER VALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

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

Fiscal Year Ended <u>June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018		\$ 32,376	\$ 13,100	\$ 701,221
2017	\$ 60,000	25,949	46,746	678,362
2016	225,000	28,898	40,897	636,799

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2018, 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, 2018, District has not estimated its arbitrage earnings due to the IRS, if any.

**RIVER VALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all 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. PERS is a cost sharing multiple employer defined benefit pension plan.

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

The following represents the membership tiers for PERS:

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

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

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage 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. TPAF is a cost sharing multiple employer defined benefit pension plan with a special funding situation, by which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions.

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

**RIVER VALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

The following represent the membership tiers for TPAF:

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

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, 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. DCRP is a defined contribution pension plan.

Other Pension Funds

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

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

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

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

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Investments are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Funding Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 33 percent with an unfunded actuarial accrued liability of \$90.90 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 25.41 percent and \$67.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 48.10 percent and \$23.3 billion, respectively.

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, 2016 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 of 7.00 percent and (b) projected salary increases applied through the year 2026 of 1.65-5.15 percent based on age for the PERS and varying percentages based on experience for TPAF.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.34% for PERS, 7.34% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2018.

Annual Pension Costs (APC)

For the fiscal year ended June 30, 2018 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multiple 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.

**RIVER VALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC) (Continued)

During the fiscal years ended June 30, 2018, 2017 and 2016 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, was required to contribute for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2018	\$ 248,026	\$ 1,376,424	\$ 32,736
2017	247,200	1,029,284	25,689
2016	241,032	726,183	34,328

In addition for fiscal years 2017/2018 and 2016/2017 the District contributed \$4,276 and \$1,586, respectively for PERS and the State contributed \$1,333 and \$1,529, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$688,716 during the fiscal year ended June 30, 2018 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 85.

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

Although the NJ Division of Pensions and Benefits (“Division”) administers one cost-sharing multiple employer defined benefit pension plan, separate actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups of the plan.

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

To facilitate the separate actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2017 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2017.

At June 30, 2018, the District reported in the statement of net position (accrual basis) a liability of \$6,232,396 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2017, the District's proportionate share was .02677 percent, which was a decrease of .00106 percent from its proportionate share measured as of June 30, 2016 of .02783 percent.

For the fiscal year ended June 30, 2018, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$420,247 for PERS. The pension contribution made by the District during the current 2017/2018 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2018 with a measurement date of the prior fiscal year end of June 30, 2017. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2018 for contributions made subsequent to the current fiscal year end. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 146,751	
Changes of Assumptions	1,255,613	\$ 1,251,010
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	42,438	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>53,813</u>	<u>214,314</u>
Total	<u>\$ 1,498,615</u>	<u>\$ 1,465,324</u>

**RIVER VALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

At June 30, 2018, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Total</u>
2019	\$ 121,994
2020	198,767
2021	102,242
2022	(233,833)
2023	<u>(155,879)</u>
	<u>\$ 33,291</u>

Actuarial Assumptions

The District's total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2017 are summarized in the following table:

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

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2017	5.00%
2017	June 30, 2016	3.98%

RIVER VALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2040
Municipal Bond Rate *	From July 1, 2040 and Thereafter

* The municipal bond return rate used is 3.58% as of the measurement date of June 30, 2017. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the District’s proportionate share of the PERS net pension liability calculated using the discount rate of 5.00%, as well as what the District’s proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00 percent) or 1-percentage-point higher (6.00 percent) than the current rate:

	1% Decrease <u>(4.00%)</u>	Current Discount Rate <u>(5.00%)</u>	1% Increase <u>(6.00%)</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ 7,731,710	\$ 6,232,396	\$ 4,983,281

The sensitivity analysis was based on the proportionate share of the District’s net pension liability at June 30, 2017. A sensitivity analysis specific to the District’s net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan’s fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as a non-employer toward the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2017. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2017, the State's pension contribution was less than the actuarial determined amount.

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

For the fiscal year ended June 30, 2018, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$4,274,124 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2018 the State's proportionate share of the net pension liability attributable to the District is \$61,697,988. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2017. At June 30, 2017, the state's share of the net pension liability attributable to the District was .09151 percent, which was an increase of .00081 percent from its proportionate share measured as of June 30, 2016 of .0907 percent.

**RIVER VALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.25%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2017 are summarized in the following table:

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

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2017	4.25%
2017	June 30, 2016	3.22%

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

Period of Projected Benefit

Payments for which the Following

Rates were Applied:

Long-Term Expected Rate of Return Through June 30, 2036

Municipal Bond Rate * From July 1, 2036
and Thereafter

* The municipal bond return rate used is 3.58% as of the measurement date of June 30, 2017. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.25%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.25 percent) or 1-percentage-point higher (5.25 percent) than the current rate:

	1% Decrease <u>(3.25%)</u>	Current Discount Rate <u>(4.25%)</u>	1% Increase <u>(5.25%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 73,299,145</u>	<u>\$ 61,697,988</u>	<u>\$ 52,140,904</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2017. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2017 was not provided by the pension system.

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report effective for the fiscal year ended June 30, 2017. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage and prescription drug benefits to qualified retired education participants. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

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

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.

**RIVER VALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2016:

Active Plan Members	223,747
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	142,331
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u> -</u>
 Total	 <u>366,078</u>

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

Funded Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the State had a \$69.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$25.5 billion for state active and retired members and \$43.8 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.

**RIVER VALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Funded Status and Funding Progress (Continued)

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, 2016, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 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, 2017, there were 112,966, retirees receiving post-retirement medical benefits and the State contributed \$1.39 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 employer paid health benefits to members of PERS and the Alternate Benefit Program (ABP) who retired from a board of education or county college with 25 years of service. The State paid \$238.9 million toward Chapter 126 benefits for 20,913 eligible retired members in Fiscal Year 2017.

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, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2018, 2017 and 2016 were \$889,003, \$857,629 and \$864,684, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**RIVER VALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions. The nonemployer allocation percentages presented are based on the ratio of the State’s contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal year ended June 30, 2017. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2018, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$2,490,219. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2018 the State’s proportionate share of the OPEB liability attributable to the District is \$41,561,810. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2017 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2017. At June 30, 2017, the state’s share of the OPEB liability attributable to the District was .07748 percent, which was a decrease of .00013 percent from its proportionate share measured as of June 30, 2016 of .07761 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases *	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.55%
Rate Thereafter	2.00% to 5.45%
Mortality	RP-2014 Headcount-Weighted Healthy Employee, Healthy Annuitant and Disabled Male/Female Mortality Table with Fully Generational Mortality Improvement Projections from the Central Year Using Scale MP-2017
Long-Term Rate of Return	1.00%

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

**RIVER VALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions (Continued)

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5 percent. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5 percent and decreases to a 5.0 percent long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent. This reflects the known underlying cost of the Part B premium. The Medicare Advantage trend rate is 4.5 percent and will continue in all future years.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2012 to June 30, 2015 and July 1, 2011 to June 30, 2014, respectively.

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 1.00% as of June 30, 2017.

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2017	3.58%
2017	June 30, 2016	2.85%

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

**RIVER VALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Changes in the Total OPEB Liability

The change in the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2018 (measurement date June 30, 2017) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2016 Measurement Date	\$ <u>44,880,745</u>
Changes Recognized for the Fiscal Year:	
Service Cost	\$ 1,746,924
Interest on the Total OPEB Liability	1,318,863
Changes of Assumptions	(5,490,916)
Gross Benefit Payments	(927,976)
Contributions from the Member	34,170
Net Changes	<u>\$ (3,318,935)</u>
Balance, June 30, 2017 Measurement Date	\$ <u>41,561,810</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85 percent in 2016 to 3.58 percent in 2017.

The change in the total OPEB liability was based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2017. A change in the total OPEB liability specific to the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2017 was not provided by the pension system.

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State’s proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.58%, as well as what the State’s proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>49,336,867</u>	\$ <u>41,561,810</u>	\$ <u>35,394,561</u>

**RIVER VALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability (Continued)

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

	<u>1%</u> <u>Decrease</u>	Healthcare Cost Trend <u>Rates</u>	<u>1%</u> <u>Increase</u>
Total OPEB Liability (School Retirees)	\$ <u>34,180,571</u>	\$ <u>41,561,810</u>	\$ <u>51,364,009</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2017. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2017 were not provided by the pension system.

NOTE 5 SUBSEQUENT EVENTS

Appropriation of Fund Balance

On December 11, 2018, the Board approved the appropriation of an additional \$186,242 and \$181,184 of unassigned fund balance and emergency reserve, respectively, of the General Fund to the 2018/2019 budget.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**RIVER VALE BOARD OF EDUCATION
GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 21,366,659		\$ 21,366,659	\$ 21,366,659	
Interest on Investments				15,145	\$ 15,145
Interest on Capital Reserve	2,000		2,000	15,493	13,493
Tuition (Pre-K)	20,000		20,000	34,867	14,867
Building Rental	103,055		103,055	103,055	-
Miscellaneous	10,000	-	10,000	291,942	281,942
Total - Local Sources	<u>21,501,714</u>	<u>-</u>	<u>21,501,714</u>	<u>21,827,161</u>	<u>325,447</u>
State Sources					
Special Education Aid	394,058		394,058	442,411	48,353
Transportation Aid	27,212		27,212	27,212	-
Security Aid	21,680		21,680	21,680	-
Per Pupil Growth Aid	12,380		12,380	12,380	-
PARCC Readiness Aid	12,380		12,380	12,380	-
Professional Learning Community Aid	11,620		11,620	11,620	-
Extraordinary Aid				186,242	186,242
Nonpublic School Transportation Aid				9,280	9,280
On-behalf TPAF Payments -					
Pension Contribution (Non-Budget)				1,343,813	1,343,813
NCGI Premium (Non-Budget)				32,611	32,611
Post Retirement Medical Benefits (Non-Budget)				889,003	889,003
Long-Term Disability Insurance Contributions (No-Budget)				1,333	1,333
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	688,716	688,716
Total - State Sources	<u>479,330</u>	<u>-</u>	<u>479,330</u>	<u>3,678,681</u>	<u>3,199,351</u>
Total Revenues	<u>21,981,044</u>	<u>-</u>	<u>21,981,044</u>	<u>25,505,842</u>	<u>3,524,798</u>
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	581,710	\$ 217	581,927	581,896	31
Grades 1-5	3,523,262	(29,317)	3,493,945	3,490,758	3,187
Grades 6-8	2,852,852	33,463	2,886,315	2,886,314	1
Instruction - Home					
Salaries of Teachers	15,000	-	15,000	12,740	2,260
Purchased Professional - Educational Services	8,000	-	8,000	5,394	2,606
Total Instruction - Regular	<u>6,980,824</u>	<u>4,363</u>	<u>6,985,187</u>	<u>6,977,102</u>	<u>8,085</u>
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	140,000	(10,212)	129,788	109,126	20,662
Other Purchased Services	201,068	(16,070)	184,998	176,255	8,743
General Supplies	439,093	(101,760)	337,333	292,005	45,328
Textbooks	9,200	4,850	14,050	13,280	770
Other Objects	41,975	(39,840)	2,135	1,468	667
Total Regular Programs	<u>831,336</u>	<u>(163,032)</u>	<u>668,304</u>	<u>592,134</u>	<u>76,170</u>

