

**RIVER VALE BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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, 2015**

**Prepared by**

**Business Office**

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

Page

**INTRODUCTORY SECTION**

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

**FINANCIAL SECTION**

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

**REQUIRED SUPPLEMENTARY INFORMATION- PART I**

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

**Basic Financial Statements**

**A. District-wide Financial Statements**

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

**B. Fund Financial Statements**

*Governmental Funds*

B-1 Balance Sheet	19-20
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	21
B-3 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the District-Wide Statements	22

*Proprietary Funds*

B-4 Statement of Net Position	23
B-5 Statement of Revenues, Expenses, and Changes in Net Position	24
B-6 Statement of Cash Flows	25

*Fiduciary Funds*

B-7 Statement of Fiduciary Net Position	26
B-8 Statement of Changes in Fiduciary Net Position	27

<b>Notes to the Financial Statements</b>	28-60
------------------------------------------	-------

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

	<u>Page</u>
<b>REQUIRED SUPPLEMENTARY INFORMATION – PART II</b>	
<b>C. Budgetary Comparison Schedules</b>	
C-1 Budgetary Comparison Schedule – Budget and Actual - General Fund	61-68
C-2 Budgetary Comparison Schedule – Special Revenue Fund – Budget (Non-GAAP) and Actual	69
<b>NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II</b>	
C-3 Budgetary Comparison Schedule – Note to Required Supplementary Information	70
<b>REQUIRED SUPPLEMENTARY INFORMATION – PART III</b>	
<b>L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)</b>	
L-1 Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	71
L-2 Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	72
L-3 Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	73
Notes to Required Supplementary Information	74
<b>OTHER SUPPLEMENTARY INFORMATION</b>	
<b>D. School Level Schedules – Not Applicable</b>	
<b>E. Special Revenue Fund</b>	
E-1 Combining Schedule of Revenues and Expenditures Special Revenue Fund – Budgetary Basis	75
E-2 Preschool Program Aid – Schedule of Expenditures – Budgetary Basis – Not Applicable	76
<b>F. Capital Projects Fund</b>	
F-1 Summary Schedule of Project Expenditures	77
F-2 Summary Schedule of Project Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	78
F-2a Schedule of Project Revenues, Expenditures, Project Balance – and Project Status – Improvements to the Middle School and Elementary Schools	79
F-2b Schedule of Project Revenues, Expenditures, Project Balance – and Project Status – Information Technology Project	80
F-2c Schedule of Project Revenues, Expenditures, Project Balance – and Project Status – Boiler Replacement Project	81
F-2d Schedule of Project Revenues, Expenditures, Project Balance – and Project Status – Roberge Elementary School Roof Replacement, except Over Gym	82
F-2e Schedule of Project Revenues, Expenditures, Project Balance – and Project Status – Roberge Elementary School – Upgrade 2 Gang Bathrooms and 2 Staff Bathrooms	83

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

		<u>Page</u>
<b>G.</b>	<b>Proprietary Funds</b>	
G-1	Schedule of Net Position – Not Applicable	84
G-2	Schedule of Revenues, Expenses and Changes in Net Position – Not Applicable	84
G-3	Schedule of Cash Flows – Not Applicable	84
<b>H.</b>	<b>Fiduciary Funds</b>	
H-1	Combining Schedule of Agency Assets and Liabilities	85
H-2	Combining Schedule of Changes in Net Position – Not Applicable	85
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	86
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	86
<b>I.</b>	<b>Long-Term Debt</b>	
I-1	Schedule of Serial Bonds	87
I-2	Schedule of Obligations under Capital Leases	88
I-3	Debt Service Fund Budgetary Comparison Schedule	89
<b>J.</b>	<b>STATISTICAL SECTION (Unaudited)</b>	
J-1	Net Position by Component	90
J-2	Changes in Net Position	91-92
J-3	Fund Balances – Governmental Funds	93
J-4	Changes in Fund Balances - Governmental Funds	94-95
J-5	General Fund Other Local Revenue by Source	96
J-6	Assessed Value and Actual Value of Taxable Property	97
J-7	Property Tax Rates	98
J-8	Principal Property Taxpayers	99
J-9	Property Tax Levies and Collections	100
J-10	Ratios of Outstanding Debt by Type	101
J-11	Ratios of Net General Bonded Debt Outstanding	102
J-12	Direct and Overlapping Governmental Activities Debt	103
J-13	Legal Debt Margin Information	104
J-14	Demographic and Economic Statistics	105
J-15	Principal Employers – Not Applicable	106
J-16	Full-Time Equivalent District Employees by Function/Program	107
J-17	Operating Statistics	108
J-18	School Building Information	109
J-19	Schedule of Required Maintenance for School Facilities	110
J-20	Schedule of Insurance	111

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

Page

**K.**

**SINGLE AUDIT SECTION**

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matter on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards – Independent Auditor’s Report	112-113
K-2	Report on Compliance for each State Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08	114-116
K-3	Schedule of Expenditures of Federal Awards	117
K-4	Schedule of Expenditures of State Financial Assistance	118
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	119-120
K-6	Schedule of Findings and Questioned Costs	121-125
K-7	Summary Schedule of Prior Year Audit Findings	126

## **INTRODUCTORY SECTION**



# RIVER VALE PUBLIC SCHOOLS

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Board Secretary  
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River Vale, NJ 07675-5730

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Telephone: 201 / 358 - 4003  
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December 21, 2015

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, 2015 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the River Vale Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the district's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon including the Management Discussion and Analysis. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The district is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the state Treasury Circular Letter 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 2014/2015 fiscal year with an enrollment of 1,224 students, which is a decrease of 61 students from the previous year's enrollment.

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

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

**Average Daily Enrollment**

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

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

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

The district has been able to attract excellent teachers over the years. More than half of the teachers are tenured. More than half are on the MA+ level. Enrollment for the 2013/2014 school year was 1,240 students including out-of-district special education placements. Enrollment for 2015/2016 is expected to remain stable. Homerooms average twenty (20) students and reading/math groups have a lower faculty/student ratio.

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

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

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

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

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assignments of fund balance at June 30, 2015.

**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, 2015 the River Vale School District had \$4,780,000 in bonded debt.

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

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

**OTHER INFORMATION:**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci, & Higgins, LLP, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 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.

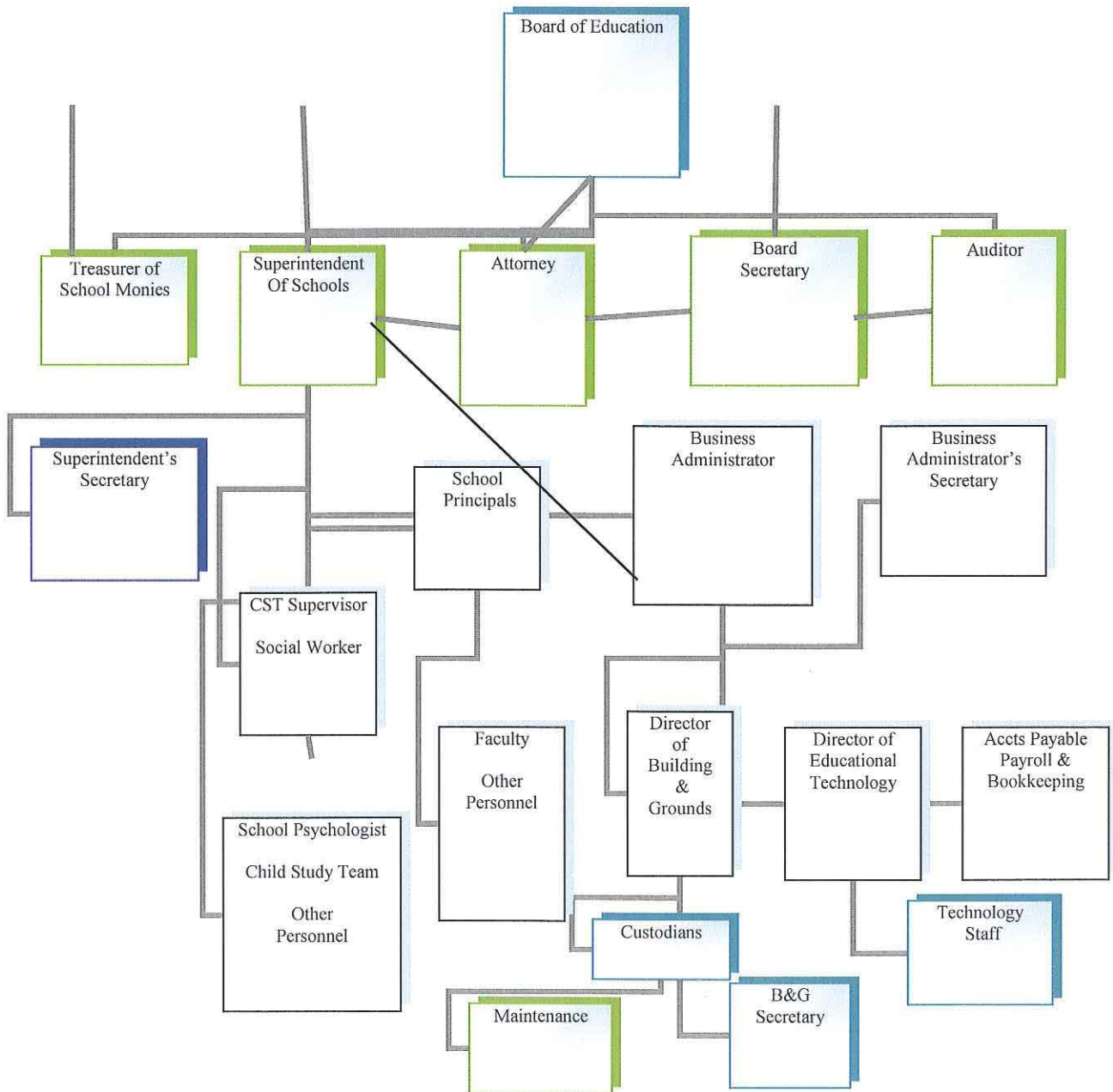
Respectfully submitted,

*Kelly Ippolito*

Kelly Ippolito  
Business Administrator/Board Secretary

RIVER VALE BOARD OF EDUCATION

ORGANIZATION CHART



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

ROSTER OF OFFICIALS  
JUNE 30, 2015

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Lorraine Waldes, President	2015
Steven Rosini, Vice President	2017
Sheryl Eaton	2016
William Ellis	2015
David Moon	2017
Patrice Pintarelli	2017
Andrew Spector	2016

**Other Officials**

Rory McCourt, Superintendent of Schools

Kelly Ippolito, School Business Administrator/Board Secretary

Gennaro Rotella, Treasurer of School Monies

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

**Consultants and Advisors**

**As of June 30, 2015**

**Architect**

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

**Audit Firm**

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

**Attorney**

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

**Official Depository**

Capital One Bank  
553 Broadway Ave.  
Westwood, NJ 07675

**Risk Manager**

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

**FINANCIAL SECTION**





# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. NICOLosi, CPA  
KATHLEEN WANG, CPA  
ROBERT AMPONSAH, CPA

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

## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the River Vale Board of Education, as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

## *Opinions*

In our opinion, the financial statements referred to 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, 2015, 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, 2015, the River Vale Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for 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, and pension 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 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 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 fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with Government Auditing Standards, we have also issued our report dated December 21, 2015 on our consideration of the River Vale Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the River Vale Board of Education's internal control over financial reporting and compliance.



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



Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
December 21, 2015

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015**

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, 2015. 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 2015 are as follows:

- District-Wide - Overall revenues were \$26,878,860. General revenues accounted for \$21,352,274 or 79 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$5,526,586 or 21 percent of total revenues of \$26,878,860.
- District-Wide - The School District had \$25,162,133 in expenses; only \$5,526,586 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$21,352,274 were adequate to provide for these programs.
- Fund Financials - As of the close of the current fiscal year, the River Vale Board of Education's governmental funds reported combined ending fund balances of \$3,884,974, an increase of \$634,876 in comparison with the prior year.
- Fund Financials - At the end of June 30, 2015, unassigned fund balance (budgetary basis) for the General Fund was \$669,685, an increase of \$17,408.

# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



## RIVER VALE BOARD OF EDUCATION

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

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

	District-Wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as 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)

#### District-wide Statements (Continued)

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

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

#### Fund Financial Statements

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

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

The District has three kinds of funds:

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

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

## RIVER VALE BOARD OF EDUCATION

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

#### Fund Financial Statements (Continued)

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

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

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

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

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

Table A-1 provides a summary of the school district's net position for fiscal years 2015 and 2014. Net position for 2015 and 2014 were \$11,711,924 and \$9,995,197, respectively.

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

**RIVER VALE BOARD OF EDUCATION**

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

**Table A-1  
Statement of Net Position  
As of June 30, 2015 and 2014**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2015</b>	<b>2014 (Restated)</b>	<b>2015</b>	<b>2014 (Restated)</b>	<b>2015</b>	<b>2014 (Restated)</b>
Current and Other Assets	\$ 4,199,092	\$ 3,359,099	\$ 10,787	\$ 14,348	\$ 4,209,879	\$ 3,373,447
Capital Assets	<u>18,709,593</u>	<u>18,542,504</u>	<u>491</u>	<u>880</u>	<u>18,710,084</u>	<u>18,543,384</u>
<b>Total Assets</b>	<u>22,908,685</u>	<u>21,901,603</u>	<u>11,278</u>	<u>15,228</u>	<u>22,919,963</u>	<u>21,916,831</u>
<b>Total Deferred Outflows of Resources</b>	<u>275,122</u>	<u>132,077</u>	<u>-</u>	<u>-</u>	<u>275,122</u>	<u>132,077</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>23,183,807</u>	<u>22,033,680</u>	<u>11,278</u>	<u>15,228</u>	<u>23,195,085</u>	<u>22,048,908</u>
Other Liabilities	371,069	172,412	3,962	8,833	375,031	181,245
Long-Term Liabilities	<u>10,801,046</u>	<u>11,872,466</u>	<u>-</u>	<u>-</u>	<u>10,801,046</u>	<u>11,872,466</u>
<b>Total Liabilities</b>	<u>11,172,115</u>	<u>12,044,878</u>	<u>3,962</u>	<u>8,833</u>	<u>11,176,077</u>	<u>12,053,711</u>
<b>Total Deferred Inflows of Resources</b>	<u>307,084</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>307,084</u>	<u>-</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>11,479,199</u>	<u>12,044,878</u>	<u>3,962</u>	<u>8,833</u>	<u>11,483,161</u>	<u>12,053,711</u>
Net Position:						
Net Invested in Capital Assets	13,584,567	13,275,640	491	880	13,585,058	13,276,520
Restricted	2,484,162	1,055,866			2,484,162	1,055,866
Unrestricted	<u>(4,364,121)</u>	<u>(4,342,704)</u>	<u>6,825</u>	<u>5,515</u>	<u>(4,357,296)</u>	<u>(4,337,189)</u>
<b>Total Net Position</b>	<u>\$ 11,704,608</u>	<u>\$ 9,988,802</u>	<u>\$ 7,316</u>	<u>\$ 6,395</u>	<u>\$ 11,711,924</u>	<u>\$ 9,995,197</u>

# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

**Governmental activities.** Governmental activities increased the District's net position by \$1,715,806. Key elements of this increase are as follows:

**Table A-2  
Changes in Net Position  
For the Fiscal Years Ended June 30, 2015 and 2014**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 18,785	\$ 17,801	\$ 13,469	\$ 16,679	\$ 32,254	\$ 34,480
Operating Grants and Contributions	5,183,923	2,778,294	6,279	5,793	5,190,202	2,784,087
Capital Grants and Contributions	304,130	22,260			304,130	22,260
General Revenues						
Property Taxes	21,175,835	20,804,887			21,175,835	20,804,887
Other	176,393	137,981	46	86	176,439	138,067
<b>Total Revenues</b>	<u>26,859,066</u>	<u>23,761,223</u>	<u>19,794</u>	<u>22,558</u>	<u>26,878,860</u>	<u>23,783,781</u>
<b>Expenses</b>						
Instruction						
Regular	12,155,828	10,345,903			12,155,828	10,345,903
Special Education	3,012,413	2,573,541			3,012,413	2,573,541
Other Instruction	777,249	619,745			777,249	619,745
School Sponsored Activities and Ath.	165,731	136,012			165,731	136,012
Support Services						
Student and Instruction Related Serv.	2,969,688	2,661,439			2,969,688	2,661,439
Attendance and Social Work	95,684	98,199			95,684	98,199
Educational Media/School Library	245,608	275,962			245,608	275,962
General Administrative Services	609,048	619,558			609,048	619,558
School Administrative Services	1,191,048	1,183,983			1,191,048	1,183,983
Plant Operations and Maintenance	2,220,141	2,275,527			2,220,141	2,275,527
Pupil Transportation	435,775	390,519			435,775	390,519
Central Services	1,068,917	1,299,740			1,068,917	1,299,740
Food Services			16,722	19,770	16,722	19,770
Park Academy			2,151	4,013	2,151	4,013
Interest on Long-Term Debt	196,130	211,850	-	-	196,130	211,850
<b>Total Expenses</b>	<u>25,143,260</u>	<u>22,691,978</u>	<u>18,873</u>	<u>23,783</u>	<u>25,162,133</u>	<u>22,715,761</u>
Change in Net Position	1,715,806	1,069,245	921	(1,225)	1,716,727	1,068,020
Net Position, Beginning of Year	9,988,802	14,161,634	6,395	7,620	9,995,197	14,169,254
Prior Period Adjustment - Net Pension Liability	-	(5,242,077)	-	-	-	(5,242,077)
Net Position, End of Year	<u>\$ 11,704,608</u>	<u>\$ 9,988,802</u>	<u>\$ 7,316</u>	<u>\$ 6,395</u>	<u>\$ 11,711,924</u>	<u>\$ 9,995,197</u>

# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

**Governmental activities.** The District's total governmental revenues were \$26,859,066. The general share of the revenues, that included property taxes, interest, unrestricted state aid and miscellaneous revenue, amounted to \$21,352,228 or 79% of total revenues. Funding from restricted state and federal sources amounted to \$5,488,053 or 20%. Charges for services amounted to \$18,785 or 1%.

The District's total governmental expenses were \$25,143,260 and are predominantly related to instruction and support services. Instruction totaled \$16,111,221 (64%), student and other support services totaled \$8,835,909 (35%) and interest on long-term debt total \$196,130 (1%) of total expenses. (See Table A-3.)

Table A-2 Revenues by Source- Governmental Activities For Fiscal Year 2015

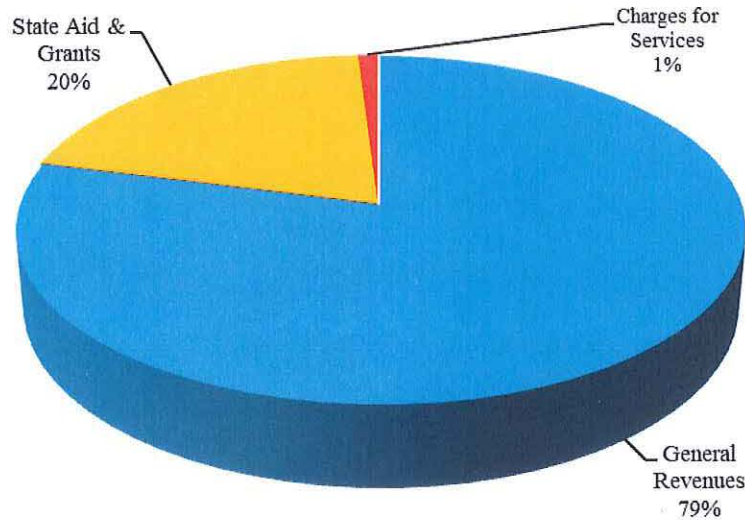
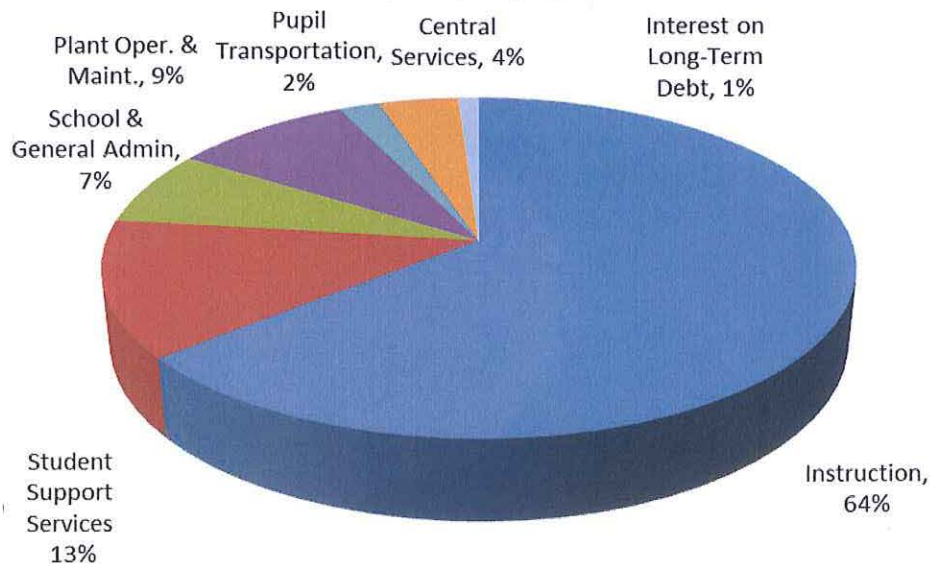


Table A-2 Expenses by Type- Governmental Activities For Fiscal Year 2015



**RIVER VALE BOARD OF EDUCATION**

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

**Table A-4  
Total and Net Cost of Governmental Activities  
For the Fiscal Years Ended June 30, 2015 and 2014**

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Governmental Activities				
Instruction				
Regular	\$ 12,155,828	\$ 10,345,903	\$ 9,165,636	\$ 8,741,799
Special Education	3,012,413	2,573,541	1,766,482	1,218,644
Other Instruction	777,249	619,745	566,467	576,826
School Sponsored Activities and Athletics	165,731	136,012	165,731	124,146
Support Services				
Student and Instruction Related Svcs.	2,969,688	2,661,439	2,496,068	2,254,308
Attendance and Social Work	95,684	98,199	95,684	162,337
Educational Media/School Library	245,608	275,962	245,608	261,392
General Administrative Services	609,048	619,558	609,048	681,492
School Administrative Services	1,191,048	1,183,983	956,546	974,164
Plant Operations and Maintenance	2,220,141	2,275,527	1,896,781	2,060,490
Pupil Transportation	435,775	390,519	407,324	372,311
Central Services	1,068,917	1,299,740	1,068,917	1,058,180
Interest on Long-Term Debt	196,130	211,850	196,130	229,357
 Total Governmental Activities	 <u>\$ 25,143,260</u>	 <u>\$ 22,691,978</u>	 <u>\$ 19,636,422</u>	 <u>\$ 18,715,446</u>

**Business-Type Activities**

The cost of Business-Type Activities for the fiscal year ended June 30, 2015 was \$18,873. 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 \$921. 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)

### 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 \$3,884,974. At June 30, 2014 the fund balance was \$3,250,098.

#### 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 \$24,577,389 and expenditures were \$23,942,513.

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, 2015 and 2014.

	<b>Fiscal Year Ended <u>June 30, 2015</u></b>	<b>Fiscal Year Ended <u>June 30, 2014</u></b>	<b>Amount of Increase <u>(Decrease)</u></b>	<b>Percent Increase <u>(Decrease)</u></b>
Local Sources	\$ 21,368,974	\$ 20,964,760	\$ 404,214	1.93%
State Sources	2,880,072	2,413,787	466,285	19.32%
Federal Sources	<u>328,343</u>	<u>382,676</u>	<u>(54,333)</u>	-14.20%
 Total Revenues	 <u>\$ 24,577,389</u>	 <u>\$ 23,761,223</u>	 <u>\$ 816,166</u>	 3.43%

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, 2015 and 2014.

	<b>Fiscal Year Ended <u>June 30, 2015</u></b>	<b>Fiscal Year Ended <u>June 30, 2014</u></b>	<b>Amount of Increase <u>(Decrease)</u></b>	<b>Percent Increase <u>(Decrease)</u></b>
Instruction	\$ 13,469,065	\$ 13,048,550	\$ 420,515	3.22%
Undistributed	8,416,028	8,697,986	(281,958)	-3.24%
Capital Outlay	911,426	1,430,373	(518,947)	-36.28%
Debt Service				
Principal	936,628	924,358	12,270	1.33%
Interest	<u>209,366</u>	<u>224,998</u>	<u>(15,632)</u>	-6.95%
 Total Expenditures	 <u>\$ 23,942,513</u>	 <u>\$ 24,326,265</u>	 <u>\$ (383,752)</u>	 -1.58%



## RIVER VALE BOARD OF EDUCATION

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

#### Budgetary Highlights

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

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

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

- \* The District applied for and received \$267,360 in extraordinary aid.

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

# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

**Capital Assets.** The River Vale Board of Education's investment in capital assets for its governmental and business type activities as of June 30, 2015 amounts to \$18,710,084 (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, 2015 and 2014**

	Governmental Activities		Business-Type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 31,805	\$ 31,805			\$ 31,805	\$ 31,805
Construction in Progress	880	55,650			880	55,650
Land Improvements	384,600	384,600			384,600	384,600
Buildings and Building Improvements	25,113,437	24,170,941			25,113,437	24,170,941
Machinery, Equipment and Vehicles	<u>1,591,881</u>	<u>1,568,181</u>	\$ 15,258	\$ 15,258	<u>1,607,139</u>	<u>1,583,439</u>
Total	27,122,603	26,211,177	15,258	15,258	27,137,861	26,226,435
Less: Accumulated Depreciation	<u>8,413,010</u>	<u>7,668,673</u>	<u>14,767</u>	<u>14,378</u>	<u>8,427,777</u>	<u>7,683,051</u>
Total	<u>\$ 18,709,593</u>	<u>\$ 18,542,504</u>	<u>\$ 491</u>	<u>\$ 880</u>	<u>\$ 18,710,084</u>	<u>\$ 18,543,384</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, 2015 the school district had long-term debt and outstanding long-term liabilities in the amount of \$10,683,672 as stated in Table A-5.

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

	<u>2015</u>	<u>2014</u> (Restated)
Serial Bonds	\$ 4,780,000	\$ 5,545,000
Capital Leases	325,587	497,215
Compensated Absences Payable	425,200	429,882
Net Pension Liability	<u>5,152,885</u>	<u>5,242,077</u>
Total	<u>\$ 10,683,672</u>	<u>\$ 11,714,174</u>

## RIVER VALE BOARD OF EDUCATION

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

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

The District has outstanding general obligation serial bonds in the amount of \$4,780,000. These bonds were used to finance the facilities acquisitions and construction services at Holdrum, Woodside and Roberge Schools. The capital leases are comprised of technology improvements and a boiler upgrade. The compensated absences represents the District's liability for unused accrued sick leave and unused vacation. 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**

**NOTES TO THE FINANCIAL STATEMENTS**

**RIVER VALE BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2015**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,668,784	\$ 8,899	\$ 3,677,683
Internal Balances	(661)	661	-
Receivables, net			
Receivables from Other Governments	509,546	594	510,140
Other	4,200	633	4,833
Prepaid Items	17,223		17,223
Capital Assets, Not Being Depreciated	32,685		32,685
Capital Assets, Being Depreciated, Net	<u>18,676,908</u>	<u>491</u>	<u>18,677,399</u>
 Total Assets	 <u>22,908,685</u>	 <u>11,278</u>	 <u>22,919,963</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Refunding of Debt	97,935	-	97,935
Deferred Amounts on Net Pension Liability	<u>177,187</u>	<u>-</u>	<u>177,187</u>
 Total Deferred Outflows of Resources	 <u>275,122</u>	 <u>-</u>	 <u>275,122</u>
 Total Assets and Deferred Outflows of Resources	 <u>23,183,807</u>	 <u>11,278</u>	 <u>23,195,085</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	161,480		161,480
Accrued Interest Payable	56,951		56,951
Unearned Revenue	152,638	3,962	156,600
Noncurrent Liabilities			
Due Within One Year	1,216,577		1,216,577
Due Beyond One Year	<u>9,584,469</u>	<u>-</u>	<u>9,584,469</u>
 Total Liabilities	 <u>11,172,115</u>	 <u>3,962</u>	 <u>11,176,077</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>307,084</u>	<u>-</u>	<u>307,084</u>
 Total Deferred Inflows of Resources	 <u>307,084</u>	 <u>-</u>	 <u>307,084</u>
 Total Assets and Deferred Inflows of Resources	 <u>11,479,199</u>	 <u>3,962</u>	 <u>11,483,161</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	13,584,567	491	13,585,058
Restricted for			
Capital Projects	2,234,162		2,234,162
Plant Maintenance	250,000		250,000
Unrestricted	<u>(4,364,121)</u>	<u>6,825</u>	<u>(4,357,296)</u>
 Total Net Position	 <u>\$ 11,704,608</u>	 <u>\$ 7,316</u>	 <u>\$ 11,711,924</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, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 12,155,828		\$ 2,990,192		\$ (9,165,636)		\$ (9,165,636)
Special Education	3,012,413	\$ 18,785	1,227,146		(1,766,482)		(1,766,482)
Other Instruction	777,249		210,782		(566,467)		(566,467)
School Sponsored Activities and Athletics	165,731				(165,731)		(165,731)
Support Services							
Student and Instruction Related Services	2,969,688		473,620		(2,496,068)		(2,496,068)
Attendance and Social Work	95,684				(95,684)		(95,684)
Educational Media/School Library	245,608				(245,608)		(245,608)
School Administrative Services	1,191,048		234,502		(956,546)		(956,546)
General and Business Administrative Services	609,048				(609,048)		(609,048)
Plant Operations and Maintenance	2,220,141		19,230	\$ 304,130	(1,896,781)		(1,896,781)
Pupil Transportation	435,775		28,451		(407,324)		(407,324)
Central Services	1,068,917				(1,068,917)		(1,068,917)
Interest on Long-Term Debt	196,130				(196,130)		(196,130)
<b>Total Governmental Activities</b>	<b>25,143,260</b>	<b>18,785</b>	<b>5,183,923</b>	<b>304,130</b>	<b>(19,636,422)</b>	<b>-</b>	<b>(19,636,422)</b>
<b>Business-Type Activities</b>							
Food Service	16,722	11,318	6,279	-	-	\$ 875	875
Park Academy	2,151	2,151	-	-	-	-	-
<b>Total Business-Type Activities</b>	<b>18,873</b>	<b>13,469</b>	<b>6,279</b>	<b>-</b>	<b>-</b>	<b>875</b>	<b>875</b>
<b>Total Primary Government</b>	<b>\$ 25,162,133</b>	<b>\$ 32,254</b>	<b>\$ 5,190,202</b>	<b>\$ 304,130</b>	<b>(19,636,422)</b>	<b>875</b>	<b>(19,635,547)</b>
<b>General Revenues</b>							
Property Taxes					21,175,835		21,175,835
Unrestricted State Aid					11,300		11,300
Interest on Investments					10,456	46	10,502
Miscellaneous Income					154,637	-	154,637
<b>Total General Revenues</b>					<b>21,352,228</b>	<b>46</b>	<b>21,352,274</b>
<b>Change in Net Position</b>					<b>1,715,806</b>	<b>921</b>	<b>1,716,727</b>
<b>Net Position, Beginning of Year (Restated)</b>					<b>9,988,802</b>	<b>6,395</b>	<b>9,995,197</b>
<b>Net Position, End of Year</b>					<b>\$ 11,704,608</b>	<b>\$ 7,316</b>	<b>\$ 11,711,924</b>

**FUND FINANCIAL STATEMENTS**



**RIVER VALE BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 3,414,945	\$ 25,843	\$ 227,996		\$ 3,668,784
Due from Other Funds	324,979				324,979
Other Receivables	200	4,000			4,200
Prepaid Items			17,223		17,223
Receivables from Other Governments	42,513	36,273	430,760	-	509,546
<b>Total Assets</b>	<u>\$ 3,782,637</u>	<u>\$ 66,116</u>	<u>\$ 675,979</u>	<u>\$ -</u>	<u>\$ 4,524,732</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable	\$ 54,101	\$ 18,548	\$ 21,683		\$ 94,332
Accrued Salaries & Wages	67,148				67,148
Due to Other Funds	1,294		324,346		325,640
Unearned Revenue	700	47,568	104,370	-	152,638
<b>Total Liabilities</b>	<u>123,243</u>	<u>66,116</u>	<u>450,399</u>	<u>-</u>	<u>639,758</u>
Fund Balance					
Restricted:					
Excess Surplus - Designated for Subsequent Year's Expenditures	399,563				399,563
Excess Surplus	639,494				639,494
Capital Reserve	2,008,582				2,008,582
Maintenance Reserve	250,000				250,000
Capital Projects			225,580		225,580
Unassigned Fund Balance General Fund	361,755	-	-	-	361,755
<b>Total Fund Balances</b>	<u>3,659,394</u>	<u>-</u>	<u>225,580</u>	<u>-</u>	<u>3,884,974</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,782,637</u>	<u>\$ 66,116</u>	<u>\$ 675,979</u>	<u>\$ -</u>	