**RIVER VALE BOARD OF EDUCATION
GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 109,960	\$ 664	\$ 110,624	\$ 109,960	\$ 664
Other Salaries for Instruction	101,290	30,053	131,343	125,409	5,934
Purchased Professional - Educational Services	1,500	-	1,500		1,500
General Supplies	1,000	2,736	3,736	2,924	812
Total Learning and/or Language Disabilities	<u>213,750</u>	<u>33,453</u>	<u>247,203</u>	<u>238,293</u>	<u>8,910</u>
Resource Room					
Salaries of Teachers	613,878	27,528	641,406	641,406	-
Purchased Professional-Educational Services	6,000	5,661	11,661	11,175	486
General Supplies	1,400	400	1,800	1,312	488
Textbooks	800	-	800	747	53
Total Resource Room	<u>622,078</u>	<u>33,589</u>	<u>655,667</u>	<u>654,640</u>	<u>1,027</u>
Preschool Disabilities - Part Time					
Salaries of Teachers	69,000	-	69,000	69,000	-
Other Salaries for Instruction	46,917	7,163	54,080	52,238	1,842
Purchased Professional - Educational Services	2,500	-	2,500	918	1,582
General Supplies	1,233	-	1,233	344	889
Total Preschool Disabilities - Part Time	<u>119,650</u>	<u>7,163</u>	<u>126,813</u>	<u>122,500</u>	<u>4,313</u>
Total Special Education	<u>955,478</u>	<u>74,205</u>	<u>1,029,683</u>	<u>1,015,433</u>	<u>14,250</u>
Basic Skills/Remedial					
Salaries of Teachers	352,857	(820)	352,037	349,739	2,298
Purchased Professional - Educational Services	4,000	804	4,804	4,705	99
General Supplies	760	(13)	747		747
Textbooks	800	(800)	-	-	-
Total Basic Skills/Remedial	<u>358,417</u>	<u>(829)</u>	<u>357,588</u>	<u>354,444</u>	<u>3,144</u>
Bilingual Education					
Salaries of Teachers	34,500	7,004	41,504	39,779	1,725
Purchased Professional - Educational Services	4,000	(6)	3,994	115	3,879
Other Purchased Services	500	-	500		500
General Supplies	50	185	235	175	60
Textbooks	250	(79)	171	-	171
Total Bilingual Education	<u>39,300</u>	<u>7,104</u>	<u>46,404</u>	<u>40,069</u>	<u>6,335</u>
School Sponsored Co/Extra Curricular Activities					
Salaries	60,847	2,056	62,903	62,568	335
Total School Sponsored Co/Extra Curricular Activities	<u>60,847</u>	<u>2,056</u>	<u>62,903</u>	<u>62,568</u>	<u>335</u>
School Sponsored Athletics - Instruction					
Salaries	58,354	-	58,354	57,782	572
Purchased Services	4,500	3,000	7,500	7,406	94
Supplies and Materials	2,724	(1,000)	1,724	1,255	469
Total School Sponsored Athletics - Instruction	<u>65,578</u>	<u>2,000</u>	<u>67,578</u>	<u>66,443</u>	<u>1,135</u>
Total - Instruction	<u>9,291,780</u>	<u>(74,133)</u>	<u>9,217,647</u>	<u>9,108,193</u>	<u>109,454</u>

**RIVER VALE BOARD OF EDUCATION
GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Special	\$ 902,674	\$ (109,353)	\$ 793,321	\$ 589,433	\$ 203,888
Tuition to Private School Disabled - Within State	476,056	58,574	534,630	521,263	13,367
Total Undistributed Expenditures - Instruction	1,378,730	(50,779)	1,327,951	1,110,696	217,255
Attendance and Social Work Services					
Salaries	69,061	-	69,061	68,684	377
Other Purchased Services	12,620	695	13,315	13,315	-
Total Attendance and Social Work Services	81,681	695	82,376	81,999	377
Health Services					
Salaries	234,010	1,250	235,260	233,664	1,596
Purchased Professional and Technical Services	11,340	8,840	20,180	15,605	4,575
Other Purchased Services	3,600	-	3,600	3,600	-
Supplies and Materials	1,248	(25)	1,223	1,146	77
Total Health Services	250,198	10,065	260,263	250,415	9,848
Speech, OT, PT & Related Services					
Salaries	133,040	-	133,040	132,723	317
Purchased Professional - Educational Services	328,791	8,335	337,126	303,277	33,849
Supplies and Materials	2,650	60	2,710	1,157	1,553
Total Speech, OT, PT and Related Services	464,481	8,395	472,876	437,157	35,719
Other Support Services - Students - Extra. Service					
Salaries	439,657	47,821	487,478	461,034	26,444
Purchased Professional - Educational Services	30,000	78,012	108,012	107,519	493
Supplies and Materials	2,100	-	2,100	873	1,227
Total Other Support Svcs.-Students-Extra. Service.	471,757	125,833	597,590	569,426	28,164
Guidance					
Salaries of Other Professional Staff	341,293	2,604	343,897	342,477	1,420
Purchased Professional - Educational Services	-	1,000	1,000	1,000	-
Other Purchased Professional & Technical Services	5,000	(989)	4,011	3,749	262
Supplies and Materials	3,310	(240)	3,070	1,592	1,478
Total Guidance	349,603	2,375	351,978	348,818	3,160
Child Study Team					
Salaries of Other Professional Staff	370,279	(39,664)	330,615	325,859	4,756
Salaries of Secretarial and Clerical Assistants	64,879	-	64,879	63,939	940
Purchased Professional-Educational Services	12,500	12,260	24,760	24,759	1
Other Purchased Prof. and Technical Services	71,000	(3,265)	67,735	67,441	294
Other Purchased Services	8,083	(442)	7,641	5,870	1,771
Miscellaneous Purchased Services (Other than Resid. Costs)	14,467	2,121	16,588	16,297	291
Supplies and Materials	5,000	9,554	14,554	14,260	294
Total Child Study Team	546,208	(19,436)	526,772	518,425	8,347

**RIVER VALE BOARD OF EDUCATION
GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Improvement of Inst. Serv.					
Salaries of Supervisors of Instruction		\$ 112,300	\$ 112,300	\$ 97,133	\$ 15,167
Salaries of Other Professional Staff	\$ 137,180	(107,588)	29,592	27,446	2,146
Purchased Professional-Educational Services	34,000	10,000	44,000	38,028	5,972
Other Purchased Services	4,000	145	4,145	2,414	1,731
Supplies and Materials	3,000	(374)	2,626	1,121	1,505
Other Objects	-	1,219	1,219	1,168	51
Total Improvement of Inst. Serv.	178,180	15,702	193,882	167,310	26,572
Educational Media Services/School Library					
Salaries	196,172	224	196,396	195,660	736
Other Purchased Services	19,792	(11,608)	8,184	8,002	182
Supplies and Materials	7,817	125,880	133,697	103,235	30,462
Other Objects	500	(500)	-	-	-
Total Educational Media Services/School Library	224,281	113,996	338,277	306,897	31,380
Instructional Staff Training Services					
Other Salaries	1,750	-	1,750	220	1,530
Purchased Professional - Educational Services	15,000	20	15,020	14,429	591
Other Purchased Prof and Tech Services	8,000	330	8,330	-	8,330
Other Purchased Services	9,650	(1,247)	8,403	5,075	3,328
Supplies and Materials	2,050	-	2,050	1,654	396
Other Objects	500	-	500	-	500
Total Instructional Staff Training Services	36,950	(897)	36,053	21,378	14,675
Support Services General Administration					
Salaries	273,155	-	273,155	265,030	8,125
Legal Services	16,000	22,327	38,327	35,642	2,685
Audit Fees	25,000	29,703	54,703	29,461	25,242
Architectural/Engineering Services		7,100	7,100	6,570	530
Other Purchased Professional Services	13,000	18,172	31,172	28,202	2,970
Communications/Telephone	24,792	10,000	34,792	32,776	2,016
BOE Other Purchased Services	5,000	-	5,000	2,666	2,334
Miscellaneous Purchased Services	74,415	(6,837)	67,578	50,673	16,905
General Supplies	10,000	-	10,000	2,464	7,536
Judgements Against the School	55,334	(40,079)	15,255	9,015	6,240
BOE Membership Dues and Fees	12,550	-	12,550	11,973	577
Miscellaneous Expenditures	18,975	(5,000)	13,975	5,445	8,530
Total Support Services General Administration	528,221	35,386	563,607	479,917	83,690
Support Services School Administration					
Salaries of Principals/Asst. Principals	500,629	(5,205)	495,424	491,558	3,866
Salaries of Other Professional Staff	27,394	67	27,461	27,460	1
Salaries of Secretarial and Clerical Assistants	202,755	4,300	207,055	205,930	1,125
Other Purchased Services	23,106	9,959	33,065	30,037	3,028
Supplies and Materials	16,681	(5,433)	11,248	10,114	1,134
Other Objects	11,495	209	11,704	10,232	1,472
Total Support Services School Administration	782,060	3,897	785,957	775,331	10,626