**RIVER VALE BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2015**

<b>Total Fund Balances (Exhibit B-1)</b>		\$ 3,884,974
 <b>Amounts reported for governmental activities in the statement of net position (A-1) are different because:</b>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$27,122,603 and the accumulated depreciation is \$8,413,010.		18,709,593
The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:		(56,951)
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 deferred over future years.		
Deferred Outflows of Resources	\$ 177,187	
Deferred Inflows of Resources	<u>(307,084)</u>	(129,897)
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.		97,935
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, Net	4,897,374	
Capital Leases Payable	325,587	
Compensated Absences	425,200	
Net Pension Liability	<u>5,152,885</u>	(10,801,046)
<b>Net Position of Governmental Activities (Exhibit A-1)</b>		<u>\$ 11,704,608</u>

**RIVER VALE BOARD OF EDUCATION**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Local Property Tax Levy	\$ 20,207,241			\$ 968,594	\$ 21,175,835
Tuition	18,785				18,785
Interest on Investment	9,928		\$ 528		10,456
Miscellaneous	154,637	\$ 9,261	-	-	163,898
<b>Total - Local Sources</b>	<b>20,390,591</b>	<b>9,261</b>	<b>528</b>	<b>968,594</b>	<b>21,368,974</b>
State Sources	2,575,942		304,130		2,880,072
Federal Sources	-	328,343	-	-	328,343
<b>Total Revenues</b>	<b>22,966,533</b>	<b>337,604</b>	<b>304,658</b>	<b>968,594</b>	<b>24,577,389</b>
<b>EXPENDITURES</b>					
Current					
Regular Instruction	9,701,075	9,261	98,109		9,808,445
Special Education Instruction	2,525,509	307,596			2,833,105
Other Instruction	661,784				661,784
School-Sponsored Activities and Athletics	165,731				165,731
Support Services					
Student and Instruction Related Services	2,691,642	20,747			2,712,389
Attendance and Social Work	95,193				95,193
Educational Media/School Library	263,428				263,428
School Administrative Services	1,063,175				1,063,175
General Administrative Services	606,474				606,474
Plant Operations and Maintenance	2,171,232				2,171,232
Pupil Transportation	435,775				435,775
Central Services	1,068,362				1,068,362
Debt Service					
Principal	171,628			765,000	936,628
Interest and Other Charges	5,772			203,594	209,366
Capital Outlay	129,419	-	782,007	-	911,426
<b>Total Expenditures</b>	<b>21,756,199</b>	<b>337,604</b>	<b>880,116</b>	<b>968,594</b>	<b>23,942,513</b>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	1,210,334	-	(575,458)	-	634,876
Other Financing Sources and (Uses)					
Transfers In	528		-		528
Transfers Out	-	-	(528)	-	(528)
<b>Total Other Financing Sources and Uses</b>	<b>528</b>	<b>-</b>	<b>(528)</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>1,210,862</b>	<b>-</b>	<b>(575,986)</b>	<b>-</b>	<b>634,876</b>
Fund Balance, Beginning of Year	2,448,532	-	801,566	-	3,250,098
Fund Balance, End of Year	\$ 3,659,394	\$ -	\$ 225,580	\$ -	\$ 3,884,974

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, 2015**

<b>Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)</b>	<b>\$</b>	<b>634,876</b>
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.</p>		
Capital Outlay	\$ 911,426	
Depreciation Expense	<u>(744,337)</u>	167,089
<p>In the statement of activities, certain operating expenses - compensated absences and pension expense - are measured by the amounts earned or accrued during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):</p>		
Compensated Absences, Net	4,682	
Increase in Pension Expense	<u>(40,705)</u>	(36,023)
<p>Repayment of bond and lease purchase principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.</p>		
Reduction on Long-Term Debt		936,628
<p>The issuance of refunding bonds provides current financial resources to the governmental funds, while the repayment of the refunded bonds uses those current financial resources of governmental funds. Neither transactions, however, has any effect on net position. Also, governmental funds report the effect of premiums and other such items related to the refunding bonds when they are first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>		
Amortization of Bond Premium	40,918	
Amortization of Deferred Amounts on Refunding	<u>(34,142)</u>	6,776
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.</p>		
Decrease in Accrued Interest		<u>6,460</u>
<b>Change in Net Position of Governmental Activities (Exhibit A-2)</b>	<b>\$</b>	<b><u>1,715,806</u></b>

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

**RIVER VALE BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2015**

	<u>Business-Type Activities</u>		<u>Total Enterprise Funds</u>
	<u>Park Academy</u>	<u>Food Service</u>	
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents		\$ 8,899	\$ 8,899
Intergovernmental Receivable		-	
Federal		594	594
Other	\$ 633	-	633
Due from Other Funds	-	1,294	1,294
Total Current Assets	633	10,787	11,420
Capital Assets			
Equipment		15,258	15,258
Less: Accumulated Depreciation	-	(14,767)	(14,767)
Total Capital Assets, Net	-	491	491
Total Assets	633	11,278	11,911
<b>LIABILITIES</b>			
Current Liabilities			
Due to Other Funds	633		633
Unearned Revenue	-	3,962	3,962
Total Current Liabilities	633	3,962	4,595
Total Liabilities	633	3,962	4,595
<b>NET POSITION</b>			
Net Investment in Capital Assets		491	491
Unrestricted	-	6,825	6,825
Total Net Position	\$ -	\$ 7,316	\$ 7,316

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, 2015**

	<u>Business-Type Activities</u>		<u>Total Enterprise Funds</u>
	<u>Park Academy</u>	<u>Food Service</u>	
<b>OPERATING REVENUE</b>			
Charges for Services			
Daily Sales - Milk		\$ 11,318	\$ 11,318
Miscellaneous Fees	\$ 2,151	-	2,151
Total Operating Revenues	<u>2,151</u>	<u>11,318</u>	<u>13,469</u>
<b>OPERATING EXPENSES</b>			
Cost of Sales		9,364	9,364
Salaries and Benefits	2,151	6,000	8,151
Supplies and Materials		969	969
Depreciation	-	389	389
Total Operating Expenses	<u>2,151</u>	<u>16,722</u>	<u>18,873</u>
Operating Income/(Loss)	<u>-</u>	<u>(5,404)</u>	<u>(5,404)</u>
<b>NONOPERATING REVENUE</b>			
Interest		46	46
Federal Sources			
Special Milk Program	-	6,279	6,279
Total Nonoperating Revenues	<u>-</u>	<u>6,325</u>	<u>6,325</u>
Change in Net Position	<u>-</u>	<u>921</u>	<u>921</u>
Total Net Position, Beginning of Year	<u>-</u>	<u>6,395</u>	<u>6,395</u>
Total Net Position, End of Year	<u>\$ -</u>	<u>\$ 7,316</u>	<u>\$ 7,316</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, 2015**

	<u>Business-Type Activities</u>		<u>Total Enterprise Funds</u>
	<u>Park Academy</u>	<u>Food Service</u>	
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 2,151	\$ 6,447	\$ 8,598
Cash Payments for Salaries and Benefits	(2,151)		(2,151)
Cash Payments to Suppliers for Goods and Services	-	(16,333)	(16,333)
Net Cash Provided by (Used by) Operating Activities	-	(9,886)	(9,886)
<b>Cash Flows from Noncapital Financing Activities</b>			
Cash Received from State and Federal Subsidy Reimbursements	-	6,549	6,549
Net Cash Provided by (Used by) Noncapital Financing Activities	-	6,549	6,549
<b>Cash Flows from Investing Activities</b>			
Interest Earnings	-	46	46
Net Cash Provided by Investing Activities	-	46	46
Net Increase/(Decrease) in Cash and Cash Equivalents	-	(3,291)	(3,291)
Cash and Cash Equivalents, Beginning of Year	-	12,190	12,190
Cash and Cash Equivalents, End of Year	\$ -	\$ 8,899	\$ 8,899
<b>Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities</b>			
Operating Income (Loss)	\$ -	\$ (5,404)	\$ (5,404)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used for Operating Activities			
Depreciation		389	389
Change in Assets and Liabilities			
(Increase)/Decrease in Intergovernmental Receivable - Other	-		-
Increase/(Decrease) in Accounts Payable	-		-
Increase/(Decrease) in Unearned Revenue	-	(4,871)	(4,871)
Total Adjustments	-	(4,482)	(4,482)
Net Cash (Used by) Operating Activities	\$ -	\$ (9,886)	\$ (9,886)

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, 2015**

	<b>Unemployment Compensation <u>Trust</u></b>	<b><u>Agency Fund</u></b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 422,321	\$ 219,945
Total Assets	<u>\$ 422,321</u>	<u>\$ 219,945</u>
 <b>LIABILITIES</b>		
Payroll Deductions and Withholdings		\$ 8,861
Accrued Salaries and Wages		2,538
Flex Spending Benefits		5,553
Due to State of New Jersey		86,679
Due to Student Groups	-	116,314
Total Liabilities	<u>-</u>	<u>\$ 219,945</u>
 <b>NET POSITION</b>		
Held in Trust for Unemployment Claims	<u>\$ 422,321</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, 2015**

	<b>Unemployment Compensation <u>Trust</u></b>
<b>ADDITIONS</b>	
Contributions	
District	\$ 60,178
Employees	29,343
Investment Earnings	
Interest	<u>1,205</u>
Total Additions	<u>90,726</u>
<b>DEDUCTIONS</b>	
Unemployment Claims and Contributions	<u>25,434</u>
Total Deductions	<u>25,434</u>
Change in Net Position	65,292
Net Position, Beginning of Year	<u>357,029</u>
Net Position, End of Year	<u>\$ 422,321</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, 2015**

**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 2015, the District adopted the following GASB statements:

- GASB 68, *Accounting and Financial Reporting for Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.
- GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, should be applied simultaneously with the provisions of Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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 72, *Fair Value Measurement and Application*, will be effective beginning with the fiscal year ending June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. 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 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective beginning with the fiscal year ending June 30, 2016. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

**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, 2015

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. The District considers all of its governmental and 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, 2015**

**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 funds which are organized to be self-supporting through user charges:

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

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

Additionally, the government reports the following fund type:

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

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

**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, 2015**

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

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

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

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

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

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

***2. Receivables***

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

***3. Inventories***

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

***4. Prepaid Items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both district-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

**5. *Capital Assets***

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

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

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

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

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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amounts on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. 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.



**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

**6. *Deferred Outflows/Inflows of Resources (Continued)***

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government 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 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; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

**7. *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.

**8. *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.

**9. *Long-Term Obligations***

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

RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. *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 – Designated for Subsequent Year's Expenditures* - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2014 audited excess surplus that was appropriated in the 2015/2016 original budget certified for taxes.

*Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2015 audited excess surplus that is required to be appropriated in the 2016/2017 original budget certified for taxes.

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

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

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

RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements (Continued)

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

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2013-2014 and 2014-2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

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

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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2014/2015. Also, during 2014/2015 the Board increased the original budget by \$696,883. 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 the appropriation of the prior year Extraordinary Aid of \$223,898 from the General Fund on December 16, 2014.

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

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**A. Budgetary Information (Continued)**

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

**B. Capital Reserve**

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014		\$ 905,866
Increases		
Interest earnings	\$ 2,716	
Deposits Approved in District Budget	100,000	
Deposits Approved by Board Resolution	<u>1,000,000</u>	
		<u>1,102,716</u>
Balance, June 30, 2015		<u>\$ 2,008,582</u>

**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, 2015**

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

**C. Maintenance Reserve**

The activity of the maintenance reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014	\$ 150,000
Increases	
Deposits Approved by Board Resolution	<u>100,000</u>
Balance, June 30, 2015	<u>\$ 250,000</u>

The June 30, 2015 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$759,616.

**D. Transfers to Capital Outlay**

During the 2014/2015 school year, the district transferred \$40,650 to the non-equipment capital outlay accounts. The transfer was approved by the County Superintendent to support an emergent circumstance pursuant to N.J.A.C. 6A:23A-13.3(h).

**E. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2015 is \$1,039,057. Of this amount, \$399,563 was designated and appropriated in the 2015/2016 original budget certified for taxes and the remaining amount of \$639,494 will be appropriated in the 2016/2017 original budget certified for taxes.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2015, the book value of the Board's deposits were \$4,319,949 and bank and brokerage firm balances of the Board's deposits amounted to \$4,868,582. The Board's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	<u>\$ 4,868,582</u>
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**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

**Cash Deposits (Continued)**

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, 2015 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, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2015, the Board had no outstanding investments.

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

**B. Receivables**

Receivables as of June 30, 2015 for the district’s individual major funds, 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		\$ 36,273		\$ 594		\$ 36,867
State	\$ 42,513		\$ 430,760			473,273
Local					\$ 633	633
Other	<u>200</u>	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,200</u>
Gross Receivables	42,713	40,273	430,760	594	633	514,973
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 42,713</u>	<u>\$ 40,273</u>	<u>\$ 430,760</u>	<u>\$ 594</u>	<u>\$ 633</u>	<u>\$ 514,973</u>

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**C. Unearned Revenue**

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

	<u>Total</u>
General Fund	
Prepayments of Preschool Tuition	\$ 700
Special Revenue Fund	
Unencumbered Grant Draw Downs	47,568
Capital Projects	
Unrealized School Facilities Grant	<u>104,370</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 152,638</u>

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	<u>Balance, July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2015</u>
<b>Governmental Activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 31,805			\$ 31,805
Construction in Progress	<u>55,650</u>	\$ 880	\$ 55,650	<u>880</u>
 Total Capital Assets, not being depreciated	 <u>87,455</u>	 <u>880</u>	 <u>55,650</u>	 <u>32,685</u>
Capital Assets, being depreciated:				
Buildings and Building Improvements	24,170,941	886,846	(55,650)	25,113,437
Machinery and Equipment	1,568,181	23,700		1,591,881
Land Improvements	<u>384,600</u>	<u>-</u>	<u>-</u>	<u>384,600</u>
 Total Capital Assets being Depreciated	 <u>26,123,722</u>	 <u>910,546</u>	 <u>(55,650)</u>	 <u>27,089,918</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(6,506,882)	(534,185)		(7,041,067)
Machinery and Equipment	(873,242)	(193,452)		(1,066,694)
Land Improvements	<u>(288,549)</u>	<u>(16,700)</u>	<u>-</u>	<u>(305,249)</u>
 Total Accumulated Depreciation	 <u>(7,668,673)</u>	 <u>(744,337)</u>	 <u>-</u>	 <u>(8,413,010)</u>
 Total Capital Assets, being Depreciated, net	 <u>18,455,049</u>	 <u>166,209</u>	 <u>(55,650)</u>	 <u>18,676,908</u>
 Governmental Activities Capital Assets, net	 <u>\$ 18,542,504</u>	 <u>\$ 167,089</u>	 <u>\$ -</u>	 <u>\$ 18,709,593</u>



**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**D. Capital Assets (Continued)**

	Balance, <u>July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2015</u>
<b>Business-Type Activities:</b>				
Food Service Fund				
Capital Assets, being Depreciated:				
Machinery and Equipment	\$ 15,258	-	-	\$ 15,258
Total Capital Assets being Depreciated	<u>15,258</u>	<u>-</u>	<u>-</u>	<u>15,258</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(14,378)</u>	\$ (389)	-	<u>(14,767)</u>
Total Accumulated Depreciation	<u>(14,378)</u>	<u>(389)</u>	<u>-</u>	<u>(14,767)</u>
Total Capital Assets, being Depreciated, net	<u>880</u>	<u>(389)</u>	<u>-</u>	<u>491</u>
Business-Type Activities Capital Assets, net	<u>\$ 880</u>	<u>\$ (389)</u>	<u>\$ -</u>	<u>\$ 491</u>

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

**Governmental activities:**

Instruction	
Regular	\$ 696,013
Total Instruction	<u>696,013</u>
Support Services	
Students and Instructional Related Services	19,086
General and Business Administrative Services	1,094
School Administrative Services	14,312
Plant Operations and Maintenance	<u>13,832</u>
Total Support Services	<u>48,324</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 744,337</u>
<b>Business-Type activities:</b>	
Food Service Fund	<u>\$ 389</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 389</u>

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

The composition of interfund balances as of June 30, 2015, is as follows:

**Due To/From other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 324,346
General Fund	Park Academy Fund	633
Food Service Fund	General Fund	<u>1,294</u>
		<u>\$ 326,273</u>

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

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

**Interfund Transfers**

	<u>Transfer In:</u>	
	<u>General Fund</u>	<u>Total</u>
Transfer Out:		
Capital Projects Fund	<u>\$ 528</u>	<u>\$ 528</u>
Total Transfers Out	<u>\$ 528</u>	<u>\$ 528</u>

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

**F. Leases**

**Operating Leases**

The District leases copiers under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2015 were \$52,359. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2016	\$ 52,359
2017	52,359
2018	<u>39,268</u>
	<u>\$ 143,986</u>

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**F. Leases (Continued)**

**Capital Leases**

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

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Building and Building Improvements	<u>\$ 676,573</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2016	\$ 177,400
2017	77,400
2018	<u>77,400</u>
Total minimum lease payments	332,200
Less: amount representing interest	<u>(6,613)</u>
Present value of minimum lease payments	<u>\$ 325,587</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, 2015 are comprised of the following issue:

\$7,080,000, 2010 Bonds, due in annual installments of \$330,000 to \$805,000 through September 15, 2020, interest at 3.5% to 4.5%	<u>\$ 4,780,000</u>
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**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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 <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2016	\$ 790,000	\$ 177,276	\$ 967,276
2017	805,000	145,376	950,376
2018	800,000	114,101	914,101
2019	800,000	82,926	882,926
2020	795,000	51,238	846,238
2021	<u>790,000</u>	<u>17,775</u>	<u>807,775</u>
Total	<u>\$ 4,780,000</u>	<u>\$ 588,692</u>	<u>\$ 5,368,692</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2015 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 58,813,253
Less: Net Debt	<u>4,780,000</u>
Remaining Borrowing Power	<u>\$ 54,033,253</u>

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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, 2015, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 5,545,000		\$ 765,000	\$ 4,780,000	\$ 790,000
Deferred Amounts:					
Add: Original Issue Premium	<u>158,292</u>	<u>-</u>	<u>40,918</u>	<u>117,374</u>	<u>-</u>
Total Bonds Payable	5,703,292	-	805,918	4,897,374	790,000
Capital Leases Payable	497,215		171,628	325,587	173,575
Compensated Absences	429,882		4,682	425,200	
Net Pension Liability	<u>5,242,077</u>	<u>-</u>	<u>89,192</u>	<u>5,152,885</u>	<u>253,002</u>
Governmental Activities Long-Term Liabilities	<u>\$ 11,872,466</u>	<u>\$ -</u>	<u>\$ 1,071,420</u>	<u>\$ 10,801,046</u>	<u>\$ 1,216,577</u>

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

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

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

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

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

Fiscal Year Ended <u>June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	\$ 60,178	\$ 29,343	\$ 25,434	\$ 422,321
2014	220,000	31,258	57,244	357,029
2013	55,000	29,450	21,519	162,177

**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, 2015, 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, 2015, the 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, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

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

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

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. 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, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Basis of Accounting**

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

**Investment Valuation**

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

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

**Funding Status and Funding Progress**

As of July 1, 2013, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 62.8 percent with an unfunded actuarial accrued liability of \$51.0 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 54.2 percent and \$37.3 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 75.4 percent and \$13.7 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, 2013 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 7.90 percent and (b) projected salary increases of 4.24 percent for the PERS and 3.33 percent for TPAF.



**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.9% for PERS, 6.9% for TPAF and 5.50% for DCRP of the employee's annual compensation.

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2015 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the fiscal years ended June 30, 2015, 2014 and 2013 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2015	\$ 226,888	\$ 474,794	\$ 17,711
2014	206,666	405,467	10,126
2013	206,046	632,096	4,362

For fiscal years 2014/2015 and 2012/2013, the state contributed \$474,794 and \$632,096, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$405,467 for normal cost pension and NCGI premium.

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 No. 24. 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 \$655,001 during the fiscal year ended June 30, 2015 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. 24.

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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**

**Public Employees Retirement System (PERS)**

At June 30, 2015, the District reported in the statement of net position (accrual basis) a liability of \$5,152,885 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014 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, 2014, the District's proportionate share was 0.02752 percent, which was an increase of 0.00009 percent from its proportionate share measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$267,593 for PERS. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Changes of Assumptions	\$ 162,034	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 307,084
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>15,153</u>	<u>-</u>
Total	<u>\$ 177,187</u>	<u>\$ 307,084</u>

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>
2016	\$ (44,200)
2017	(44,200)
2018	(44,200)
2019	(44,200)
2020	32,571
Thereafter	<u>14,332</u>
	<u>\$ (129,897)</u>

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

*Actuarial Assumptions*

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15-4.40%
	Based on Age
Thereafter	3.15-5.40%
	Based on Age
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial	June 30, 2011
Assumptions were Based	

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

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

*Discount Rate*

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

<u>Plan</u>	<u>Discount Rate</u>
PERS	5.39%



**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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)**

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey 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% 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, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$2,756,471 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2015 the State's proportionate share of the net pension liability attributable to the District is \$51,226,575. 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, 2014.

**Actuarial Assumptions**

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

**TPAF**

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2009 - June 30, 2012
Study Upon Which Actuarial Assumptions were Based	

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

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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>Plan</u>	<u>Discount Rate</u>
TPAF	4.68%

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

**TPAF**

Period of Projected Benefit

Payments for which the Following  
 Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2027
Municipal Bond Rate *	From July 1, 2027 and Thereafter

\* The municipal bond return rate used is 4.29%. 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 4.68%, 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 (3.68 percent) or 1-percentage-point higher (5.68 percent) than the current rate:

	<b>1% Decrease <u>(3.68%)</u></b>	<b>Current Discount Rate <u>(4.68%)</u></b>	<b>1% Increase <u>(5.68%)</u></b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 61,612,251</u>	<u>\$ 51,226,575</u>	<u>\$ 42,588,750</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2014. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2014 was not provided by the pension system.



**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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 reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**E. Post-Retirement Medical Benefits**

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

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans (OPEB)*, effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2014.

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

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

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

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Basis of Accounting**

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

**Significant Legislation**

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

**Investment Valuation**

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

**Funded Status and Funding Progress**

As of July 1, 2013, the most recent actuarial valuation date, the State had a \$53.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$19.7 billion for state active and retired members and \$33.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

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

**Actuarial Methods and Assumptions**

In the July 1, 2013, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**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, 2014, there were 103,432, retirees receiving post-retirement medical benefits and the State contributed \$1.04 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 who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2015, 2014 and 2013 were \$753,736, \$664,814 and \$714,741, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**NOTE 5 RESTATEMENT**

On July 1, 2014, the River Vale Board of Education implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions". The River Vale Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2014 was to recognize the District's proportionate share of the Public Employees' Retirement System's (PERS) net pension liability, deferred outflows of resources and deferred inflows of resources with a corresponding reduction in the unrestricted component of net position in the amount of \$5,242,077. The result of this restatement is to reduce total net position of Governmental Activities at June 30, 2014 from \$15,230,879 as originally reported to \$9,988,802 as adjusted for the effects of the change in accounting principle.

**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, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 20,207,241		\$ 20,207,241	\$ 20,207,241	
Interest on Investments	2,000		2,000	9,928	\$ 7,928
Tuition (Pre-K)	20,000		20,000	18,785	(1,215)
Building Rental	102,900		102,900	100,340	(2,560)
Miscellaneous	10,000	-	10,000	54,297	44,297
<b>Total - Local Sources</b>	<b>20,342,141</b>	<b>-</b>	<b>20,342,141</b>	<b>20,390,591</b>	<b>48,450</b>
State Sources					
Special Education Aid	397,703		397,703	397,703	-
Transportation Aid	23,548		23,548	23,548	-
Security Aid	19,204		19,204	19,204	-
Per Pupil Growth Aid	12,380		12,380	12,380	-
PARCC Readiness Aid	12,380		12,380	12,380	-
Extraordinary Aid				267,360	267,360
Nonpublic School Transportation Aid				4,872	4,872
On-behalf TPAF Pension Payments - Pension Contribution (Non-Budget)				442,927	442,927
NCGI Premium (Non-Budget)				31,867	31,867
Post Retirement Medical Benefits (Non-Budget)				753,736	753,736
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	655,001	655,001
<b>Total - State Sources</b>	<b>465,215</b>	<b>-</b>	<b>465,215</b>	<b>2,620,978</b>	<b>2,155,763</b>
<b>Total Revenues</b>	<b>20,807,356</b>	<b>-</b>	<b>20,807,356</b>	<b>23,011,569</b>	<b>2,204,213</b>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES</b>					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	539,310	\$ 1,130	540,440	539,991	449
Grades 1-5	3,478,856	(42,926)	3,435,930	3,430,637	5,293
Grades 6-8	2,579,754	(27,611)	2,552,143	2,543,762	8,381
Instruction - Home					
Salaries of Teachers	3,000	8,558	11,558	9,703	1,855
Purchased Professional - Educational Services	5,500	(1,135)	4,365	572	3,793
<b>Total Instruction - Regular</b>	<b>6,606,420</b>	<b>(61,984)</b>	<b>6,544,436</b>	<b>6,524,665</b>	<b>19,771</b>
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	130,000	34,000	164,000	155,016	8,984
Other Purchased Services	129,259	45,349	174,608	161,806	12,802
General Supplies	323,123	2,767	325,890	221,063	104,827
Textbooks	17,157	(638)	16,519	10,642	5,877
Other Objects	1,500	-	1,500	537	963
<b>Total Regular Programs</b>	<b>601,039</b>	<b>81,478</b>	<b>682,517</b>	<b>549,064</b>	<b>133,453</b>

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Resource Room					
Salaries of Teachers	\$ 602,036	\$ (9,926)	\$ 592,110	\$ 588,116	\$ 3,994
Purchased Professional-Educational Services	3,000	7,583	10,583	10,132	451
General Supplies	1,500	(3)	1,497	1,030	467
Textbooks	500	3	503	503	-
Total Resource Room	<u>607,036</u>	<u>(2,343)</u>	<u>604,693</u>	<u>599,781</u>	<u>4,912</u>
Preschool Disabilities - Part Time					
Salaries of Teachers	99,945	(34,513)	65,432	65,296	136
Other Salaries for Instruction	29,302	7,633	36,935	17,567	19,368
Purchased Professional - Educational Services	1,000	2,500	3,500	1,519	1,981
General Supplies	1,233	-	1,233	1,233	-
Total Preschool Disabilities - Part Time	<u>131,480</u>	<u>(24,380)</u>	<u>107,100</u>	<u>85,615</u>	<u>21,485</u>
Total Special Education	<u>738,516</u>	<u>(26,723)</u>	<u>711,793</u>	<u>685,396</u>	<u>26,397</u>
Basic Skills/Remedial					
Salaries of Teachers	351,827	18,102	369,929	363,280	6,649
Purchased Professional - Educational Services	2,000	2,000	4,000	3,367	633
General Supplies	760	-	760	-	760
Textbooks	500	788	1,288	1,259	29
Total Basic Skills/Remedial	<u>355,087</u>	<u>20,890</u>	<u>375,977</u>	<u>367,906</u>	<u>8,071</u>
Bilingual Education					
Salaries of Teachers	99,795	3	99,798	99,796	2
Purchased Professional - Educational Services	4,000	1,000	5,000	508	4,492
General Supplies	160	60	220	150	70
Total Bilingual Education	<u>103,955</u>	<u>1,063</u>	<u>105,018</u>	<u>100,454</u>	<u>4,564</u>
School Sponsored Co/Extra Curricular Activities					
Salaries	59,066	6,624	65,690	62,992	2,698
Total School Sponsored Co/Extra Curricular Activities	<u>59,066</u>	<u>6,624</u>	<u>65,690</u>	<u>62,992</u>	<u>2,698</u>
School Sponsored Athletics - Instruction					
Salaries	51,783	2,202	53,985	51,933	2,052
Purchased Services	4,500	1,432	5,932	5,932	-
Supplies and Materials	2,724	(477)	2,247	2,247	-
Total School Sponsored Athletics - Instruction	<u>59,007</u>	<u>3,157</u>	<u>62,164</u>	<u>60,112</u>	<u>2,052</u>
Total - Instruction	<u>8,523,090</u>	<u>24,505</u>	<u>8,547,595</u>	<u>8,350,589</u>	<u>197,006</u>

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Special	\$ 717,326	\$ 139,469	\$ 856,795	\$ 844,518	\$ 12,277
Tuition to Private School Disabled - Within State	670,490	65,856	736,346	722,669	13,677
Total Undistributed Expenditures - Instruction	1,387,816	205,325	1,593,141	1,567,187	25,954
Attendance and Social Work Services					
Salaries	65,428	-	65,428	64,903	525
Other Purchased Services	10,680	710	11,390	11,389	1
Total Attendance and Social Work Services	76,108	710	76,818	76,292	526
Health Services					
Salaries	209,319	5,700	215,019	214,488	531
Purchased Professional and Technical Services	18,600	4,800	23,400	4,575	18,825
Other Purchased Services	-	7,080	7,080	3,540	3,540
Supplies and Materials	1,218	7,389	8,607	8,103	504
Total Health Services	229,137	24,969	254,106	230,706	23,400
Speech, OT, PT & Related Services					
Salaries	168,690	-	168,690	167,912	778
Purchased Professional - Educational Services	224,473	(60,396)	164,077	121,739	42,338
Supplies and Materials	2,550	(200)	2,350	1,839	511
Total Speech, OT, PT and Related Services	395,713	(60,596)	335,117	291,490	43,627
Other Support Services - Students - Extra. Service					
Salaries	480,287	(28,778)	451,509	428,906	22,603
Purchased Professional - Educational Services	5,000	7,289	12,289	3,597	8,692
Supplies and Materials	2,100	(1,000)	1,100	-	1,100
Total Other Support Svcs.-Students-Extra. Service.	487,387	(22,489)	464,898	432,503	32,395
Guidance					
Salaries of Other Professional Staff	308,514	2,553	311,067	311,066	1
Purchased Professional - Educational Services	800	(800)	-	-	-
Other Purchased Professional & Technical Services	5,000	-	5,000	3,159	1,841
Other Purchased Services	-	24,783	24,783	24,782	1
Supplies and Materials	6,290	(1,368)	4,922	2,514	2,408
Total Guidance	320,604	25,168	345,772	341,521	4,251
Child Study Team					
Salaries of Other Professional Staff	399,496	(6,685)	392,811	391,903	908
Salaries of Secretarial and Clerical Assistants	61,625	-	61,625	60,625	1,000
Purchased Professional-Educational Services	12,500	(4,032)	8,468	6,587	1,881
Other Purchased Prof. and Technical Services	75,000	-	75,000	57,923	17,077
Other Purchased Services	7,877	-	7,877	4,855	3,022
Miscellaneous Purchased Services (O/than Resid. Costs)	13,237	(45)	13,192	12,703	489
Supplies and Materials	5,000	1,582	6,582	6,558	24
Other Objects	200	45	245	245	-
Total Child Study Team	574,935	(9,135)	565,800	541,399	24,401