RIVER VALE BOARD OF EDUCATION
GENERAL FUND

BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Central Services					
Salaries	\$ 414,158	\$ (1,250)	\$ 412,908	\$ 403,608	\$ 9,300
Purchased Professional Services		3,750	3,750	2,800	950
Purchased Technical Services	12,794	18,505	31,299	1,808	29,491
Misc. Purchased Services	20,341	1,231	21,572	16,912	4,660
Supplies and Materials	8,000	4,133	12,133	6,005	6,128
Interest on Lease Purchase Agreements	4,589	-	4,589	4,588	1
Miscellaneous Expenditures	4,325	-	4,325	3,205	1,120
Total Central Services	<u>464,207</u>	<u>26,369</u>	<u>490,576</u>	<u>438,926</u>	<u>51,650</u>
Admin. Info. Tech.					
Salaries	247,668	12,295	259,963	258,100	1,863
Purchased Professional Services	36,536	117	36,653	33,185	3,468
Purchased Technical Services	27,484	(2,391)	25,093	16,364	8,729
Other Purchased Services	11,744	369	12,113	9,432	2,681
Supplies and Materials	2,502	81,455	83,957	75,107	8,850
Other Objects	14,647	(2,036)	12,611	9,981	2,630
Total Admin. Info. Tech.	<u>340,581</u>	<u>89,809</u>	<u>430,390</u>	<u>402,169</u>	<u>28,221</u>
Required Maintenance for School Facilities					
Salaries	124,468	5,242	129,710	129,327	383
Cleaning, Repair and Maintenance Service	111,400	68,878	180,278	107,376	72,902
Lead Testing of Drinking Water	3,000	-	3,000		3,000
General Supplies	30,000	353	30,353	26,355	3,998
Total Required Maintenance for School Facilities	<u>268,868</u>	<u>74,473</u>	<u>343,341</u>	<u>263,058</u>	<u>80,283</u>
Custodial Services					
Salaries	748,930	(15,134)	733,796	721,991	11,805
Salaries of Non-Instructional Aides	67,875	(5,760)	62,115	56,969	5,146
Purchased Professional and Technical Services	22,300	28,270	50,570	38,680	11,890
Cleaning, Repair, and Maintenance Services	142,133	30,388	172,521	92,804	79,717
Rental of Land & Bldg. Other Than Leas Purchase Agree.		1,972	1,972	1,442	530
Other Purchased Property Services	21,250	(1,348)	19,902	19,207	695
Insurance	136,871	(6,749)	130,122	129,988	134
Miscellaneous Purchased Services	12,900	6,000	18,900	3,260	15,640
General Supplies	101,850	(27,581)	74,269	41,081	33,188
Energy (Natural Gas)	128,000	(14,516)	113,484	71,096	42,388
Energy (Electricity)	294,000	(42,548)	251,452	173,331	78,121
Other Objects	9,500	-	9,500	3,117	6,383
Total Custodial Services	<u>1,685,609</u>	<u>(47,006)</u>	<u>1,638,603</u>	<u>1,352,966</u>	<u>285,637</u>
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Service	14,000	12,172	26,172	12,854	13,318
General Supplies	10,000	-	10,000	4,615	5,385
Total Care and Upkeep of Grounds	<u>24,000</u>	<u>12,172</u>	<u>36,172</u>	<u>17,469</u>	<u>18,703</u>

**RIVER VALE BOARD OF EDUCATION
GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Security					
Purchased Professional and Technical Services	\$ 3,900	\$ 70,510	\$ 74,410	\$ 712	\$ 73,698
Cleaning, Repair and Maintenance Service		9,270	9,270	5,851	3,419
General Supplies	1,300	123,236	124,536	3,963	120,573
Total Security	5,200	203,016	208,216	10,526	197,690
Student Transportation Services					
Contracted Services-Aid in Lieu of Pymts-Non-Public Schools	20,000	12,000	32,000	31,175	825
Contracted Services (Between Home and School) - Vendors	160,000	(19,578)	140,422	139,535	887
Contracted Services (Other Than Between Home and School) - Vendors	24,910	(1,922)	22,988	15,801	7,187
Contracted Services (Spec. Ed. Students) - Joint Agreement	295,000	(5,000)	290,000	197,758	92,242
Total Student Transportation Services	499,910	(14,500)	485,410	384,269	101,141
Employee Benefits - Unallocated					
Social Security Contributions	260,000	501	260,501	242,752	17,749
Other Retirement Contributions - PERS	268,488	(12,449)	256,039	252,302	3,737
Other Retirement Contributions - Regular	30,000	4,321	34,321	32,736	1,585
Unemployment Insurance	50,000	-	50,000		50,000
Workmen's Compensation	131,724	(41,033)	90,691	89,564	1,127
Health Benefits	3,034,216	(209,578)	2,824,638	2,759,419	65,219
Tuition Reimbursement	29,900	(1,500)	28,400	16,514	11,886
Other Employee Benefits	33,479	46,129	79,608	71,390	8,218
Unused Sick Payment to Terminated / Retired Staff	32,997	(16,757)	16,240	-	16,240
Total Employee Benefits - Unallocated	3,870,804	(230,366)	3,640,438	3,464,677	175,761
On-behalf TPAF Payments -					
Pension Contribution				1,343,813	(1,343,813)
NCGI Premium (Non-Budget)				32,611	(32,611)
Post Retirement Medical Benefits (Non-Budget)				889,003	(889,003)
Long-Term Disability Insurance Contributions (Non-Budget)				1,333	(1,333)
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	688,716	(688,716)
Total On-behalf TPAF Pension Payments	-	-	-	2,955,476	(2,955,476)
Total Undistributed Expenditures	12,451,529	359,199	12,810,728	14,357,305	(1,546,577)
Total Current Expenditures	21,743,309	285,066	22,028,375	23,465,498	(1,437,123)

**RIVER VALE BOARD OF EDUCATION
GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
CAPITAL OUTLAY					
Increase in Capital Reserve	\$ 2,000		\$ 2,000		\$ 2,000
Equipment					
Child Study Team		\$ 2,627	2,627	\$ 2,627	-
School-Sponsored and Other Instructional Programs		259,403	259,403	217,125	42,278
Undistributed Expenditures - Instruction		6,252	6,252	6,252	-
Non-Instructional Equipment		25,656	25,656	25,655	1
School Administration		123,744	123,744	123,744	-
Required Maintenance for School Facilities	24,000	(14,698)	9,302	9,302	-
Security	-	71,421	71,421	-	71,421
	<u>26,000</u>	<u>474,405</u>	<u>500,405</u>	<u>384,705</u>	<u>115,700</u>
Total Undistributed Expenditures - Instruction					
	<u>26,000</u>	<u>474,405</u>	<u>500,405</u>	<u>384,705</u>	<u>115,700</u>
Total Equipment					
	<u>26,000</u>	<u>474,405</u>	<u>500,405</u>	<u>384,705</u>	<u>115,700</u>
Facilities Acquisition and Construction Services					
Other Purchased Professional and Technical Services	50,000	19,755	69,755	48,715	21,040
Construction Services	80,000	725,387	805,387	469,837	335,550
Lease Purchase Agreements - Principal	76,467	-	76,467	76,467	-
Infrastructure	220,000	(220,000)	-	-	-
Assessment for Debt Service on SDA Funding	50,531	-	50,531	50,531	-
	<u>476,998</u>	<u>525,142</u>	<u>1,002,140</u>	<u>645,550</u>	<u>356,590</u>
Total Facilities Acquisition and Construction Svcs.					
	<u>476,998</u>	<u>525,142</u>	<u>1,002,140</u>	<u>645,550</u>	<u>356,590</u>
Assets Acquired Under Capital Leases (Nonbudgeted)					
Equipment					
Non-Instructional Equipment	-	-	-	126,983	(126,983)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,983</u>	<u>(126,983)</u>
Total Assets Acquired Under Capital Leases					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,983</u>	<u>(126,983)</u>
Total Capital Outlay	<u>502,998</u>	<u>999,547</u>	<u>1,502,545</u>	<u>1,157,238</u>	<u>345,307</u>
Total Expenditures - General Fund	<u>22,246,307</u>	<u>1,284,613</u>	<u>23,530,920</u>	<u>24,622,736</u>	<u>(1,091,816)</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(265,263)	(1,284,613)	(1,549,876)	883,106	2,432,982
Other Financing Sources/(Uses)					
Transfer from Capital Outlay to Capital Projects	(650,000)		(650,000)	(650,000)	-
Capital Leases Proceeds				126,983	126,983
Operating Transfer In	-	-	-	655	655
	<u>(650,000)</u>	<u>-</u>	<u>(650,000)</u>	<u>(522,362)</u>	<u>127,638</u>
Total Other Financing Sources					
	<u>(650,000)</u>	<u>-</u>	<u>(650,000)</u>	<u>(522,362)</u>	<u>127,638</u>
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Uses	(915,263)	(1,284,613)	(2,199,876)	360,744	2,560,620
Fund Balances, Beginning of Year	<u>6,043,200</u>	<u>-</u>	<u>6,043,200</u>	<u>6,043,200</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 5,127,937</u>	<u>\$ (1,284,613)</u>	<u>\$ 3,843,324</u>	<u>\$ 6,403,944</u>	<u>\$ 2,560,620</u>

**RIVER VALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
Recapitulation					
Restricted Fund Balance:					
Excess Surplus				\$ 212,893	
Excess Surplus - Designated for Subsequent Year's Expenditures				242,581	
Capital Reserve - Designated for Subsequent Year's Expenditures				600,000	
Capital Reserve				2,891,071	
Maintenance Reserve				750,000	
Emergency Reserve				210,513	
Committed Fund Balance					
Year-End Encumbrances				433,214	
Assigned Fund Balance					
Year-End Encumbrances				375,991	
Designated for Subsequent Year's Expenditures				48,353	
Unassigned Fund Balance				<u>639,328</u>	
				6,403,944	
Reconciliation to Governmental Funds Statements (GAAP)					
State Aid Public			\$ 46,762		
Extraordinary Aid Payment			<u>186,242</u>		
				<u>233,004</u>	
Fund Balances Per Governmental Funds (GAAP)				<u>\$ 6,170,940</u>	

**RIVER VALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Adjustments</u>	<u>Final</u>		<u>Final to Actual</u>
REVENUES					
Intergovernmental					
Local		\$ 12,344	\$ 12,344	\$ 12,344	
Federal	\$ 275,738	48,098	323,836	224,497	\$ (99,339)
Total Revenues	<u>275,738</u>	<u>60,442</u>	<u>336,180</u>	<u>236,841</u>	<u>(99,339)</u>
EXPENDITURES					
Instruction					
Salaries		11,500	11,500	11,500	-
Purchased Professional/Educational Services	203,589	(133,776)	69,813	57,663	12,150
Tuition	53,149	169,012	222,161	134,972	87,189
General Supplies	-	538	538	538	-
Total Instruction	<u>256,738</u>	<u>47,274</u>	<u>304,012</u>	<u>204,673</u>	<u>99,339</u>
Support Services					
Personal Services - Employee Benefits		306	306	306	-
Purchased Professional/Education Services	8,729	19,105	27,834	27,834	-
Other Purchased Services		1,000	1,000	1,000	-
General Supplies	10,271	(7,243)	3,028	3,028	-
Total Support Services	<u>19,000</u>	<u>13,168</u>	<u>32,168</u>	<u>32,168</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>275,738</u>	<u>60,442</u>	<u>336,180</u>	<u>236,841</u>	<u>99,339</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>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**RIVER VALE BOARD OF EDUCATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