**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Improvement of Inst. Serv.					
Salaries of Other Professional Staff	\$ 129,330	-	\$ 129,330	\$ 124,051	\$ 5,279
Purchased Professional-Educational Services	28,000	-	28,000	22,603	5,397
Supplies and Materials	2,000	-	2,000	191	1,809
	<u>159,330</u>	<u>-</u>	<u>159,330</u>	<u>146,845</u>	<u>12,485</u>
Educational Media Services/School Library					
Salaries	189,410	\$ 432	189,842	188,382	1,460
Other Purchased Services	21,364	(6,768)	14,596	12,785	1,811
Supplies and Materials	8,197	-	8,197	7,401	796
Other Objects	500	200	700	-	700
	<u>219,471</u>	<u>(6,136)</u>	<u>213,335</u>	<u>208,568</u>	<u>4,767</u>
Instructional Staff Training Services					
Other Salaries	1,750	(1,270)	480	-	480
Purchased Professional - Educational Services	500	(100)	400	-	400
Other Purchased Prof and Tech Services	8,000	-	8,000	4,704	3,296
Other Purchased Services	10,750	(1,741)	9,009	4,560	4,449
Supplies and Materials	-	920	920	920	-
Other Objects	-	100	100	100	-
	<u>21,000</u>	<u>(2,091)</u>	<u>18,909</u>	<u>10,284</u>	<u>8,625</u>
Support Services General Administration					
Salaries	238,563	421	238,984	238,908	76
Legal Services	31,000	63,590	94,590	64,438	30,152
Audit Fees	23,000	57,000	80,000	25,386	54,614
Architectural/Engineering Services	10,000	-	10,000	-	10,000
Other Purchased Professional Services	13,000	13,449	26,449	15,920	10,529
Communications/Telephone	53,500	-	53,500	45,801	7,699
BOE Other Purchased Services	5,000	6,000	11,000	6,089	4,911
Miscellaneous Purchased Services (Other)	64,700	(7,390)	57,310	47,549	9,761
General Supplies	10,000	(5,000)	5,000	4,754	246
Judgements Against the School	62,000	(61,720)	280	213	67
BOE Membership Dues and Fees	12,550	(1,000)	11,550	9,473	2,077
Miscellaneous Expenditures	14,475	(4,000)	10,475	6,287	4,188
	<u>537,788</u>	<u>61,350</u>	<u>599,138</u>	<u>464,818</u>	<u>134,320</u>
Support Services School Administration					
Salaries of Principals/Asst. Principals	514,492	8,217	522,709	489,047	33,662
Salaries of Other Professional Staff	26,138	-	26,138	26,138	-
Salaries of Secretarial and Clerical Assistants	222,653	(3,746)	218,907	217,627	1,280
Other Purchased Services	20,781	(947)	19,834	16,404	3,430
Supplies and Materials	11,722	957	12,679	8,911	3,768
Other Objects	10,490	(351)	10,139	9,138	1,001
	<u>806,276</u>	<u>4,130</u>	<u>810,406</u>	<u>767,265</u>	<u>43,141</u>

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Central Services					
Salaries	\$ 396,600	\$ (9,138)	\$ 387,462	\$ 370,607	\$ 16,855
Purchased Professional Services	2,000	3,450	5,450	3,550	1,900
Purchased Technical Services	12,794	5,120	17,914	15,627	2,287
Misc. Purchased Services	19,841	3,079	22,920	19,636	3,284
Supplies and Materials	5,000	17,443	22,443	22,349	94
Interest on Lease Purchase Agreements	5,941	4	5,945	5,945	-
Miscellaneous Expenditures	4,300	(4)	4,296	1,779	2,517
Total Central Services	<u>446,476</u>	<u>19,954</u>	<u>466,430</u>	<u>439,493</u>	<u>26,937</u>
Admin. Info. Tech.					
Salaries	236,885	5,555	242,440	242,278	162
Purchased Professional Services	19,315	25,372	44,687	44,021	666
Purchased Technical Services	31,141	7,280	38,421	36,902	1,519
Other Purchased Services	5,500	5,039	10,539	6,949	3,590
Supplies and Materials	34,349	39,403	73,752	73,054	698
Other Objects	19,748	(11,000)	8,748	4,281	4,467
Total Admin. Info. Tech.	<u>346,938</u>	<u>71,649</u>	<u>418,587</u>	<u>407,485</u>	<u>11,102</u>
Required Maintenance for School Facilities					
Salaries	121,498	1,050	122,548	121,285	1,263
Cleaning, Repair and Maintenance Service	111,400	54,502	165,902	101,494	64,408
General Supplies	30,000	4,771	34,771	32,205	2,566
Total Required Maintenance for School Facilities	<u>262,898</u>	<u>60,323</u>	<u>323,221</u>	<u>254,984</u>	<u>68,237</u>
Custodial Services					
Salaries	780,961	(10,932)	770,029	753,313	16,716
Salaries of Non-Instructional Aides	40,931	16,314	57,245	53,253	3,992
Purchased Professional and Technical Services	28,800	(1,910)	26,890	13,757	13,133
Cleaning, Repair, Maintenance	104,599	64,399	168,998	117,753	51,245
Rental of Land & Bldg. Other Than Leas Purchase Agree.	500	300	800	750	50
Other Purchased Property	18,250	716	18,966	18,946	20
Insurance	136,763	(12,689)	124,074	124,074	-
Miscellaneous Purchased Services	8,800	9,765	18,565	12,670	5,895
General Supplies	103,457	41,933	145,390	92,313	53,077
Energy (Natural Gas)	128,000	(9,320)	118,680	63,771	54,909
Energy (Electricity)	300,000	-	300,000	238,746	61,254
Other Objects	9,500	(500)	9,000	6,918	2,082
Total Custodial Services	<u>1,660,561</u>	<u>98,076</u>	<u>1,758,637</u>	<u>1,496,264</u>	<u>262,373</u>
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Service	18,000	921	18,921	3,639	15,282
General Supplies	12,000	(921)	11,079	3,653	7,426
Total Care and Upkeep of Grounds	<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>7,292</u>	<u>22,708</u>

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Security					
Purchased Professional and Technical Services	\$ 19,800	\$ 39,279	\$ 59,079	\$ 59,079	-
Cleaning, Repair and Maintenance Service	12,600	(4,914)	7,686	-	\$ 7,686
General Supplies	600	17,426	18,026	18,021	5
Total Security	<u>33,000</u>	<u>51,791</u>	<u>84,791</u>	<u>77,100</u>	<u>7,691</u>
Student Transportation Services					
Contracted Services-Aid in Lieu of Pymts-Non-Public Schools	35,000	(7,409)	27,591	25,667	1,924
Contracted Services (Between Home and School) - Vendors	167,870	(28,588)	139,282	138,977	305
Contracted Services (Other Than Between Home and School) - Vendors	25,810	(1,586)	24,224	19,769	4,455
Contracted Services (Spec. Ed. Students) - Joint Agreement	305,000	-	305,000	251,362	53,638
Total Student Transportation Services	<u>533,680</u>	<u>(37,583)</u>	<u>496,097</u>	<u>435,775</u>	<u>60,322</u>
Employee Benefits - Unallocated					
Social Security Contributions	210,000	32,258	242,258	240,392	1,866
Other Retirement Contributions - PERS	274,879	(47,991)	226,888	226,888	-
Other Retirement Contributions - Regular	7,500	10,716	18,216	17,711	505
Unemployment Insurance	60,178	-	60,178	60,178	-
Workmen's Compensation	156,668	(53,976)	102,692	102,692	-
Health Benefits	2,867,420	(104,107)	2,763,313	2,330,278	433,035
Tuition Reimbursement	22,900	3,000	25,900	15,880	10,020
Other Employee Benefits	31,800	44,824	76,624	74,594	2,030
Total Employee Benefits - Unallocated	<u>3,631,345</u>	<u>(115,276)</u>	<u>3,516,069</u>	<u>3,068,613</u>	<u>447,456</u>
On-behalf TPAF Pension Payments -					
Pension Contribution				442,927	(442,927)
NCGI Premium (Non-Budget)				31,867	(31,867)
Post Retirement Medical Benefits (Non-Budget)				753,736	(753,736)
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	655,001	(655,001)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,883,531</u>	<u>(1,883,531)</u>
Total Undistributed Expenditures	<u>12,160,463</u>	<u>370,139</u>	<u>12,530,602</u>	<u>13,149,415</u>	<u>(618,813)</u>
Total Current Expenditures	<u>20,683,553</u>	<u>394,644</u>	<u>21,078,197</u>	<u>21,500,004</u>	<u>(421,807)</u>

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
<b>CAPITAL OUTLAY</b>					
Increase in Capital Reserve	\$ 100,000		\$ 100,000		\$ 100,000
Interest Deposit To Capital Reserve	2,000		2,000		2,000
Equipment					
Instruction		\$ 7,105	7,105	\$ 7,085	20
General Administration		2,687	2,687	2,687	
School Administration		6,653	6,653	6,652	1
Central Services		7,017	7,017	3,451	3,566
Admin. Info. Tech.	-	44,700	44,700	44,525	175
Total Undistributed Expenditures - Instruction	<u>102,000</u>	<u>68,162</u>	<u>170,162</u>	<u>64,400</u>	<u>105,762</u>
Total Equipment	<u>102,000</u>	<u>68,162</u>	<u>170,162</u>	<u>64,400</u>	<u>105,762</u>
Facilities Acquisition and Construction Services					
Construction Services	155,000	82,639	237,639	49,339	188,300
Other Purchased Professional and Technical Services	20,000	4,710	24,710	18,190	6,520
Lease Purchase Agreements - Principal	73,642	93	73,735	73,735	-
Assessment for Debt Service on SDA Funding	50,531	-	50,531	50,531	-
Total Facilities Acquisition and Construction Svcs.	<u>299,173</u>	<u>87,442</u>	<u>386,615</u>	<u>191,795</u>	<u>194,820</u>
Total Capital Outlay	<u>401,173</u>	<u>155,604</u>	<u>556,777</u>	<u>256,195</u>	<u>300,582</u>
Total Expenditures - General Fund	<u>21,084,726</u>	<u>550,248</u>	<u>21,634,974</u>	<u>21,756,199</u>	<u>(121,225)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(277,370)</u>	<u>(550,248)</u>	<u>(827,618)</u>	<u>1,255,370</u>	<u>2,082,988</u>
Other Financing Sources/(Uses) Operating Transfer In	<u>-</u>	<u>-</u>	<u>-</u>	<u>528</u>	<u>528</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>528</u>	<u>528</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources	<u>(277,370)</u>	<u>(550,248)</u>	<u>(827,618)</u>	<u>1,255,898</u>	<u>2,083,516</u>
Fund Balances, Beginning of Year	<u>2,711,426</u>	<u>-</u>	<u>2,711,426</u>	<u>2,711,426</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 2,434,056</u>	<u>\$ (550,248)</u>	<u>\$ 1,883,808</u>	<u>\$ 3,967,324</u>	<u>\$ 2,083,516</u>

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final To Actual</b>
<b>Recapitulation</b>					
Restricted Fund Balance:					
Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 399,563	
Excess Surplus				639,494	
Capital Reserve				2,008,582	
Maintenance Reserve				250,000	
Unassigned Fund Balance				669,685	
				3,967,324	
Reconciliation to Governmental Funds Statements (GAAP)					
State Aid Public			\$ 40,570		
Extraordinary Aid Payment			267,360		
				307,930	
Fund Balances Per Governmental Funds (GAAP)				\$ 3,659,394	

**RIVER VALE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance Final to Actual</u>
	<u>Original</u>	<u>Adjustments</u>	<u>Final</u>		
<b>REVENUES</b>					
Intergovernmental					
Local		\$ 56,829	\$ 56,829	\$ 9,261	\$ (47,568)
Federal	\$ 286,076	89,806	375,882	328,343	(47,539)
Total Revenues	286,076	146,635	432,711	337,604	(95,107)
<b>EXPENDITURES</b>					
Instruction					
Salaries & Benefits	-	8,000	8,000	8,000	-
Purchased Professional/Educational Services	209,656	72,743	282,399	264,529	17,870
Tuition	53,149	16,587	69,736	40,000	29,736
General Supplies	-	955	955	955	-
Total Instruction	262,805	98,285	361,090	313,484	47,606
Support Services					
Personal Services - Employee Benefits	-	306	306	306	-
Purchased Professional/Education Services	9,500	2,500	12,000	12,165	(165)
General Supplies	13,771	(2,024)	11,747	11,649	98
Total Support Services	23,271	782	24,053	24,120	(67)
Facilities Acquisition and Construction Services					
Construction	-	47,568	47,568	-	47,568
Total Facilities Acquisition and Construction	-	47,568	47,568	-	47,568
Total Expenditures	286,076	146,635	432,711	337,604	95,107
Excess Revenues Over Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

**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, 2015**

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1) \$ 23,011,569	(C-2) \$ 337,604
Difference - Budget to GAAP		
State Aid payment and Extraordinary Aid (2013/2014) recognized for GAAP statements, not recognized for budgetary statements	262,894	
State Aid payments and Extraordinary Aid (2014/2015) recognized for budgetary purposes, not recognized for GAAP statements	<u>(307,930)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures	(B-2) \$ <u>22,966,533</u>	(B-2) \$ <u>337,604</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ <u>21,756,199</u>	(C-2) \$ <u>337,604</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>21,756,199</u>	(B-2) \$ <u>337,604</u>



**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**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 Two Fiscal Years\***

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.02752%	0.02743%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 5,152,885	\$ 5,242,077
District's Covered-Employee Payroll	\$ 1,836,183	\$ 1,882,947
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	280.63%	278.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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 Two Fiscal Years

	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 226,888	\$ 206,666
Contributions in Relation to the Contractually Required Contribution	<u>226,888</u>	<u>206,666</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$1,836,183	\$1,882,947
Contributions as a Percentage of Covered-Employee Payroll	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 Two Fiscal Years\***

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	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>\$ 51,226,575</u>	<u>\$ 49,439,450</u>
Total	<u>\$ 51,226,575</u>	<u>\$ 49,439,450</u>
District's Covered-Employee Payroll	\$ 9,186,308	\$ 8,961,183
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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, 2015**

**Change of Benefit Terms:**           None.

**Change of Assumptions:**        The discount rate changed from the District's rate as of June 30, 2014 to the District's rate as of June 30, 2015, in accordance with GASB Statement No. 67.

**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, 2015**

	<u>Actuarial Grant</u>	<u>Amerigroup Grant</u>	<u>Italian Grant</u>	<u>IDEA Part B- Basic</u>	<u>IDEA Preschool</u>	<u>NCLB Title II</u>	<u>Total</u>
<b>REVENUES</b>							
Intergovernmental							
Local	\$ 4,761	\$ 500	\$ 4,000				\$ 9,261
Federal	-	-	-	\$ 307,596	\$ -	\$ 20,747	\$ 328,343
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	<u>\$ 4,761</u>	<u>\$ 500</u>	<u>\$ 4,000</u>	<u>\$ 307,596</u>	<u>\$ -</u>	<u>\$ 20,747</u>	<u>\$ 337,604</u>
<b>EXPENDITURES</b>							
Instruction							
Salaries & Benefits	\$ 4,000		\$ 4,000				\$ 8,000
Purchased Professional & Ed Svcs.				\$ 264,529			264,529
Tuition				40,000			40,000
General Supplies	455	\$ 500	-	-	\$ -	-	955
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Instruction	<u>4,455</u>	<u>500</u>	<u>4,000</u>	<u>304,529</u>	<u>-</u>	<u>-</u>	<u>313,484</u>
Support Services							
Personal Services - Employee Benefits	306						306
Purchased Professional Educational Svcs.						\$ 12,165	12,165
General Supplies	-	-	-	3,067	-	8,582	11,649
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Support Services	<u>306</u>	<u>-</u>	<u>-</u>	<u>3,067</u>	<u>-</u>	<u>20,747</u>	<u>24,120</u>
Facilities Acquisition and Construction Services							
Construction	-	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Facilities Acquisition and Construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>\$ 4,761</u>	<u>\$ 500</u>	<u>\$ 4,000</u>	<u>\$ 307,596</u>	<u>\$ -</u>	<u>\$ 20,747</u>	<u>\$ 337,604</u>



**RIVER VALE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
PRESCHOOL PROGRAM AID  
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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, 2015**

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures</u>		<u>Prior Year Adjustments</u>	<u>Balance June 30, 2015</u>
		<u>Prior Years</u>	<u>To Date Current Year</u>		
Facilities Acquisitions and Construction Services at Holdrum, Woodside and Roberge Schools*	\$ 19,750,000	\$19,651,090	\$ -	\$ (6,000)	\$ 104,910
Information Technology Project	296,573	70,782	119,791		106,000
Boiler Project	380,000	362,777			17,223
Roberge Roof Replacement, except over gym	784,700	40,820	535,750		208,130
Roberge Upgrade 2 Gang Bathrooms and 2 Staff Bathrooms	292,200	14,830	224,575	-	52,795
<b>Total</b>	<b>\$ 21,503,473</b>	<b>\$20,140,299</b>	<b>\$ 880,116</b>	<b>\$ (6,000)</b>	<b>\$ 489,058</b>
Project Balances, June 30, 2015					\$ 489,058
Less: Unrealized Local Match					(158,160)
Debt Authorized But Not Issued					(948)
Fund Balance, Budgetary Basis					<u>\$ 329,950</u>
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>					
Fund Balance, Budgetary Basis					\$ 329,950
Less: Unearned Revenue - SDA Grants					(104,370)
Fund Balance Per Governmental Funds (GAAP)					<u>\$ 225,580</u>
Analysis of Restricted Fund Balance					
Restricted Fund Balance					<u>\$ 225,580</u>
Fund Balance Per Governmental Funds (GAAP)					<u>\$ 225,580</u>

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

**RIVER VALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Revenues and Other Financing Sources**

Interest	\$ <u>528</u>
Total Revenues	<u>528</u>

**Expenditures and Other Financing Uses**

Professional Services	19,055
Construction Services	861,061
Transfer Out to General Fund	<u>528</u>

Total Expenditures	<u>880,644</u>
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Excess (Deficiency) of Revenue and Other Financing Sources and (Uses) Over/(Under) Expenditures and Other Financing Uses	(880,116)
-----------------------------------------------------------------------------------------------------------------------------	-----------

Fund Balance, Beginning of Year	<u>1,210,066</u>
---------------------------------	------------------

Fund Balance, End of Year	<u>\$ 329,950</u>
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**RIVER VALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS  
IMPROVEMENTS TO THE MIDDLE SCHOOL AND ELEMENTARY SCHOOLS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Prior Year Adjustments</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>					
State Sources - SCC Grants	\$ 6,115,052			\$ 6,115,052	\$ 6,115,052
Bond Proceeds and Transfers	12,834,000			12,834,000	12,834,948
Transfer from Capital Reserve	800,000			800,000	800,000
	<u>19,749,052</u>	<u>-</u>	<u>-</u>	<u>19,749,052</u>	<u>19,750,000</u>
<b>Expenditures and Other Financing Uses</b>					
Construction Services	19,651,090	-	\$ (6,000)	19,645,090	19,750,000
Equipment Purchases					
	<u>19,651,090</u>	<u>-</u>	<u>(6,000)</u>	<u>19,645,090</u>	<u>19,750,000</u>
Excess (deficiency) or Revenues over (under) Expenditures	<u>\$ 97,962</u>	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ 103,962</u>	<u>\$ -</u>

**Additional project information:**

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

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

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

**RIVER VALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS  
INFORMATION TECHNOLOGY PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Adjustments</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>					
Lease Proceeds	\$ 296,573			\$ 296,573	\$ 296,573
Total Revenues	296,573	-	-	296,573	296,573
<b>Expenditures and Other Financing Uses</b>					
Construction Services	70,782	\$ 119,791		190,573	296,573
Total Expenditures	70,782	119,791	-	190,573	296,573
Excess (deficiency) or Revenues over (under) Expenditures	<u>\$ 225,791</u>	<u>\$ (119,791)</u>	<u>\$ -</u>	<u>\$ 106,000</u>	<u>\$ -</u>
<b>Additional project information:</b>					
Project Number	N/A				
Grant Date	N/A				
Bond Authorization Date	N/A				
Bonds Authorized	N/A				
Bonds Issued	N/A				
Original Authorized Cost	296,573				
Additional Authorized Cost	-				
Revised Authorized Cost	296,573				
Percentage Increase over Original Authorized Cost	0.00%				
Percentage completion	64.00%				
Original target completion date	June 2014				
Revised target completion date	June 2016				

**RIVER VALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS  
BOILER REPLACEMENT PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Adjustments</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>					
Lease Proceeds	\$ 380,000	_____	_____	\$ 380,000	\$ 380,000
Total Revenues	<u>380,000</u>	<u>-</u>	<u>-</u>	<u>380,000</u>	<u>380,000</u>
<b>Expenditures and Other Financing Uses</b>					
Construction Services	<u>362,777</u>	_____	_____	<u>362,777</u>	<u>380,000</u>
Total Expenditures	<u>362,777</u>	<u>-</u>	<u>-</u>	<u>362,777</u>	<u>380,000</u>
Excess (deficiency) or Revenues over (under) Expenditures	<u>\$ 17,223</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,223</u>	<u>\$ -</u>
<b>Additional project information:</b>					
Project Number	N/A				
Grant Date	N/A				
Bond Authorization Date	N/A				
Bonds Authorized	N/A				
Bonds Issued	N/A				
Original Authorized Cost	380,000				
Additional Authorized Cost	-				
Revised Authorized Cost	380,000				
Percentage Increase over Original Authorized Cost	0.00%				
Percentage completion	100.00%				
Original target completion date	June 2014				
Revised target completion date	June 2015				

**RIVER VALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS  
ROBERGE ELEMENTARY SCHOOL ROOF REPLACEMENT, EXCEPT OVER GYM  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Adjustments</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>					
SDA Grant Proceeds	\$ 313,880			\$ 313,880	\$ 313,880
Transfer from Capital Outlay	345,540			345,540	470,820
<b>Total Revenues</b>	<b>659,420</b>	<b>-</b>	<b>-</b>	<b>659,420</b>	<b>784,700</b>
<b>Expenditures and Other Financing Uses</b>					
Professional Services	40,820	\$ 10,880		51,700	51,700
Construction Services	-	524,870		524,870	733,000
<b>Total Expenditures</b>	<b>40,820</b>	<b>535,750</b>	<b>-</b>	<b>576,570</b>	<b>784,700</b>
Excess (deficiency) or Revenues over (under) Expenditures	\$ 618,600	\$ (535,750)	\$ -	\$ 82,850	\$ -

**Additional project information:**

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

Grant Date                       3/5/2014  
 Bond Authorization Date       N/A  
 Bonds Authorized               N/A  
 Bonds Issued                    N/A  
 Original Authorized Cost       784,700  
 Additional Authorized Cost     -  
 Revised Authorized Cost        784,700

## Percentage Increase over Original

Authorized Cost                   0.00%  
 Percentage completion           100.00%  
 Original target completion date   Dec 2014  
 Revised target completion date   2015/2016



**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, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Adjustments</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>					
SDA Grant Proceeds	\$ 116,880			\$ 116,880	\$ 116,880
Transfer from Capital Outlay	142,440			142,440	175,320
<b>Total Revenues</b>	<b>259,320</b>	<b>-</b>	<b>-</b>	<b>259,320</b>	<b>292,200</b>
<b>Expenditures and Other Financing Uses</b>					
Professional Services	14,830	\$ 8,175		23,005	19,450
Construction Services	-	216,400		216,400	272,750
<b>Total Expenditures</b>	<b>14,830</b>	<b>224,575</b>	<b>-</b>	<b>239,405</b>	<b>292,200</b>
Excess (deficiency) or Revenues over (under) Expenditures	<u>\$ 244,490</u>	<u>\$ (224,575)</u>	<u>\$ -</u>	<u>\$ 19,915</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  
 Additional Authorized Cost         -  
 Revised Authorized Cost            292,200

Percentage Increase over Original  
 Authorized Cost                    0.00%  
 Percentage completion            100.00%  
 Original target completion date    Dec 2014  
 Revised target completion date    June 2015

**PROPRIETARY FUNDS**

**RIVERVALE BOARD OF EDUCATION  
ENTERPRISE FUND  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2015**

**NOT APPLICABLE**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOT APPLICABLE**

**STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOT APPLICABLE**

**FIDUCIARY FUNDS**

**RIVER VALE BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING SCHEDULE OF AGENCY ASSETS AND LIABILITIES  
AS OF JUNE 30, 2015**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 116,314	\$ 103,631	\$ 219,945
Total Assets	<u>\$ 116,314</u>	<u>\$ 103,631</u>	<u>\$ 219,945</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 8,861	\$ 8,861
Accrued Salaries and Wages		2,538	2,538
Flex Spending Benefits		5,553	5,553
Due to State of New Jersey		86,679	86,679
Due to Student Groups	<u>\$ 116,314</u>	<u>-</u>	<u>116,314</u>
Total Liabilities	<u>\$ 116,314</u>	<u>\$ 103,631</u>	<u>\$ 219,945</u>

**FIDUCIARY FUNDS  
COMBINING SCHEDULE OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOT APPLICABLE

**RIVER VALE BOARD OF EDUCATION  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Balance, July 1, <u>2014</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2015</u></b>
<b>SCHOOLS</b>				
Roberge Elementary	\$ 14,683	\$ 19,075	\$ 16,647	\$ 17,111
Woodside Elementary	11,866	18,463	15,811	14,518
Holdrum Middle School	<u>80,274</u>	<u>145,006</u>	<u>140,595</u>	<u>84,685</u>
Total All Schools	<u>\$ 106,823</u>	<u>\$ 182,544</u>	<u>\$ 173,053</u>	<u>\$ 116,314</u>

**PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Balance, July 1, <u>2014</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2015</u></b>
Payroll Deductions and Withholdings	\$ 5,866	\$ 13,471,429	\$ 13,468,434	\$ 8,861
Accrued Salaries and Wages	2,401	7,497,465	7,497,328	2,538
Flex Spending Benefits	357	13,315	8,119	5,553
Due to State of New Jersey	<u>87,974</u>	<u>86,679</u>	<u>87,974</u>	<u>86,679</u>
Total	<u>\$ 96,598</u>	<u>\$ 21,068,888</u>	<u>\$ 21,061,855</u>	<u>\$ 103,631</u>

**LONG-TERM DEBT**

**RIVER VALE BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<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, 2014</u>	<u>Decreased</u>	<u>Balance, June 30, 2015</u>
School District Refunding Bonds - 2009	2/25/2010	\$ 7,080,000	9/15/2015	790,000	4.00	%			
			9/15/2016	805,000	4.00				
			9/15/2017	470,000	4.00				
			9/15/2017	330,000	3.50				
			9/15/2018	800,000	4.00				
			9/15/2019	355,000	4.50				
			9/15/2019	440,000	3.50				
			9/15/2020	790,000	4.50				
							\$ 5,545,000	\$ 765,000	\$ 4,780,000
							<u>\$ 5,545,000</u>	<u>\$ 765,000</u>	<u>\$ 4,780,000</u>



**RIVER VALE BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Description</u>	<u>Interest Rate</u>	<u>Amount of Original Obligation</u>	<u>Balance, July 1, 2014</u>	<u>Retired</u>	<u>Balance, June 30, 2015</u>
Information Technology	1.070%	\$ 296,573	\$ 196,834	\$ 97,893	\$ 98,941
Boiler Project	1.220%	380,000	<u>300,381</u>	<u>73,735</u>	<u>226,646</u>
Total			<u>\$ 497,215</u>	<u>\$ 171,628</u>	<u>\$ 325,587</u>

**RIVER VALE BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Property Tax Levy	\$ 968,594	-	\$ 968,594	\$ 968,594	-
Total Revenues	<u>968,594</u>	<u>-</u>	<u>968,594</u>	<u>968,594</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	765,000		765,000	765,000	
Interest	<u>203,594</u>	-	<u>203,594</u>	<u>203,594</u>	-
Total Expenditures	<u>968,594</u>	<u>-</u>	<u>968,594</u>	<u>968,594</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)*

	2006	2007	2008	2009	Fiscal Year Ended June 30,		2012	2013	2014	2015
					2010	2011			(Restated)	
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 10,263,055	\$ 10,454,235	\$ 10,920,772	\$ 11,300,821	\$ 11,562,104	\$ 12,298,108	\$ 13,128,780	\$ 11,598,974	\$ 13,275,640	\$ 13,584,567
Restricted	205,507	211,903	219,144	221,823	235,897	224,076	716,927	641,463	1,055,866	2,484,162
Unrestricted	337,990	412,966	318,313	161,187	208,646	510,526	712,521	1,921,197	(4,342,704)	(4,364,121)
<b>Total Governmental Activities Net Position</b>	<b>\$ 10,806,552</b>	<b>\$ 11,079,104</b>	<b>\$ 11,458,229</b>	<b>\$ 11,683,831</b>	<b>\$ 12,006,647</b>	<b>\$ 13,032,710</b>	<b>\$ 14,558,228</b>	<b>\$ 14,161,634</b>	<b>\$ 9,988,802</b>	<b>\$ 11,704,608</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 4,163	\$ 3,732	\$ 3,301	\$ 2,870	\$ 2,439	\$ 2,049	\$ 1,659	\$ 1,270	\$ 880	\$ 491
Restricted										
Unrestricted	9,252	29,808	76,094	99,481	101,100	171,329	146,758	6,350	5,515	6,825
<b>Total Business-Type Activities Net Position</b>	<b>\$ 13,415</b>	<b>\$ 33,540</b>	<b>\$ 79,395</b>	<b>\$ 102,351</b>	<b>\$ 103,539</b>	<b>\$ 173,378</b>	<b>\$ 148,417</b>	<b>\$ 7,620</b>	<b>\$ 6,395</b>	<b>\$ 7,316</b>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 10,267,218	\$ 10,457,967	\$ 10,924,073	\$ 11,303,691	\$ 11,564,543	\$ 12,300,157	\$ 13,130,439	\$ 11,600,244	\$ 13,276,520	\$ 13,585,058
Restricted	205,507	211,903	219,144	221,823	235,897	224,076	716,927	641,463	1,055,866	2,484,162
Unrestricted	347,242	442,774	394,407	260,668	309,746	681,855	859,279	1,927,547	(4,337,189)	(4,357,296)
<b>Total District Net Position</b>	<b>\$ 10,819,967</b>	<b>\$ 11,112,644</b>	<b>\$ 11,537,624</b>	<b>\$ 11,786,182</b>	<b>\$ 12,110,186</b>	<b>\$ 13,206,088</b>	<b>\$ 14,706,645</b>	<b>\$ 14,169,254</b>	<b>\$ 9,995,197</b>	<b>\$ 11,711,924</b>

Note 1 - Net Position at June 30, 2012 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)*

	2006	2007	2008	2009	Fiscal Year Ended June 30,		2012	2013	2014	2015
					2010	2011				
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 8,662,658	\$ 9,485,795	\$ 9,562,717	\$ 9,244,287	\$ 9,676,884	\$ 9,737,441	\$ 9,833,606	\$ 10,096,119	\$ 10,345,903	\$ 12,155,828
Special Education	1,319,651	1,673,647	1,903,183	1,857,575	2,333,154	2,129,638	2,230,343	2,231,290	2,573,541	3,012,413
Other Instruction	518,550	549,047	571,252	469,976	538,942	543,070	677,912	672,031	619,745	777,249
School Sponsored Activities and Athletics	118,763	128,705	131,806	136,354	137,292	111,249	120,488	124,146	136,012	165,731
<b>Support Services:</b>										
Student & Instruction Related Services	1,631,621	1,766,408	1,914,871	1,861,330	1,867,320	2,178,179	2,329,447	2,444,437	2,661,439	2,969,688
Attendance and Social Work	80,746	87,303	102,585	152,102	168,345	118,281	113,304	200,410	98,199	95,684
Educational Media/School Library	293,549	317,648	327,141	313,761	336,393	227,370	423,129	297,026	275,962	245,608
School Administrative Services	797,799	924,889	943,170	901,583	951,097	925,318	1,133,352	1,192,633	1,183,983	1,191,048
General Administration	673,008	676,129	615,720	762,636	635,394	691,280	742,344	724,425	619,558	609,048
Central Services	837,282	877,481	892,744	895,645	968,795	1,132,258	1,099,110	1,095,091	1,299,740	1,068,917
Plant Operations and Maintenance	1,789,695	1,915,028	2,092,545	2,074,072	2,148,125	2,046,993	1,965,809	2,078,059	2,275,527	2,220,141
Pupil Transportation	360,512	376,815	471,600	506,282	531,200	456,736	443,474	397,901	390,519	435,775
Interest on Long-Term Debt	497,049	463,080	457,397	427,156	363,885	289,404	248,380	229,357	211,850	196,130
<b>Total Governmental Activities Expenses</b>	<b>17,580,883</b>	<b>19,241,975</b>	<b>19,986,731</b>	<b>19,602,759</b>	<b>20,656,826</b>	<b>20,587,197</b>	<b>21,360,698</b>	<b>21,782,925</b>	<b>22,691,978</b>	<b>25,143,260</b>
<b>Business-Type Activities:</b>										
Food Service	26,722	19,677	26,967	22,377	35,526	41,891	48,026	22,039	19,770	16,722
Safety Town	2,060	2,404	2,243	2,151	7,856	-	-	-	-	-
Park Academy	234,349	192,961	209,428	219,897	245,975	616,541	7,662	4,899	4,013	2,151
<b>Total Business-Type Activities Expense</b>	<b>263,131</b>	<b>215,042</b>	<b>238,638</b>	<b>244,425</b>	<b>289,357</b>	<b>658,432</b>	<b>55,688</b>	<b>26,938</b>	<b>23,783</b>	<b>18,873</b>
<b>Total District Expenses</b>	<b>\$ 17,844,014</b>	<b>\$ 19,457,017</b>	<b>\$ 20,225,369</b>	<b>\$ 19,847,184</b>	<b>\$ 20,946,183</b>	<b>\$ 21,245,629</b>	<b>\$ 21,416,386</b>	<b>\$ 21,809,863</b>	<b>\$ 22,715,761</b>	<b>\$ 25,162,133</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges for Services:</b>										
Instruction (Tuition)		\$ 15,087	\$ 13,435	\$ 12,794		\$ 17,600	\$ 20,260	\$ 27,350	\$ 17,801	\$ 18,785
Operating Grants and Contributions	\$ 2,184,228	2,824,689	2,956,062	1,946,518	\$ 2,373,202	1,823,995	2,655,210	2,940,129	2,778,294	5,183,923
Capital Grants and Contributions	-	-	-	-	-	-	221,010	100,000	22,260	304,130
<b>Total Governmental Activities Program Revenues</b>	<b>2,184,228</b>	<b>2,839,776</b>	<b>2,969,497</b>	<b>1,959,312</b>	<b>2,373,202</b>	<b>1,841,595</b>	<b>2,896,480</b>	<b>3,067,479</b>	<b>2,818,355</b>	<b>5,506,838</b>