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

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

	General Fund		Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1) \$ 25,505,842		(C-2) \$ 236,841
Difference - Budget to GAAP			
State Aid payment and Extraordinary Aid (2016/2017) recognized for GAAP statements, not recognized for budgetary statements	302,724		
State Aid payments and Extraordinary Aid (2017/2018) recognized for budgetary purposes, not recognized for GAAP statements	<u>(233,004)</u>		<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures	(B-2) \$ <u>25,575,562</u>		(B-2) \$ <u>236,841</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ <u>24,622,736</u>		(C-2) \$ <u>236,841</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>24,622,736</u>		(B-2) \$ <u>236,841</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

AND

OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

Public Employees Retirement System

Last Five Fiscal Years*

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

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

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

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

Public Employees Retirement System

Last Five Fiscal Years

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

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

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

Teachers Pension and Annuity Fund

Last Five Fiscal Years*

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

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

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

**RIVER VALE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Change of Benefit Terms: None.

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

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

Postemployment Health Benefit Plan

Last One Fiscal Year*

	2018
Total OPEB Liability	
Service Cost	\$ 1,746,924
Interest on Total OPEB Liability	1,318,863
Changes of Assumptions	(5,490,916)
Gross Benefit Payments	(927,976)
Contribution from the Member	34,170
Net Change in Total OPEB Liability	(3,318,935)
Total OPEB Liability - Beginning	44,880,745
Total OPEB Liability - Ending	\$ 41,561,810
District's Proportionate Share of OPEB Liability	\$ -
State's Proportionate Share of OPEB Liability	41,561,810
Total OPEB Liability - Ending	\$ 41,561,810
District's Covered-Employee Payroll	\$ 11,408,139
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll	0%

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

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

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

**RIVER VALE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

**RIVER VALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Actuarial Grant</u>	<u>Italian Grant</u>	<u>IDEA Part B- Basic</u>	<u>IDEA Preschool</u>	<u>NCLB Title II</u>	<u>NCLB Title IV</u>	<u>Total</u>
REVENUES							
Intergovernmental							
Local	\$ 4,844	\$ 7,500					\$ 12,344
Federal	-	-	\$ 185,728	\$ 13,270	\$ 15,499	\$ 10,000	224,497
	<u>4,844</u>	<u>7,500</u>	<u>185,728</u>	<u>13,270</u>	<u>15,499</u>	<u>10,000</u>	<u>236,841</u>
Total Revenues	<u>\$ 4,844</u>	<u>\$ 7,500</u>	<u>\$ 185,728</u>	<u>\$ 13,270</u>	<u>\$ 15,499</u>	<u>\$ 10,000</u>	<u>\$ 236,841</u>
EXPENDITURES							
Instruction							
Salaries	\$ 4,000	\$ 7,500					\$ 11,500
Purchased Professional & Ed Svcs.			\$ 57,663				57,663
Tuition			121,702	\$ 13,270			134,972
General Supplies	538	-	-	-	-	-	538
	<u>4,538</u>	<u>7,500</u>	<u>179,365</u>	<u>13,270</u>	<u>-</u>	<u>-</u>	<u>204,673</u>
Total Instruction	<u>4,538</u>	<u>7,500</u>	<u>179,365</u>	<u>13,270</u>	<u>-</u>	<u>-</u>	<u>204,673</u>
Support Services							
Personal Services - Employee Benefits	306						306
Purchased Professional Educational Svcs.			2,335		\$ 15,499	\$ 10,000	27,834
Other Purchased Services			1,000				1,000
General Supplies	-	-	3,028	-	-	-	3,028
	<u>306</u>	<u>-</u>	<u>6,363</u>	<u>-</u>	<u>15,499</u>	<u>10,000</u>	<u>32,168</u>
Total Support Services	<u>306</u>	<u>-</u>	<u>6,363</u>	<u>-</u>	<u>15,499</u>	<u>10,000</u>	<u>32,168</u>
Facilities Acquisition and Construction Services							
Construction	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Facilities Acquisition and Construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 4,844</u>	<u>\$ 7,500</u>	<u>\$ 185,728</u>	<u>\$ 13,270</u>	<u>\$ 15,499</u>	<u>\$ 10,000</u>	<u>\$ 236,841</u>

**RIVER VALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION PROGRAM AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOT APPLICABLE

CAPITAL PROJECTS FUND

RIVER VALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures</u>		<u>Balance</u> <u>June 30, 2018</u>
		<u>Prior Years</u>	<u>To Date</u> <u>Current Year</u>	
Facilities Acquisitions and Construction Services at				
Holdrum, Woodside and Roberge Schools*	\$ 19,750,000	\$ 19,645,090		\$ 104,910
Roberge Roof Replacement, except over gym	577,020	576,570		450
Roberge Upgrade 2 Gang Bathrooms and 2 Staff Bathrooms	239,700	239,405		295
Technology Project **	297,034	24,836		272,198
Boiler and Generator Project **	430,685		\$ 109,940	320,745
Emergency Generator Project	650,000	-	-	650,000
	<u>\$ 21,944,439</u>	<u>\$ 20,485,901</u>	<u>\$ 109,940</u>	<u>\$ 1,348,598</u>
Project Balances, June 30, 2018				\$ 1,348,598
Less: Unrealized Local Match				(2,052)
Debt Authorized But Not Issued				<u>(948)</u>
Fund Balance, Budgetary Basis				<u>\$ 1,345,598</u>
Reconciliation to Governmental Funds Statements (GAAP):				
Fund Balance, Budgetary Basis				<u>\$ 1,345,598</u>
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 1,345,598</u>
Analysis of Restricted Fund Balance				
Year End Encumbrances				\$ 320,600
Restricted Fund Balance				<u>1,024,998</u>
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 1,345,598</u>

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

** Modified Appropriation for interest earning.

**RIVER VALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Revenues and Other Financing Sources

Revenues:

Interest	\$	2,826
----------	----	-------

Other Financing Sources:

Lease Proceeds		430,540
----------------	--	---------

Transfer from Capital Reserve		650,000
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Total Revenues and Other Financing Sources		1,083,366
--------------------------------------------	--	-----------

Expenditures and Other Financing Uses

Expenditures:

Construction Services		109,940
-----------------------	--	---------

Other Financing Uses:

Transfer Out to General Fund		655
------------------------------	--	-----

Total Expenditures and Other Financing Uses		110,595
---------------------------------------------	--	---------

Excess (Deficiency) of Revenue and Other Financing Sources and (Uses)

Over/(Under) Expenditures and Other Financing Uses		972,771
----------------------------------------------------	--	---------

Fund Balance, Beginning of Year

		372,827
--	--	---------

Fund Balance, End of Year

	\$	1,345,598
--	----	-----------

**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, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Adjustments</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources					
State Sources - SCC Grants	\$ 6,115,052			\$ 6,115,052	\$ 6,115,052
Bond Proceeds and Transfers	12,834,000			12,834,000	12,834,948
Transfer from Capital Reserve	800,000			800,000	800,000
	<u>19,749,052</u>	<u>-</u>	<u>-</u>	<u>19,749,052</u>	<u>19,750,000</u>
Expenditures and Other Financing Uses					
Construction Services	19,645,090	-		19,645,090	19,750,000
Equipment Purchases					
	<u>19,645,090</u>	<u>-</u>	<u>-</u>	<u>19,645,090</u>	<u>19,750,000</u>
Excess (deficiency) or Revenues over (under) Expenditures	<u>\$ 103,962</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,962</u>	<u>\$ -</u>
Additional project information:					
Project Number	4430-050-01-0393-00				
	4430-060-01-0395-00				
	4430-070-01-0394-00				
Grant Date	11/9/01				
Bond Authorization Date	9/27/00				
Bonds Authorized	12,834,948				
Bonds Issued	12,834,000				
Original Authorized Cost	18,950,000				
Additional Authorized Cost	800,000				
Revised Authorized Cost	19,750,000				
Percentage Increase over Original Authorized Cost	4.00%				
Percentage completion	100%				
Original target completion date	9/1/04				
Revised target completion date	12/1/05				

**RIVER VALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
ROBERGE ELEMENTARY SCHOOL ROOF REPLACEMENT, EXCEPT OVER GYM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Adjustments</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources					
SDA Grant Proceeds	\$ 230,808			\$ 230,808	\$ 230,808
Transfer from Capital Outlay	345,540			345,540	346,212
Total Revenues	576,348	-	-	576,348	577,020
Expenditures and Other Financing Uses					
Professional Services	51,700			51,700	51,700
Construction Services	524,870			524,870	525,320
Total Expenditures	576,570	-	-	576,570	577,020
Excess (deficiency) or Revenues over (under) Expenditures	\$ (222)	\$ -	\$ -	\$ (222)	\$ -

Additional project information:

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

Grant Date 3/5/2014
 Bond Authorization Date N/A
 Bonds Authorized N/A
 Bonds Issued N/A
 Original Authorized Cost 784,700
 Reduced Authorized Cost (207,680)
 Revised Authorized Cost 577,020

Percentage Decrease over Original

Authorized Cost -26.47%
 Percentage completion 100.00%
 Original target completion date Dec 2014
 Revised target completion date June 2015

**RIVER VALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
ROBERGE ELEMENTARY SCHOOL - UPGRADE 2 GANG BATHROOMS AND 2 STAFF BATHROOMS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Adjustments</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources					
SDA Grant Proceeds	\$ 95,880			\$ 95,880	\$ 95,880
Transfer from Capital Outlay	142,440			142,440	143,820
Total Revenues	238,320	-	-	238,320	239,700
Expenditures and Other Financing Uses					
Professional Services	23,005			23,005	23,005
Construction Services	216,400			216,400	216,695
Total Expenditures	239,405	-	-	239,405	239,700
Excess (deficiency) or Revenues over (under) Expenditures	<u>\$ (1,085)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,085)</u>	<u>\$ -</u>

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
 Reduced Authorized Cost (52,500)
 Revised Authorized Cost 239,700

Percentage Decrease over Original
 Authorized Cost -17.97%
 Percentage completion 100.00%
 Original target completion date Dec 2014
 Revised target completion date June 2015

**RIVER VALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
TECHNOLOGY PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Adjustments</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources					
Lease Proceeds	\$ 294,500			\$ 294,500	\$ 294,500
Interest Earnings	508	\$ 2,026		2,534	2,534
Total Revenues	<u>295,008</u>	<u>2,026</u>	<u>-</u>	<u>297,034</u>	<u>297,034</u>
Expenditures and Other Financing Uses					
Equipment Purchases	24,836	-		24,836	297,034
Total Expenditures	<u>24,836</u>	<u>-</u>	<u>-</u>	<u>24,836</u>	<u>297,034</u>
Excess (deficiency) or Revenues over (under) Expenditures	<u>\$ 270,172</u>	<u>\$ 2,026</u>	<u>\$ -</u>	<u>\$ 272,198</u>	<u>\$ -</u>
Additional project information:					
Project Number	N/A				
Grant Date	N/A				
Bond Authorization Date	N/A				
Bonds Authorized	N/A				
Bonds Issued	N/A				
Original Authorized Cost	294,500				
Additional Authorized Cost	2,534				
Revised Authorized Cost	297,034				
Percentage Increase over Original Authorized Cost	0.86%				
Percentage completion	9%				
Original target completion date	June 2019				
Revised target completion date	N/A				

**RIVER VALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
BOILER AND GENERATOR PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Adjustments</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources					
Lease Proceeds		\$ 430,540		\$ 430,540	\$ 430,540
Interest Earnings		145		145	145
Total Revenues	<u>-</u>	<u>430,685</u>	<u>-</u>	<u>430,685</u>	<u>430,685</u>
Expenditures and Other Financing Uses					
Construction Services		109,940		109,940	430,685
Total Expenditures	<u>-</u>	<u>109,940</u>	<u>-</u>	<u>109,940</u>	<u>430,685</u>
Excess (deficiency) or Revenues over (under) Expenditures	<u>\$ -</u>	<u>\$ 320,745</u>	<u>\$ -</u>	<u>\$ 320,745</u>	<u>\$ -</u>
Additional project information:					
Project Number	N/A				
Grant Date	N/A				
Bond Authorization Date	N/A				
Bonds Authorized	N/A				
Bonds Issued	N/A				
Original Authorized Cost	430,540				
Additional Authorized Cost	145				
Revised Authorized Cost	430,685				
Percentage Increase over Original Authorized Cost	0.03%				
Percentage completion	25.53%				
Original target completion date	June 2019				
Revised target completion date	N/A				

**RIVER VALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
EMERGENCY GENERATOR PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

PROPRIETARY FUNDS

**RIVER VALE BOARD OF EDUCATION
ENTERPRISE FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2018**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

**RIVER VALE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING SCHEDULE OF AGENCY ASSETS AND LIABILITIES
AS OF JUNE 30, 2018**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 137,418	\$ 17,751	\$ 155,169
Cash and Cash Equivalents with Fiscal Agent	<u>-</u>	<u>10,253</u>	<u>10,253</u>
Total Assets	<u>\$ 137,418</u>	<u>\$ 28,004</u>	<u>\$ 165,422</u>
 LIABILITIES			
Payroll Deductions and Withholdings		\$ 12,830	\$ 12,830
Accrued Salaries and Wages		3,999	3,999
Flex Spending Benefits		10,253	10,253
Due to Other Funds		922	922
Due to Student Groups	<u>\$ 137,418</u>	<u>-</u>	<u>137,418</u>
Total Liabilities	<u>\$ 137,418</u>	<u>\$ 28,004</u>	<u>\$ 165,422</u>

**FIDUCIARY FUNDS
COMBINING SCHEDULE OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOT APPLICABLE

**RIVER VALE BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Balance, July 1, <u>2017</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2018</u>
SCHOOLS				
Roberge Elementary	\$ 19,226	\$ 15,473	\$ 14,205	\$ 20,494
Woodside Elementary	14,212	15,312	13,967	15,557
Holdrum Middle School	<u>100,693</u>	<u>142,803</u>	<u>142,129</u>	<u>101,367</u>
 Total All Schools	 <u>\$ 134,131</u>	 <u>\$ 173,588</u>	 <u>\$ 170,301</u>	 <u>\$ 137,418</u>

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Balance, July 1, <u>2017</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2018</u>
Payroll Deductions and Withholdings	\$ 12,775	\$ 6,505,627	\$ 6,505,572	\$ 12,830
Accrued Salaries and Wages	3,387	7,829,580	7,828,968	3,999
Flex Spending Benefits	7,203	17,896	14,846	10,253
Due to Other Funds	<u>-</u>	<u>922</u>	<u>-</u>	<u>922</u>
 Total	 <u>\$ 23,365</u>	 <u>\$ 14,354,025</u>	 <u>\$ 14,349,386</u>	 <u>\$ 28,004</u>

LONG-TERM DEBT

RIVER VALE BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<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, 2017</u>	<u>Decreased</u>	<u>Balance, June 30, 2018</u>
School District Refunding Bonds - 2009	2/25/2010	\$ 7,080,000	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	\$ 3,185,000	\$ 800,000	\$ 2,385,000
						<u>\$ 3,185,000</u>	<u>\$ 800,000</u>	<u>\$ 2,385,000</u>

**RIVER VALE BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES AND LEASE PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

CAPITAL LEASES

<u>Description</u>	<u>Interest Rate</u>	<u>Amount of Original Obligation</u>	<u>Balance, July 1, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2018</u>
Boiler Project	1.220%	\$ 380,000	\$ 76,467		\$ 76,467	
Boiler and Generator Project - 2018	2.910%	430,540	-	\$ 430,540		\$ 430,540
Copiers - 2018	3.360%	126,983	-	126,983	12,083	114,900
Total			<u>\$ 76,467</u>	<u>\$ 557,523</u>	<u>\$ 88,550</u>	<u>\$ 545,440</u>

LEASE PURCHASE AGREEMENTS

<u>Description</u>	<u>Interest Rate</u>	<u>Amount of Original Obligation</u>	<u>Balance, July 1, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2018</u>
Technology - 2016/2017	1.879%	\$ 294,500	\$ 194,500	-	\$ 96,345	\$ 98,155
Total			<u>\$ 194,500</u>	<u>\$ -</u>	<u>\$ 96,345</u>	<u>\$ 98,155</u>

**RIVER VALE BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 914,100	-	\$ 914,100	\$ 914,100	-
Total Revenues	<u>914,100</u>	<u>-</u>	<u>914,100</u>	<u>914,100</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	800,000		800,000	800,000	
Interest	114,100	-	114,100	114,100	-
Total Expenditures	<u>914,100</u>	<u>-</u>	<u>914,100</u>	<u>914,100</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,									
	2009	2010	2011	2012	2013	2014 (Restated)	2015	2016	2017	2018
Governmental Activities										
Net Investment in Capital Assets	\$ 11,300,821	\$ 11,562,104	\$ 12,298,108	\$ 13,128,780	\$ 11,598,974	\$ 13,275,640	\$ 13,584,567	\$ 14,277,535	\$ 15,262,477	\$ 16,285,030
Restricted	221,823	235,897	224,076	716,927	641,463	1,055,866	2,484,162	3,256,802	4,094,443	5,162,107
Unrestricted	161,187	208,646	510,526	712,521	1,921,197	(4,342,704)	(4,364,121)	(4,320,483)	(4,889,344)	(5,064,138)
Total Governmental Activities Net Position	\$ 11,683,831	\$ 12,006,647	\$ 13,032,710	\$ 14,558,228	\$ 14,161,634	\$ 9,988,802	\$ 11,704,608	\$ 13,213,854	\$ 14,467,576	\$ 16,382,999
Business-Type Activities										
Net Investment in Capital Assets	\$ 2,870	\$ 2,439	\$ 2,049	\$ 1,659	\$ 1,270	\$ 880	\$ 491	\$ 153		
Restricted										
Unrestricted	99,481	101,100	171,329	146,758	6,350	5,515	6,825	3,035	\$ 4,560	\$ 5,038
Total Business-Type Activities Net Position	\$ 102,351	\$ 103,539	\$ 173,378	\$ 148,417	\$ 7,620	\$ 6,395	\$ 7,316	\$ 3,188	\$ 4,560	\$ 5,038
District-Wide										
Net Investment in Capital Assets	\$ 11,303,691	\$ 11,564,543	\$ 12,300,157	\$ 13,130,439	\$ 11,600,244	\$ 13,276,520	\$ 13,585,058	\$ 14,277,688	\$ 15,262,477	\$ 16,285,030
Restricted	221,823	235,897	224,076	716,927	641,463	1,055,866	2,484,162	3,256,802	4,094,443	5,162,107
Unrestricted	260,668	309,746	681,855	859,279	1,927,547	(4,337,189)	(4,357,296)	(4,317,448)	(4,884,784)	(5,059,100)
Total District Net Position	\$ 11,786,182	\$ 12,110,186	\$ 13,206,088	\$ 14,706,645	\$ 14,169,254	\$ 9,995,197	\$ 11,711,924	\$ 13,217,042	\$ 14,472,136	\$ 16,388,037