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

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

	2006	2007	2008	2009	Fiscal Year Ended June 30,		2012	2013	2014	2015
					2010	2011				
<b>Business-Type Activities:</b>										
Charges for Services										
Food Service	\$ 20,812	\$ 9,258	\$ 19,260	\$ 17,671	\$ 28,932	\$ 25,835	\$ 19,804	\$ 17,169	\$ 12,666	\$ 11,318
Safety Town	750	2,018	4,250	5,350	2,300					
Park Academy	244,087	209,855	244,670	227,724	246,947	689,928	1,175	7,865	4,013	2,151
Operating Grants and Contributions		11,457	14,076	15,663	11,168	11,028	9,594	8,147	5,793	6,279
<b>Total Business Type Activities Program Revenues</b>	<b>265,649</b>	<b>232,588</b>	<b>282,256</b>	<b>266,408</b>	<b>289,347</b>	<b>726,791</b>	<b>30,573</b>	<b>33,181</b>	<b>22,472</b>	<b>19,748</b>
<b>Total District Program Revenues</b>	<b>\$ 2,449,877</b>	<b>\$ 3,072,364</b>	<b>\$ 3,251,753</b>	<b>\$ 2,225,720</b>	<b>\$ 2,662,549</b>	<b>\$ 2,568,386</b>	<b>\$ 2,927,053</b>	<b>\$ 3,100,660</b>	<b>\$ 2,840,827</b>	<b>\$ 5,526,586</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (15,396,655)	\$ (16,402,199)	\$ (17,017,234)	\$ (17,643,447)	\$ (18,283,624)	\$ (18,745,602)	\$ (18,464,218)	\$ (18,715,446)	\$ (19,873,623)	\$ (19,636,422)
Business-Type Activities	2,518	17,546	43,618	21,983	(10)	68,359	(25,115)	6,243	(1,311)	875
<b>Total district-wide net expense</b>	<b>\$ (15,394,137)</b>	<b>\$ (16,384,653)</b>	<b>\$ (16,973,616)</b>	<b>\$ (17,621,464)</b>	<b>\$ (18,283,634)</b>	<b>\$ (18,677,243)</b>	<b>\$ (18,489,333)</b>	<b>\$ (18,709,203)</b>	<b>\$ (19,874,934)</b>	<b>\$ (19,635,547)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, net	\$ 15,413,445	\$ 16,414,093	\$ 17,151,984	\$ 17,795,531	\$ 18,524,538	\$ 19,525,073	\$ 19,881,917	\$ 20,258,781	\$ 20,804,887	\$ 21,175,835
Unrestricted Grants and Contributions	93,702	93,322	114,890	5,672		3,800				11,300
Donation of Capital Assets										
Consolidated Aid										
Net Gain(Loss) on Contributed Asset				(4,710)		176,827	(1,336)			
Investment Earnings	73,300	131,320	100,886	32,426	18,264	20,188	6,358	14,022	14,063	10,456
Miscellaneous Income	86,057	36,016	28,599	40,130	63,638	45,777	160,702	163,404	123,918	154,637
<b>Total Governmental Activities</b>	<b>15,666,504</b>	<b>16,674,751</b>	<b>17,396,359</b>	<b>17,869,049</b>	<b>18,606,440</b>	<b>19,771,665</b>	<b>20,047,641</b>	<b>20,436,207</b>	<b>20,942,868</b>	<b>21,352,228</b>
Business-Type Activities:										
Transfer to Participating Districts								(147,126)	-	-
Investment Earnings		2,579	2,237	973	1,198	1,480	154	86	86	46
<b>Total Business-Type Activities</b>	<b>-</b>	<b>2,579</b>	<b>2,237</b>	<b>973</b>	<b>1,198</b>	<b>1,480</b>	<b>154</b>	<b>(147,040)</b>	<b>86</b>	<b>46</b>
<b>Total District-Wide</b>	<b>\$ 15,666,504</b>	<b>\$ 16,677,330</b>	<b>\$ 17,398,596</b>	<b>\$ 17,870,022</b>	<b>\$ 18,607,638</b>	<b>\$ 19,773,145</b>	<b>\$ 20,047,795</b>	<b>\$ 20,289,167</b>	<b>\$ 20,942,954</b>	<b>\$ 21,352,274</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 269,849	\$ 272,552	\$ 379,125	\$ 225,602	\$ 322,816	\$ 1,026,063	\$ 1,583,423	\$ 1,720,761	\$ 1,069,245	\$ 1,715,806
Business-Type Activities	2,518	20,125	45,855	22,956	1,188	69,839	(24,961)	(140,797)	(1,225)	921
<b>Total District</b>	<b>\$ 272,367</b>	<b>\$ 292,677</b>	<b>\$ 424,980</b>	<b>\$ 248,558</b>	<b>\$ 324,004</b>	<b>\$ 1,095,902</b>	<b>\$ 1,558,462</b>	<b>\$ 1,579,964</b>	<b>\$ 1,068,020</b>	<b>\$ 1,716,727</b>

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

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 864,009	\$ 879,700	\$ 783,312	\$ 812,576	\$ 923,012					
Unreserved	236,968	296,609	315,266	143,275	134,847					
Restricted						\$ 736,062	\$ 1,253,603	\$ 1,202,168	\$ 1,732,799	\$ 3,297,639
Committed						39,020	203,890	991,418	111,222	-
Assigned						164,666	168,056	491,864	215,128	-
Unassigned						377,532	351,097	349,155	389,383	361,755
<b>Total General Fund</b>	<b>\$ 1,100,977</b>	<b>\$ 1,176,309</b>	<b>\$ 1,098,578</b>	<b>\$ 955,851</b>	<b>\$ 1,057,859</b>	<b>\$ 1,317,280</b>	<b>\$ 1,976,646</b>	<b>\$ 3,034,605</b>	<b>\$ 2,448,532</b>	<b>\$ 3,659,394</b>
All Other Governmental Funds										
Reserved	\$ 608,693	\$ 251,843	\$ 246,158	\$ 8,000	\$ 32,528					
Unreserved	192,774	103,738	38,788	21,715	212,136					
Restricted						\$ 174,556	\$ 99,393	\$ 780,535	\$ 801,566	\$ 225,580
<b>Total All Other Governmental Funds</b>	<b>\$ 801,467</b>	<b>\$ 355,581</b>	<b>\$ 284,946</b>	<b>\$ 29,715</b>	<b>\$ 244,664</b>	<b>\$ 174,556</b>	<b>\$ 99,393</b>	<b>\$ 780,535</b>	<b>\$ 801,566</b>	<b>\$ 225,580</b>

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

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Tax Levy	\$ 15,413,445	\$ 16,414,093	\$ 17,151,984	\$ 17,795,531	\$ 18,524,538	\$ 19,525,073	\$ 19,881,917	\$ 20,258,781	\$ 20,804,887	\$ 21,175,835
Tuition Charges		15,087	13,435	12,794		17,600	20,260	27,350	17,801	18,785
Interest Earnings	73,300	131,320	100,886	32,426	18,264	20,188	6,358	14,022	14,063	10,456
Miscellaneous	86,361	37,169	29,946	40,930	69,261	50,083	165,008	270,404	128,009	163,898
State Sources	2,066,927	2,656,768	2,719,628	1,683,813	1,988,656	1,614,682	2,389,274	2,717,235	2,413,787	2,880,072
Federal Sources	210,699	260,088	349,977	267,577	378,923	208,807	482,640	221,894	382,676	328,343
<b>Total revenues</b>	<b>17,850,732</b>	<b>19,514,525</b>	<b>20,365,856</b>	<b>19,833,071</b>	<b>20,979,642</b>	<b>21,436,433</b>	<b>22,945,457</b>	<b>23,509,686</b>	<b>23,761,223</b>	<b>24,577,389</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	8,373,221	9,176,613	9,239,618	8,918,736	9,349,456	9,501,344	9,632,797	9,783,099	9,686,772	9,808,445
Special Education Instruction	1,293,263	1,645,822	1,878,856	1,826,679	2,297,602	2,093,252	2,196,405	2,196,058	2,590,164	2,833,105
Other Instruction	500,910	532,102	545,309	453,279	521,366	535,452	650,355	649,412	637,518	661,784
School Sponsored Activities and Athletics	118,763	128,705	131,806	136,354	137,292	111,249	120,488	124,146	134,096	165,731
<b>Support Services:</b>										
Student & Inst. Related Services	1,595,227	1,711,437	1,847,569	1,822,801	1,821,328	2,135,150	2,267,078	2,377,621	2,645,072	2,712,389
Attendance and Social Work	77,964	84,464	98,831	146,193	156,757	107,755	109,653	193,460	99,155	95,193
Educational Media/School Library	284,211	307,818	316,369	303,359	326,303	234,664	410,009	287,810	258,142	263,428
General Administration	662,132	664,416	604,394	751,340	593,714	658,334	713,172	734,678	617,850	606,474
School Administrative Services	770,855	894,225	942,283	874,501	919,633	895,576	1,094,797	1,142,196	1,149,939	1,063,175
Central Services	815,134	853,956	866,266	867,274	947,671	1,121,085	1,066,219	1,063,281	1,283,182	1,068,362
Plant Operations and Maintenance	1,751,119	1,873,210	2,045,237	2,034,298	2,109,046	2,020,305	1,922,929	2,041,453	2,254,127	2,171,232
Pupil Transportation	360,512	376,815	471,600	506,282	531,200	456,736	443,474	397,901	390,519	435,775
Other Support Services										
Capital Outlay	519,651	529,153	203,956	363,501	164,005	239,102	671,042	390,908	1,430,373	911,426
<b>Debt Service:</b>										
Principal	596,630	641,987	848,073	787,869	670,127	817,134	792,303	820,247	924,358	936,628
Interest and Other Charges	500,122	464,356	474,055	438,563	394,185	319,982	270,533	244,888	224,998	209,366
Cost of Issuance					107,344					
Advance Refunding Escrow					409,817					
<b>Total Expenditures</b>	<b>18,219,714</b>	<b>19,885,079</b>	<b>20,514,222</b>	<b>20,231,029</b>	<b>21,456,846</b>	<b>21,247,120</b>	<b>22,361,254</b>	<b>22,447,158</b>	<b>24,326,265</b>	<b>23,942,513</b>



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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Excess (Deficiency) of Revenues over (under) Expenditures	\$ (368,982)	\$ (370,554)	\$ (148,366)	\$ (397,958)	\$ (477,204)	\$ 189,313	\$ 584,203	\$ 1,062,528	\$ (565,042)	\$ 634,876
<b>Other Financing Sources (uses)</b>										
Capital Leases (non-budgeted)	580,000				277,000			676,573		
Refunding Bond Proceeds					7,080,000					
Premium on Notes/Bonds					491,161					
Bonds Refunded					(7,054,000)					
Transfers In	122,239	20,298	12,724	3,564	885	212,762	8,066	1,161	488,862	528
Transfers Out	(122,239)	(20,298)	(12,724)	(3,564)	(885)	(212,762)	(8,066)	(1,161)	(488,862)	(528)
<b>Total Other Financing Sources (uses)</b>	<b>580,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>794,161</b>	<b>-</b>	<b>-</b>	<b>676,573</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 211,018</b>	<b>\$ (370,554)</b>	<b>\$ (148,366)</b>	<b>\$ (397,958)</b>	<b>\$ 316,957</b>	<b>\$ 189,313</b>	<b>\$ 584,203</b>	<b>\$ 1,739,101</b>	<b>\$ (565,042)</b>	<b>\$ 634,876</b>
Debt Service as a Percentage of Noncapital Expenditures	6.20%	5.72%	6.51%	6.17%	7.43%	5.41%	4.90%	4.83%	5.02%	4.98%

\* Noncapital expenditures are total expenditures less capital outlay.

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

<u>Ended June 30</u>	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Donations</u>	<u>Administration Fee</u>	<u>E-Rate Rebate</u>	<u>Insurance Refund</u>	<u>Rentals</u>	<u>Miscellaneous</u>	<u>Total</u>
2006		\$ 73,300						\$ 52,792	\$ 126,092
2007	\$ 15,087	101,171						36,016	152,274
2008	13,435	85,840			\$ 20,698			7,901	127,874
2009	12,794	28,739			13,608	8,337		18,185	81,663
2010		17,343			15,911	399		47,328	80,981
2011	17,600	19,002		\$ 15,057	783	6,352		23,585	82,379
2012	20,260	6,292			26,105	21,163	\$ 102,900	10,534	187,254
2013	27,350	12,861	\$ 100,000		22,575	7,316	102,900	30,613	303,615
2014	17,801	13,161	300		-	-	102,900	20,718	154,880
2015	18,785	9,928	-		16,226	-	100,340	38,071	183,350

Source: School District's Financial Statements

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2006	\$ 16,638,050	\$ 930,721,467	\$ 714,000	\$ 49,179,450	-	\$ 4,834,400	\$ 1,002,087,367	-	\$ 1,002,087,367	\$ 2,142,448,500	\$ 2
2007	14,660,850	937,134,067	714,000	44,232,950	-	5,219,700	1,001,961,567	-	1,001,961,567	2,144,817,497	2.680
2008	27,018,600	1,958,207,600	1,791,500	103,944,500	-	13,034,700	2,103,996,900	-	2,103,996,900	2,357,792,210	1.295
2009	30,596,900	1,956,094,500	1,791,500	101,944,500	-	13,034,700	2,103,462,100	-	2,103,462,100	2,230,833,059	1.335
2010	30,632,200	1,963,018,600	-	104,445,700	-	13,034,700	2,111,131,200	-	2,111,131,200	2,179,123,352	1.372
2011	27,416,700	1,969,780,400	-	70,900,800	-	13,034,700	2,081,132,600	-	2,081,132,600	2,075,161,024	1.433
2012	28,687,500	1,961,429,200	-	76,456,600	-	13,034,700	2,079,608,000	-	2,079,608,000	2,043,697,829	1.478
2013	24,311,200	1,966,807,500	-	70,238,400	-	13,034,700	2,074,391,800	-	2,074,391,800	1,984,898,947	1.510
2014	22,643,800	1,953,627,700	-	71,333,700	-	13,034,700	2,060,639,900	-	2,060,639,900	1,936,930,981	1.018
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

97

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)**

<u>Calendar Year</u>	<u>Total</u>	<u>Local School District</u>	<u>Regional School District</u>	<u>Municipality (2)</u>	<u>County (1)</u>
2006	\$3.55	\$ 1.589	\$ 0.904	\$ 0.705	\$ 0.520
2007	3.85	1.680	1.000	0.800	0.380
2008	1.891	0.831	0.464	0.388	0.208
2009	1.945	0.863	0.472	0.407	0.203
2010	2.001	0.902	0.470	0.427	0.202
2011	2.101	0.947	0.486	0.461	0.207
2012	2.170	0.965	0.513	0.476	0.216
2013	2.229	0.990	0.520	0.500	0.219
2014	2.272	1.018	0.534	0.500	0.220
2015	2.348	1.034	0.560	0.527	0.227