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

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

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 9,244,287	\$ 9,676,884	\$ 9,737,441	\$ 9,833,606	\$ 10,096,119	\$ 10,345,903	\$ 12,155,828	\$ 12,956,831	\$ 14,660,861	\$ 14,844,590
Special Education	1,857,575	2,333,154	2,129,638	2,230,343	2,231,290	2,573,541	3,012,413	2,833,926	3,307,958	3,197,258
Other Instruction	469,976	538,942	543,070	677,912	672,031	619,745	777,249	826,581	735,632	778,351
School Sponsored Activities and Athletics	136,354	137,292	111,249	120,488	124,146	136,012	165,731	187,152	195,003	197,371
Support Services:										
Student & Instruction Related Services	1,861,330	1,867,320	2,178,179	2,329,447	2,444,437	2,661,439	2,969,688	3,101,326	3,520,859	3,755,883
Attendance and Social Work	152,102	168,345	118,281	113,304	200,410	98,199	95,684	101,908	93,463	115,397
Educational Media/School Library	313,761	336,393	227,370	423,129	297,026	275,962	245,608	252,636	281,046	404,105
School Administrative Services	901,583	951,097	925,318	1,133,352	1,192,633	1,183,983	1,191,048	1,315,095	1,398,509	1,389,406
General Administration	762,636	635,394	691,280	742,344	724,425	619,558	609,048	630,874	627,090	683,631
Central Services	895,645	968,795	1,132,238	1,099,110	1,095,091	1,299,740	1,068,917	1,175,357	1,274,128	1,283,092
Plant Operations and Maintenance	2,074,072	2,148,125	2,046,993	1,965,809	2,078,059	2,275,527	2,220,141	2,213,141	2,263,671	2,176,186
Pupil Transportation	506,282	531,200	456,736	443,474	397,901	390,519	435,775	391,112	351,882	384,269
Interest on Long-Term Debt	427,156	363,885	289,404	248,380	229,357	211,850	196,130	166,924	135,810	106,258
Total Governmental Activities Expenses	19,602,759	20,656,826	20,587,197	21,360,698	21,782,925	22,691,978	25,143,260	26,152,863	28,845,912	29,315,797
Business-Type Activities:										
Food Service	22,377	35,526	41,891	48,026	22,039	19,770	16,722	21,783	20,537	19,648
Safety Town	2,151	7,856	-	-	-	-	-	-	-	-
Park Academy	219,897	245,975	616,541	7,662	4,899	4,013	2,151	3,446	3,436	1,107
Total Business-Type Activities Expense	244,425	289,357	658,432	55,688	26,938	23,783	18,873	25,229	23,973	20,755
Total District Expenses	\$ 19,847,184	\$ 20,946,183	\$ 21,245,629	\$ 21,416,386	\$ 21,809,863	\$ 22,715,761	\$ 25,162,133	\$ 26,178,092	\$ 28,869,885	\$ 29,336,552
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 12,794		\$ 17,600	\$ 20,260	\$ 27,350	\$ 17,801	\$ 18,785	\$ 20,155	\$ 31,540	\$ 34,867
Operating Grants and Contributions	1,946,518	2,373,202	1,823,995	2,655,210	2,940,129	2,778,294	5,183,923	5,921,273	7,968,230	8,471,792
Capital Grants and Contributions	-	-	-	221,010	100,000	22,260	304,130	298	-	2,975
Total Governmental Activities Program Revenues	1,959,312	2,373,202	1,841,595	2,896,480	3,067,479	2,818,355	5,506,838	5,941,726	7,999,770	8,509,634

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

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business-Type Activities:										
Charges for Services										
Food Service	\$ 17,671	\$ 28,932	\$ 25,835	\$ 19,804	\$ 17,169	\$ 12,666	\$ 11,318	\$ 11,826	\$ 14,623	\$ 13,149
Safety Town	5,350	2,300								
Park Academy	227,724	246,947	689,928	1,175	7,865	4,013	2,151	3,446	3,436	1,107
Operating Grants and Contributions	15,663	11,168	11,028	9,594	8,147	5,793	6,279	5,800	7,258	6,938
Total Business Type Activities Program Revenues	266,408	289,347	726,791	30,573	33,181	22,472	19,748	21,072	25,317	21,194
Total District Program Revenues	\$ 2,225,720	\$ 2,662,549	\$ 2,568,386	\$ 2,927,053	\$ 3,100,660	\$ 2,840,827	\$ 5,526,586	\$ 5,962,798	\$ 8,025,087	\$ 8,530,828
Net (Expense)/Revenue										
Governmental Activities	\$ (17,643,447)	\$ (18,283,624)	\$ (18,745,602)	\$ (18,464,218)	\$ (18,715,446)	\$ (19,873,623)	\$ (19,636,422)	\$ (20,211,137)	\$ (20,846,142)	\$ (20,806,163)
Business-Type Activities	21,983	(10)	68,359	(25,115)	6,243	(1,311)	875	(4,157)	1,344	439
Total district-wide net expense	\$ (17,621,464)	\$ (18,283,634)	\$ (18,677,243)	\$ (18,489,333)	\$ (18,709,203)	\$ (19,874,934)	\$ (19,635,547)	\$ (20,215,294)	\$ (20,844,798)	\$ (20,805,724)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, net	\$ 17,795,531	\$ 18,524,538	\$ 19,525,073	\$ 19,881,917	\$ 20,258,781	\$ 20,804,887	\$ 21,175,835	\$ 21,563,660	\$ 21,917,688	\$ 22,280,759
Unrestricted Grants and Contributions	5,672		3,800				11,300	12,382	12,375	12,366
Net Gain(Loss) on Contributed Asset	(4,710)		176,827	(1,336)						
Investment Earnings	32,426	18,264	20,188	6,358	14,022	14,063	10,456	15,330	19,941	33,464
Miscellaneous Income	40,130	63,638	45,777	160,702	163,404	123,918	154,637	129,011	149,860	394,997
Total Governmental Activities	17,869,049	18,606,440	19,771,665	20,047,641	20,436,207	20,942,868	21,352,228	21,720,383	22,099,864	22,721,586
Business-Type Activities:										
Transfer to Participating Districts					(147,126)	-	-			
Investment Earnings	973	1,198	1,480	154	86	86	46	29	28	39
Total Business-Type Activities	973	1,198	1,480	154	(147,040)	86	46	29	28	39
Total District-Wide	\$ 17,870,022	\$ 18,607,638	\$ 19,773,145	\$ 20,047,795	\$ 20,289,167	\$ 20,942,954	\$ 21,352,274	\$ 21,720,412	\$ 22,099,892	\$ 22,721,625
Change in Net Position										
Governmental Activities	\$ 225,602	\$ 322,816	\$ 1,026,063	\$ 1,583,423	\$ 1,720,761	\$ 1,069,245	\$ 1,715,806	\$ 1,509,246	\$ 1,253,722	\$ 1,915,423
Business-Type Activities	22,956	1,188	69,839	(24,961)	(140,797)	(1,225)	921	(4,128)	1,372	478
Total District	\$ 248,558	\$ 324,004	\$ 1,095,902	\$ 1,558,462	\$ 1,579,964	\$ 1,068,020	\$ 1,716,727	\$ 1,505,118	\$ 1,255,094	\$ 1,915,901

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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 812,576	\$ 923,012								
Unreserved	143,275	134,847								
Restricted			\$ 736,062	\$ 1,253,603	\$ 1,202,168	\$ 1,732,799	\$ 3,297,639	\$ 4,058,596	\$ 4,333,422	\$ 4,907,058
Committed			39,020	203,890	991,418	111,222		252,989	866,013	433,214
Assigned			164,666	168,056	491,864	215,128		159,884	157,805	424,344
Unassigned			377,532	351,097	349,155	389,383	361,755	369,795	383,236	406,324
Total General Fund	\$ 955,851	\$ 1,057,859	\$ 1,317,280	\$ 1,976,646	\$ 3,034,605	\$ 2,448,532	\$ 3,659,394	\$ 4,841,264	\$ 5,740,476	\$ 6,170,940
All Other Governmental Funds										
Reserved	\$ 8,000	\$ 32,528								
Unreserved	21,715	212,136								
Restricted			\$ 174,556	\$ 99,393	\$ 780,535	\$ 801,566	\$ 225,580	\$ 102,963	\$ 372,827	\$ 1,345,598
Total All Other Governmental Funds	\$ 29,715	\$ 244,664	\$ 174,556	\$ 99,393	\$ 780,535	\$ 801,566	\$ 225,580	\$ 102,963	\$ 372,827	\$ 1,345,598

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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Tax Levy	\$ 17,795,531	\$ 18,524,538	\$ 19,525,073	\$ 19,881,917	\$ 20,258,781	\$ 20,804,887	\$ 21,175,835	\$ 21,563,660	\$ 21,917,688	\$ 22,280,759
Tuition Charges	12,794		17,600	20,260	27,350	17,801	18,785	20,155	31,540	34,867
Interest Earnings	32,426	18,264	20,188	6,358	14,022	14,063	10,456	15,330	19,941	33,464
Miscellaneous	40,930	69,261	50,083	165,008	270,404	128,009	163,898	187,308	156,073	407,341
State Sources	1,683,813	1,988,656	1,614,682	2,389,274	2,717,235	2,413,787	2,880,072	2,986,745	3,328,671	3,748,401
Federal Sources	267,577	378,923	208,807	482,640	221,894	382,676	328,343	225,904	313,986	224,497
Total revenues	19,833,071	20,979,642	21,436,433	22,945,457	23,509,686	23,761,223	24,577,389	24,999,102	25,767,899	26,729,329
Expenditures										
Instruction										
Regular Instruction	8,918,736	9,349,456	9,501,344	9,632,797	9,783,099	9,686,772	9,808,445	10,357,451	10,826,464	11,160,280
Special Education Instruction	1,826,679	2,297,602	2,093,252	2,196,405	2,196,058	2,590,164	2,833,105	2,644,651	2,955,284	2,821,276
Other Instruction	453,279	521,366	535,452	650,355	649,412	637,518	661,784	693,230	565,092	600,161
School Sponsored Activities and Athletics	136,354	137,292	111,249	120,488	124,146	134,096	165,731	178,420	172,983	176,024
Support Services:										
Student & Inst. Related Services	1,822,801	1,821,328	2,135,150	2,267,078	2,377,621	2,645,072	2,712,389	2,763,634	2,899,280	3,148,985
Attendance and Social Work	146,193	156,757	107,755	109,653	193,460	99,155	95,193	100,647	93,253	103,592
Educational Media/School Library	303,359	326,303	234,664	410,009	287,810	258,142	263,428	252,636	268,072	368,409
General Administration	751,340	593,714	658,334	713,172	734,678	617,850	606,474	610,702	580,032	633,979
School Administrative Services	874,501	919,633	895,576	1,094,797	1,142,196	1,149,939	1,063,175	1,140,969	1,127,609	1,125,295
Central Services	867,274	947,671	1,121,085	1,066,219	1,063,281	1,283,182	1,068,362	1,091,364	1,108,670	1,117,061
Plant Operations and Maintenance	2,034,298	2,109,046	2,020,305	1,922,929	2,041,453	2,254,127	2,171,232	2,115,705	2,079,883	1,999,126
Pupil Transportation	506,282	531,200	456,736	443,474	397,901	390,519	435,775	391,112	351,882	384,269
Other Support Services										
Capital Outlay	363,501	164,005	239,102	671,042	390,908	1,430,373	911,426	454,654	737,044	1,139,885
Debt Service:										
Principal	787,869	670,127	817,134	792,303	820,247	924,358	936,628	963,575	980,545	984,895
Interest and Other Charges	438,563	394,185	319,982	270,533	244,888	224,998	209,366	181,099	147,230	120,380
Cost of Issuance		107,344								
Advance Refunding Escrow		409,817								
Total Expenditures	20,231,029	21,456,846	21,247,120	22,361,254	22,447,158	24,326,265	23,942,513	23,939,849	24,893,323	25,883,617

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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Excess (Deficiency) of Revenues over (under) Expenditures	\$ (397,958)	\$ (477,204)	\$ 189,313	\$ 584,203	\$ 1,062,528	\$ (565,042)	\$ 634,876	\$ 1,059,253	\$ 874,576	\$ 845,712
Other Financing Sources (uses)										
Capital Leases (non-budgeted)		277,000			676,573				294,500	557,523
Refunding Bond Proceeds		7,080,000								
Premium on Notes/Bonds		491,161								
Bonds Refunded		(7,054,000)								
Transfers In	3,564	885	212,762	8,066	1,161	488,862	528	386	384	650,655
Transfers Out	(3,564)	(885)	(212,762)	(8,066)	(1,161)	(488,862)	(528)	(386)	(384)	(650,655)
Total Other Financing Sources (uses)	-	794,161	-	-	676,573	-	-	-	294,500	557,523
Net Change in Fund Balances	<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>	<u>\$ 634,876</u>	<u>\$ 1,059,253</u>	<u>\$ 1,169,076</u>	<u>\$ 1,403,235</u>
Debt Service as a Percentage of Noncapital Expenditures	6.17%	7.43%	5.41%	4.90%	4.83%	5.02%	4.98%	4.87%	4.67%	4.47%

* 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>Energy Rebate</u>	<u>Insurance Refund</u>	<u>Rentals</u>	<u>Miscellaneous</u>	<u>Total</u>
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
2015	18,785	9,928			16,226			100,340	38,071	183,350
2016	20,155	14,944			15,727			103,055	10,229	164,110
2017	31,540	19,049	10,000		13,316			103,905	22,639	200,449
2018	34,867	30,638	225,000		14,665	\$ 33,842		103,055	18,435	460,502

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 ^a
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	1.018
2015	17,521,400	1,964,593,300		71,228,200		13,034,700	2,066,377,600	\$ 1,351,396	2,067,728,996	1,956,461,720	1.034
2016	15,375,500	1,974,406,900		70,235,800		13,034,700	2,073,052,900	1,344,095	2,074,396,995	2,013,198,179	1.049
2017	15,467,100	1,974,720,200		71,521,600		13,034,700	2,074,743,600	1,333,316	2,076,076,916	2,052,142,618	1.065
2018	14,378,600	1,981,135,500		71,521,600		13,034,700	2,080,070,400	1,342,127	2,081,412,527	2,074,763,194	1.079

Source: County Abstract of Ratables

^a 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)**

Calendar Year	Total	Local School District	Regional School District	Municipality (2)	County (1)
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
2015	2.348	1.034	0.560	0.527	0.227
2016	2.417	1.049	0.581	0.548	0.239
2017	2.488	1.065	0.612	0.562	0.249
2018	2.525	1.079	0.634	0.567	0.245

Source: Tax Duplicate, Township of River Vale

(1) Includes County Open Space Tax

(2) Includes Municipal Open Space and Library Tax

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

Taxpayer	2018		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	1.02%	\$ 25,235,400	1.20%
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%	12,018,100	0.57%
Young Property LLC	5,548,200	0.27%		0.00%
Florentine, Inc.	5,187,100	0.25%	5,187,100	0.25%
Lindvale Gardens	4,875,400	0.23%	4,875,400	0.23%
Power Hill Holdings LLC	2,514,600	0.12%		0.00%
MWD River Vale One LLC	2,326,400	0.11%	3,222,800	0.15%
V.E.R. Corp	1,791,500	0.09%		0.00%
River Vale Dev LLC % Garden Homes			5,000,000	0.24%
688 Westwood Ave LLC			4,095,000	0.19%
Rudd - O'Connor LLC NJ			2,514,600	0.12%
	<u>\$ 65,267,600</u>	<u>3.14%</u>	<u>\$ 77,086,800</u>	<u>3.66%</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	
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%	-
2015	21,175,835	21,175,835	100.00%	-
2016	21,563,660	21,563,660	100.00%	-
2017	21,917,688	21,917,688	100.00%	-
2018	22,280,759	22,280,759	100.00%	-

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>					
	General Obligation Bonds	Capital Leases	Lease Purchase Agreements	Total District	Population	Per Capita
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	9,684	900
2011	7,715,000	187,550	N/A	7,902,550	9,762	810
2012	7,015,000	95,247	N/A	7,110,247	9,836	723
2013	6,290,000	676,573	N/A	6,966,573	9,897	704
2014	5,545,000	497,215	N/A	6,042,215	9,970	606
2015	4,780,000	325,587	N/A	5,105,587	10,030	509
2016	3,990,000	152,012	N/A	4,142,012	10,183	407
2017	3,185,000	76,467	\$ 194,500	3,455,967	10,223	338
2018	2,385,000	545,440	98,155	3,028,595	10,223 *	296

Source: District records

Note: * Estimate

RIVER VALE BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN 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
2009	\$ 8,944,000		\$ 8,944,000	0.43%	\$ 926
2010	8,370,000		8,370,000	0.40%	864
2011	7,715,000		7,715,000	0.37%	790
2012	7,015,000		7,015,000	0.34%	713
2013	6,290,000		6,290,000	0.30%	636
2014	5,545,000		5,545,000	0.27%	556
2015	4,780,000		4,780,000	0.23%	477
2016	3,990,000		3,990,000	0.19%	392
2017	3,185,000		3,185,000	0.15%	312
2018	2,385,000		2,385,000	0.11%	233

Source: District records

**RIVER VALE BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2017
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Local and Regional School	\$ 7,017,585	\$ 7,017,585	
Golf Course Utility	13,881,700	13,881,700	
Borough of River Vale	<u>18,545,207</u>	<u>25,497</u>	<u>\$ 18,519,710</u>
	<u>\$ 39,444,492</u>	<u>\$ 20,924,782</u>	<u>18,519,710</u>
Overlapping Debt Apportioned to the Municipality:			
Bergen County:			
County of Bergen			15,078,593
Bergen Utilities Authority - Water Pollution (B)			<u>1,947,519</u>
			<u>17,026,112</u>
Total Direct and Overlapping Debt			<u>\$ 35,545,822</u>

Source:

(1) Township of River Vale's 2017 Annual Debt Statement

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 66,064,488	\$ 66,755,947	\$ 64,922,645	\$ 63,067,746	\$ 61,266,214	\$ 61,266,214	\$ 58,813,253	\$ 58,985,263	\$ 59,966,599	\$ 61,151,919
Total net debt applicable to limit	<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>6,290,948</u>	<u>4,780,948</u>	<u>3,990,948</u>	<u>3,185,948</u>	<u>2,385,948</u>
Legal debt margin	<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>\$ 54,975,266</u>	<u>\$ 54,032,305</u>	<u>\$ 54,994,315</u>	<u>\$ 56,780,651</u>	<u>\$ 58,765,971</u>
Total net debt applicable to the limit as a percentage of debt limit	13.54%	12.54%	11.88%	11.12%	10.27%	10.27%	8.13%	6.77%	5.31%	3.90%

Legal Debt Margin Calculation for Fiscal Year 2018

	Equalized valuation basis
	2017 \$ 2,065,654,719
	2016 2,046,651,101
	2015 <u>2,002,886,110</u>
	<u>\$ 6,115,191,930</u>
Average equalized valuation of taxable property	\$ 2,038,397,310
Debt limit (3 % of average equalization value)	61,151,919
Total Net Debt Applicable to Limit	<u>2,385,948</u>
Legal debt margin	<u>\$ 58,765,971</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>
2008	9,593	\$ 68,124	2.7%
2009	9,655	65,097	4.8%
2010	9,684	66,080	4.9%
2011	9,762	69,044	4.9%
2012	9,836	71,953	4.9%
2013	9,897	71,449	7.8%
2014	9,970	73,293	4.3%
2015	10,030	76,388	4.0%
2016	10,183	77,187	3.8%
2017	10,223	77,187 *	3.5%

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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Instruction										
Regular	97	97	97	97	97	97	97	97	98	98
Special education	15	15	15	15	15	15	15	15	15	15
Support Services:										
Student & instruction related services	14	14	14	14	14	14	14	14	14	14
General administration	2	2	2	2	2	2	2	2	2	2
School administrative services	6	6	6	6	6	6	6	6	6	6
Administrative Information Technology	2	2	2	2	2	2	2	2	2	2
Plant operations and maintenance	16	16	16	16	16	16	16	16	16	16
Other support services	5	5	5	5	5	5	5	5	5	5
Total	<u>157</u>	<u>157</u>	<u>157</u>	<u>157</u>	<u>157</u>	<u>157</u>	<u>157</u>	<u>157</u>	<u>158</u>	<u>158</u>

Source: District Personnel Records

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

Teacher/Pupil Ratio

<u>Fiscal Year</u>	<u>Enrollment ^a</u>	<u>Operating Expenditures ^b</u>	<u>Cost Per Pupil ^c</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Elementary</u>	<u>Middle School</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
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	8.07%	127	13:45	11.8	1,293.5	1,247.6	-7.53%	96.45%
2014	1,285.0	21,746,536	16,923	1.50%	124	13:45	11.8	1,161.5	1,122.0	4.00%	96.60%
2015	1,224.0	21,885,093	17,880	5.65%	124	13:45	11.8	1,161.5	1,122.0	0.00%	96.60%
2016	1,180.0	22,340,521	18,933	5.89%	124	13:45	11.8	1,180.0	1,141.8	1.59%	96.76%
2017	1,163.0	23,028,504	19,801	4.59%	113	10.86	10.14	1,160.7	1,114.7	-1.64%	96.04%
2018	1,147.0	23,638,457	20,609	4.08%	114	10.86	10.14	1,143.2	1,103.0	-1.51%	96.48%

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)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>District Building</u>										
<u>Elementary</u>										
<u>Roberge Elementary</u>										
Square Feet	54,817	54,817	54,817	54,817	54,817	57,817	57,817	57,817	57,817	57,817
Capacity (students)	407	407	407	407	407	407	407	407	407	407
Enrollment								382	379	388
<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 ^a								344	348	357
<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								454	436	402

Number of Schools at June 30, 2018

- 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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
School Facilities										
Roberge Elementary School	\$ 63,965	\$ 79,589	\$ 138,622	\$ 77,219	\$ 88,851	\$ 97,818	\$ 88,691	\$ 104,673	\$ 111,777	\$ 99,546
Woodside Elementary School	73,755	123,032	53,884	66,414	84,313	119,010	70,982	83,773	89,460	54,601
Holdrum Middle School	<u>64,675</u>	<u>108,700</u>	<u>91,209</u>	<u>83,135</u>	<u>76,927</u>	<u>81,177</u>	<u>95,311</u>	<u>112,486</u>	<u>120,121</u>	<u>108,911</u>
Grand Total	<u>\$ 202,395</u>	<u>\$ 311,321</u>	<u>\$ 283,715</u>	<u>\$ 226,768</u>	<u>\$ 250,091</u>	<u>\$ 298,005</u>	<u>\$ 254,984</u>	<u>\$ 300,932</u>	<u>\$ 321,358</u>	<u>\$ 263,058</u>

Source: District Records

**RIVER VALE BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2018
(Unaudited)**

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

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
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CHRIS SOHN, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the River Vale Board of Education as of and for the fiscal year ended June 30, 2018 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 January 25, 2019.

Internal Control Over Financial Reporting

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

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

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

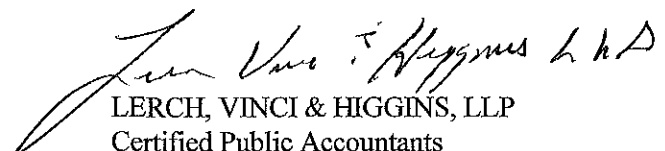
Compliance and Other Matters

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

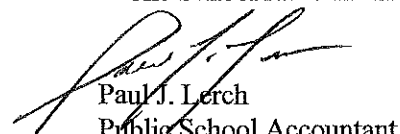
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the River Vale Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated January 25, 2019.

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
January 25, 2019



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major State Program

We have audited the River Vale Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the River Vale Board of Education's major state programs for the fiscal year ended June 30, 2018. The River Vale Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major State Program

In our opinion, the River Vale Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2018.

Report on Internal Control Over Compliance

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

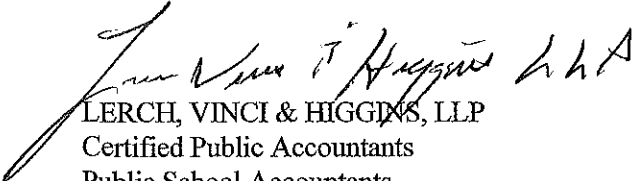
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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 the New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the 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, 2018 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 January 25, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 is presented for purposes of additional analysis and 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
January 25, 2019

RIVER VALE BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant Period	Award Amount	Balance July 1, 2017		Uncarned Revenue Carryover Amount	Accounts Receivable Carryover Amount	Cash Received	Budgetary Expenditures	Balance, June 30, 2018			Memo GAAP Receivable
					Unearned Revenue	Accounts Receivable					(Account Receivable)	Uncarned Revenue	Due to Grantor	
U.S. Department of Agriculture														
Passed-through State Department of Agriculture														
Special Milk Program	10.556	171NJ304N1099	7/1/17-6/30/18	\$ 6,938					\$ 6,320	\$ 6,938	\$ (618)			\$ (618)
Special Milk Program	10.556	171NJ304N1099	7/1/16-6/30/17	7,258	-	\$ (591)	-	-	591	-	-	-	-	-
Total U.S. Department of Agriculture/Child Nutrition Cluster					-	(591)	-	-	6,911	6,938	(618)	-	-	(618)
U.S. Department of Education														
Passed-through State Department of Education														
L.D.E.A. Part B, Basic	84.027A	H027A170100	7/1/17-6/30/18	227,046			\$ 58,021	\$ (58,021)	172,251	185,728	(112,816)	\$ 99,339		(13,477)
L.D.E.A. Part B, Basic	84.027A	H027A160100	7/1/16-6/30/17	232,813	\$ 58,021	(139,325)	(58,021)	58,021	81,304					
L.D.E.A. Part B, Preschool	84.173A	H173A170114	7/1/17-6/30/18	13,270					13,270	13,270				
Total Special Education Cluster (IDEA)										198,998				
NCLB Title II	84.367A	S367A170029	7/1/17-6/30/18	15,499					15,499	15,499				
NCLB Title II	84.367A	S367A160029	7/1/16-6/30/17	18,943		(4,375)			4,375					
NCLB Title IV	84.424	S424A170031	7/1/17-6/30/18	10,000					10,000	10,000				
Total U.S. Department of Education					58,021	(143,700)	-	-	296,699	224,497	(112,816)	99,339	-	(13,477)
Total					\$ 58,021	\$ (144,291)	\$ -	\$ -	\$ 303,610	\$ 231,435	\$ (113,434)	\$ 99,339	\$ -	\$ (14,095)

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

RIVER VALE BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2017			Cash Received	Budgetary Expenditures	Balance Cancelled	Receivable Cancelled	Balance, June 30, 2018			Memo	
				(Accounts Receivable)	Unearned Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund															
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	\$ 442,411				\$ 403,206	\$ 442,411			\$ (39,205)			\$	442,411
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	394,058	\$ (34,470)			34,470								
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	21,680				19,759	21,680			(1,921)				21,680
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	21,680	(1,896)			1,896								
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	12,380				11,283	12,380			(1,097)				12,380
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	12,380	(1,083)			1,083								
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	12,380				11,283	12,380			(1,097)				12,380
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	12,380	(1,083)			1,083								
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	11,620				10,590	11,620			(1,030)				11,620
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	11,620	(1,017)			1,017								
Total State Aid Public Cluster								<u>500,471</u>							<u>500,471</u>
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	27,212				24,800	27,212			(2,412)				27,212
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	27,212	(2,380)			2,380								
Nonpublic School Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	9,280					9,280			(9,280)		\$	(9,280)	9,280
Nonpublic School Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	4,524	(4,524)			4,524								
Total Transportation Aid Cluster								<u>36,492</u>							
Extraordinary Aid	18-495-034-5120-044	7/1/17-6/30/18	186,242					186,242			(186,242)				186,242
Extraordinary Aid	17-495-034-5120-044	7/1/16-6/30/17	260,795	(260,795)			260,795								
Lead Testing for Schools Aid	17-495-034-5120-104	7/1/16-6/30/17	1,167	(1,167)			1,167								
On-Behalf TPAF Social Security Aid	18-495-034-5094-003	7/1/17-6/30/18	688,716				654,395	688,716			(34,321)			(34,321)	688,716
On-Behalf TPAF Social Security Aid	17-495-034-5094-003	7/1/16-6/30/17	681,876	(39,113)			39,113								
TPAF Pension Benefit Contributions	18-495-034-5094-002	7/1/17-6/30/18	1,343,813				1,343,813	1,343,813							1,343,813
TPAF Pension - NCGI Premium	18-495-034-5094-004	7/1/17-6/30/18	32,611				32,611	32,611							32,611
TPAF - Post Retirement Medical	18-495-034-5094-001	7/1/17-6/30/18	889,003				889,003	889,003							889,003
TPAF - Long-Term Disability Insurance Contributions	18-495-034-5094-004	7/1/17-6/30/18	1,333				1,333	1,333							1,333
Total General Fund				<u>(347,528)</u>			<u>3,749,604</u>	<u>3,678,681</u>			<u>(276,605)</u>			<u>(43,601)</u>	<u>3,678,681</u>
Capital Project Fund															
Roberge Elementary School															
Upgrade Two Gang Bathrooms and Two Staff Bathrooms	4430-060-14-1001	N/A	95,880	(95,880)							(95,880)			(95,880)	95,880
Total Capital Projects Fund/SDA Cluster				<u>(95,880)</u>							<u>(95,880)</u>			<u>(95,880)</u>	<u>95,880</u>
Total State Financial Assistance Subject to Single Audit Determination				<u>(443,408)</u>			<u>3,749,604</u>	<u>3,678,681</u>			<u>(372,485)</u>			<u>(139,481)</u>	<u>3,774,561</u>
State Financial Assistance Not Subject to Major Program Determination															
General Fund															
TPAF Pension Benefit Contributions	18-495-034-5094-002	7/1/17-6/30/18	1,343,813				(1,343,813)	(1,343,813)							(1,343,813)
TPAF Pension - NCGI Premium	18-495-034-5094-004	7/1/17-6/30/18	32,611				(32,611)	(32,611)							(32,611)
TPAF - Post Retirement Medical	18-495-034-5094-001	7/1/17-6/30/18	889,003				(889,003)	(889,003)							(889,003)
TPAF - Long-Term Disability Insurance Contributions	18-495-034-5094-004	7/1/17-6/30/18	1,333				(1,333)	(1,333)							(1,333)
Total State Financial Assistance Subject to Major Program Determination				<u>\$ (443,408)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,482,844</u>	<u>\$ 1,411,921</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (372,485)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (139,481)</u>	<u>\$ 1,507,801</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, 2018**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$69,720 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		\$ 3,748,401	\$ 3,748,401
Special Revenue Fund	\$ 224,497		224,497
Food Service Fund	6,938	-	6,938
	<hr/>	<hr/>	<hr/>
Total Financial Assistance	<u>\$ 231,435</u>	<u>\$ 3,748,401</u>	<u>\$ 3,979,836</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, 2018**

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 \$688,716 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, 2018. The amount reported as TPAF Pension System Contributions in the amount of \$1,376,424, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$889,003 and TPAF Long-Term Disability Insurance in the amount of \$1,333 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2018.

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

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

NOTE 7 DE MINIMIS INDIRECT COST RATE

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

**RIVER VALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Part I – Summary of Auditor’s Results

Financial Statement Section

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

Federal Awards Section

Not Applicable

**RIVER VALE BOARD OF EDUCATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Part I – Summary of Auditor’s Results

State Awards Section

Internal Control over compliance:

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

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

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

Identification of major programs:

<u>State Grant/Project Number</u>	<u>Name of State Program</u>
<u>18-495-034-5094-003</u>	<u>TPAF Social Security Aid</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

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

Auditee qualified as low-risk auditee? X yes _____ no

**RIVER VALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018**

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

Not applicable.

CURRENT YEAR STATE AWARDS

There are none.

**RIVER VALE BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

Finding 2017-001

Our audit of T.P.A.F. FICA reimbursements revealed the salaries used to determine the amount reimbursed by the State for FICA included certain non-pensionable wages.

Current Status

Corrective action was taken.