Source: Tax Duplicate, Township of River Vale

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

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

Taxpayer	2015		2006	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Edgewood Country Club, Inc.	\$ 21,235,400	1.03%	\$ 9,494,900	0.98%
River Vale Dev LLC % Garden Homes	8,585,800	0.42%	11,432,400	1.15%
Gal-Ben Associates	7,672,000	0.37%	2,544,500	0.25%
Village on the Green	7,266,400	0.35%	2,627,500	0.26%
United Water Co of NJ	6,850,600	0.33%	4,934,750	0.33%
688 Westwood Ave LLC c/o V Luppino	5,548,200	0.27%		
Florentine, Inc.	5,187,100	0.25%	2,326,500	0.23%
Lindvale Gardens	4,875,400	0.24%	2,478,000	0.25%
MWD River Vale One LLC	3,222,800	0.16%		
Rudd-O'Connor LLC NJ	2,514,600	0.12%		
United Properties Group	-		6,411,300	0.64%
United Waters & Golf			5,531,000	0.49%
River Vale Dan Lee			3,040,000	0.30%
	<u>\$ 72,958,300</u>	<u>3.53%</u>	<u>\$ 50,820,850</u>	<u>4.88%</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	
2006	\$ 15,413,445	\$ 15,413,445	100.00%	-
2007	15,429,737	15,429,737	100.00%	-
2008	17,151,984	17,151,984	100.00%	-
2009	17,795,531	17,795,531	100.00%	-
2010	18,524,538	18,524,538	100.00%	-
2011	19,525,073	19,525,073	100.00%	-
2012	19,881,917	19,881,917	100.00%	-
2013	20,258,781	20,258,781	100.00%	-
2014	20,804,887	20,804,887	100.00%	-
2015	21,175,835	21,175,835	100.00%	-

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

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities	Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases	Capital Leases			
2006	\$ 10,579,000	\$ 785,740	N/A	\$ 11,364,740	9,561	\$ 1,189
2007	10,059,000	663,753	N/A	10,722,753	9,580	1,119.29
2008	9,514,000	360,680	N/A	9,874,680	9,593	1,029
2009	8,944,000	142,811	N/A	9,086,811	9,655	941
2010	8,370,000	349,684	N/A	8,719,684	9,676	901
2011	7,715,000	187,550	N/A	7,902,550	9,759	810
2012	7,015,000	95,247	N/A	7,110,247	9,853	722
2013	6,290,000	676,573	N/A	6,966,573	9,934	701
2014	5,545,000	497,215	N/A	6,042,215	10,021	603
2015	4,780,000	325,587	N/A	5,105,587	10,021 *	509

Source: District records

Note: \* Estimate

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2006	\$ 10,579,000		\$ 10,579,000	1.06%	1,106
2007	10,059,000		10,059,000	1.00%	1,050
2008	9,514,000		9,514,000	0.45%	992
2009	8,944,000		8,944,000	0.43%	926
2010	8,370,000		8,370,000	0.40%	865
2011	7,715,000		7,715,000	0.37%	791
2012	7,015,000		7,015,000	0.34%	712
2013	6,290,000		6,290,000	0.30%	633
2014	5,545,000		5,545,000	0.27%	553
2015	4,780,000		4,780,000	0.23%	477

Source: District records



**RIVER VALE BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2014  
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Local and Regional School	\$ 10,184,208	\$ 10,184,208	
Golf Course Utility	14,780,260	14,780,260	
Borough of River Vale	<u>18,550,860</u>	<u>23,207</u>	<u>\$ 18,527,653</u>
	<u>\$ 43,515,328</u>	<u>\$ 24,987,675</u>	<u>18,527,653</u>
Overlapping Debt Apportioned to the Municipality:			
Bergen County:			
County of Bergen			11,154,925
Bergen Utilities Authority - Water Pollution (B)			<u>2,468,949</u>
			<u>13,623,874</u>
Total Direct and Overlapping Debt			<u>\$ 32,151,527</u>

Source:

(1) Township of River Vale's 2014 Annual Debt Statement

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 48,682,888	\$ 48,682,888	\$ 63,127,446	\$ 66,064,488	\$ 66,755,947	\$ 64,922,645	\$ 63,067,746	\$ 61,266,214	\$ 61,266,214	\$ 58,813,253
Total net debt applicable to limit	<u>10,579,000</u>	<u>10,059,000</u>	<u>9,514,000</u>	<u>8,944,000</u>	<u>8,370,000</u>	<u>7,715,948</u>	<u>7,015,948</u>	<u>6,290,948</u>	<u>6,290,948</u>	<u>4,780,000</u>
Legal debt margin	<u>\$ 38,103,888</u>	<u>\$ 38,623,888</u>	<u>\$ 53,613,446</u>	<u>\$ 57,120,488</u>	<u>\$ 58,385,947</u>	<u>\$ 57,206,697</u>	<u>\$ 56,051,798</u>	<u>\$ 54,975,266</u>	<u>\$ 54,975,266</u>	<u>\$ 54,033,253</u>
Total net debt applicable to the limit as a percentage of debt limit	21.73%	20.66%	15.07%	13.54%	12.54%	11.88%	11.12%	10.27%	10.27%	8.13%

104

**Legal Debt Margin Calculation for Fiscal Year 2015**

	Equalized valuation basis
	2014 \$ 1,947,122,650
	2013 1,948,517,565
	2012 <u>1,985,685,095</u>
	<u>\$ 5,881,325,310</u>
Average equalized valuation of taxable property	\$ 1,960,441,770
Debt limit (3 % of average equalization value)	58,813,253
Total Net Debt Applicable to Limit	<u>4,780,000</u>
Legal debt margin	<u>\$ 54,033,253</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>
2005	9,619	\$ 57,674	2.1%
2006	9,561	63,103	2.3%
2007	9,580	67,544	2.5%
2008	9,593	67,331	2.7%
2009	9,655	63,874	4.8%
2010	9,670	63,885	4.9%
2011	9,759	67,248	4.9%
2012	9,853	69,281	4.9%
2013	9,934	69,495	7.8%
2014	10,021	69,495 *	4.3%

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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	92	92	96	97	97	97	97	97	97	97
Special education	15	15	15	15	15	15	15	15	15	15
Support Services:										
Student & instruction related services	17	17	18	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>155</u>	<u>155</u>	<u>160</u>	<u>157</u>	<u>157</u>	<u>157</u>	<u>157</u>	<u>157</u>	<u>157</u>	<u>157</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teacher/Pupil Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School				
2006	1,346.0	\$ 16,603,311	\$ 12,335	1.99%	126	14.2	10.9	1,346.0	1,346.0	0.24%	100.00%
2007	1,362.0	18,249,583	13,399	8.62%	126	14.2	10.9	1,316.4	1,271.8	-2.20%	96.61%
2008	1,383.0	18,988,138	13,730	2.47%	120	14.1	10	1,390.5	1,337.5	5.63%	96.19%
2009	1,405.0	18,641,096	13,268	-3.36%	120	14.1	10	1,405.2	1,352.9	1.06%	96.28%
2010	1,375.0	19,711,368	14,336	8.05%	120	14.1	10.9	1,375.6	1,327.5	-2.11%	96.50%
2011	1,383.0	19,870,902	14,368	0.23%	127	13.45	11.8	1,398.9	1,351.3	1.69%	96.60%
2012	1,337.0	20,627,376	15,428	7.38%	127	13:45	11.8	1,230.4	1,192.4	-12.05%	96.91%
2013	1,259.0	20,991,115	16,673	16.04%	127	13:45	11.8	1,293.5	1,247.6	-7.53%	96.45%
2014	1,285.0	21,746,536	16,923	17.79%	124	13:45	11.8	1,161.5	1,122.0	4.00%	96.60%
2015	1,224.0	21,885,093	17,880	15.89%	124	13.45	11.8	1,161.5	1,122.0	0.00%	96.60%

Sources: District records

- Note:
- a Enrollment based on annual October district count.
  - b Operating expenditures equal total expenditures (modified accrual) less debt service and capital outlay.
  - c Cost per pupil represents operating expenditures divided by enrollment.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
<b><u>Roberge Elementary</u></b>										
Square Feet	54,817	54,817	54,817	54,817	54,817	54,817	54,817	54,817	57,817	57,817
Capacity (students)	407	407	407	407	407	407	407	407	407	407
Enrollment										
<b><u>Woodside Elementary</u></b>										
Square Feet	46,273	46,273	46,273	46,273	46,273	46,273	46,273	46,273	46,273	46,273
Capacity (students)	454	454	454	454	454	454	454	454	454	454
Enrollment <sup>a</sup>										
<b><u>Middle School</u></b>										
Square Feet	62,133	62,133	62,133	62,133	62,133	62,133	62,133	62,133	62,133	62,133
Capacity (students)	363	363	363	363	363	363	363	363	363	363
Enrollment										

Number of Schools at June 30, 2015  
 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
School Facilities										
Roberge Elementary School	\$ 99,796	\$ 74,527	\$ 77,324	\$ 63,965	\$ 79,589	\$ 138,622	\$ 77,219	\$ 88,851	\$ 97,818	\$ 88,691
Woodside Elementary School	66,154	93,211	85,892	73,755	123,032	53,884	66,414	84,313	119,010	70,982
Holdrum Middle School	<u>81,116</u>	<u>71,417</u>	<u>72,412</u>	<u>64,675</u>	<u>108,700</u>	<u>91,209</u>	<u>83,135</u>	<u>76,927</u>	<u>81,177</u>	<u>95,311</u>
Grand Total	<u>\$ 247,066</u>	<u>\$ 239,155</u>	<u>\$ 235,628</u>	<u>\$ 202,395</u>	<u>\$ 311,321</u>	<u>\$ 283,715</u>	<u>\$ 226,768</u>	<u>\$ 250,091</u>	<u>\$ 298,005</u>	<u>\$ 254,984</u>

Source: District Records



**RIVER VALE BOARD OF EDUCATION  
SCHEDULE OF INSURANCE  
JUNE 30, 2015  
(Unaudited)**

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

Source: District's records

**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. NICOLOSI, CPA  
KATHLEEN WANG, CPA  
ROBERT AMPONSAH, CPA

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

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

### INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the River Vale Board of Education as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the River Vale Board of Education's basic financial statements and have issued our report thereon dated December 21, 2015.

#### **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.

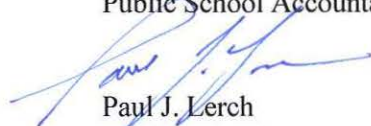
However, we noted a certain matter that is not required to be reported under Government Auditing Standards that we reported to management of the River Vale Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 21, 2015.

### Purpose of this Report

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



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



Paul J. Lerch  
 Public School Accountant  
 PSA Number CS01118

Fair Lawn, New Jersey  
 December 21, 2015





# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
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RALPH M. PICONE, CPA, RMA, PSA

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

**INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the River Vale Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB Circular 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, 2015. The River Vale Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

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

In our opinion, the River Vale Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2015.

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

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

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

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

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

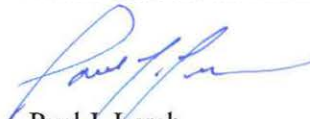
### **Report on Schedule of Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

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, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated December 21, 2015, 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain

additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
December 21, 2015

RIVER VALE BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance July 1, 2014		Unearned Revenue Carryover Amount	Accounts Receivable Carryover Amount	Cash Received	Budgetary Expenditures	Balance, June 30, 2015			Memo GAAP Receivable
				Unearned Revenue	Accounts Receivable					(Account Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education													
Passed-through State Department													
of Education													
Special Milk Program	10.556	7/1/14-6/30/15	\$ 6,279					\$ 5,685	\$ 6,279	\$ (594)			* \$ (594)
Special Milk Program	10.556	7/1/13-6/30/14	5,793	-	\$ (1,064)	-	-	1,064	-	-	-	-	* -
Total U.S. Department of Agriculture				-	(1,064)	-	-	6,749	6,279	(594)	-	-	* (594)
U.S. Department of Education													
Passed-through State Department													
of Education													
I.D.E.A. Part B, Basic	84.027A	7/1/14-6/30/15	242,165			\$ 99,884	\$ (99,884)	271,323	307,596	(70,726)	\$ 34,453		* (36,273)
I.D.E.A. Part B, Basic	84.027A	7/1/13-6/30/14	449,140	\$ 99,884	(324,317)	(99,884)	99,884	224,433		-	-		* -
I.D.E.A. Part B, Preschool	84.173A	7/1/14-6/30/15	13,086							(13,086)	13,086		* -
NCLB Title II	84.367A	7/1/14-6/30/15	20,747					20,747	20,747	-	-		* -
Total U.S. Department of Education				99,884	(324,317)	-	-	516,503	328,343	(83,812)	47,539	-	* (36,273)
Total				\$ 99,884	\$ (325,381)	\$ -	\$ -	\$ 523,252	\$ 334,622	\$ (84,406)	\$ 47,539	\$ -	* \$ (36,867)

Note: Not subject to Federal Single Audit



RIVER VALE BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2014			Cash Received	Budgetary Expenditures	Refund of Prior Year's Balances	Balance, June 30, 2015			Memo	
				(Accounts Receivable)	Unearned Revenue	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>														
<b>General Fund</b>														
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	\$ 397,703				\$ 363,022	\$ 397,703		\$ (34,681)				\$ 397,703
Special Education Aid	14-495-034-5120-089	7/1/13-6/30/14	397,703	\$ (35,210)			35,210							-
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	19,204				17,529	19,204		(1,675)				19,204
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	19,204	(1,701)			1,701							-
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	23,548				21,494	23,548		(2,054)				23,548
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	23,548	(2,085)			2,085							-
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	12,380				11,300	12,380		(1,080)				12,380
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	12,380				11,300	12,380		(1,080)				12,380
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	267,360					267,360		(267,360)				267,360
Extraordinary Aid	14-100-034-5120-473	7/1/13-6/30/14	223,898	(223,898)			223,898							-
Nonpublic School Transportation Aid	N/A	7/1/14-6/30/15	4,872					4,872		(4,872)		\$ (4,872)		4,872
Nonpublic School Transportation Aid	N/A	7/1/13-6/30/14	4,238	(4,238)			4,238							-
On-Behalf TPAF Social Security Aid	15-495-034-5094-003	7/1/14-6/30/15	655,001				617,360	655,001		(37,641)			(37,641)	655,001
On-Behalf TPAF Social Security Aid	14-495-034-5095-002	7/1/13-6/30/14	691,575	(34,831)			34,831							-
TPAF Pension Benefit Contributions	15-495-034-5094-006	7/1/14-6/30/15	442,927				442,927	442,927						442,927
TPAF Pension - NCGI Premium	15-495-034-5094-007	7/1/14-6/30/15	31,867				31,867	31,867						31,867
TPAF Pension-Post Retirement Medical	15-495-034-5094-001	7/1/14-6/30/15	753,736				753,736	753,736						753,736
<b>Total General Fund</b>				<b>(301,963)</b>	<b>-</b>	<b>-</b>	<b>2,572,498</b>	<b>2,620,978</b>	<b>-</b>	<b>(350,443)</b>	<b>-</b>	<b>-</b>	<b>(42,513)</b>	<b>2,620,978</b>
<b>Capital Project Fund</b>														
Roberge Elementary School														
Roof Replacement, except over gym	4430-060-14-1002	N/A	313,880	(313,880)	\$ 297,552			214,300		(313,880)	83,252		(313,880)	214,300
Roberge Elementary School														
Upgrade Two Gang Bathrooms and Two Staff Bathrooms	4430-060-14-1001	N/A	116,880	(116,880)	110,948			89,830		(116,880)	21,118		(116,880)	89,830
<b>Total Capital Project Fund</b>				<b>(430,760)</b>	<b>408,500</b>	<b>-</b>	<b>-</b>	<b>304,130</b>	<b>-</b>	<b>(430,760)</b>	<b>104,370</b>	<b>-</b>	<b>(430,760)</b>	<b>304,130</b>
<b>State Financial Assistance</b>														
<b>Not Subject to Single Audit Determination</b>														
<b>General Fund</b>														
TPAF Pension Benefit Contributions	15-495-034-5094-006	7/1/14-6/30/15	442,927				(442,927)	(442,927)						(442,927)
TPAF Pension - NCGI Premium	15-495-034-5094-007	7/1/14-6/30/15	31,867				(31,867)	(31,867)						(31,867)
TPAF Pension-Post Retirement Medical	15-495-034-5094-001	7/1/14-6/30/15	753,736				(753,736)	(753,736)						(753,736)
<b>Total State Financial Assistance Subject to Single Audit</b>				<b>\$ (732,725)</b>	<b>\$ 408,500</b>	<b>\$ -</b>	<b>\$ 1,343,968</b>	<b>\$ 1,696,578</b>	<b>\$ -</b>	<b>\$ (781,203)</b>	<b>\$ 104,370</b>	<b>\$ -</b>	<b>\$ (473,273)</b>	<b>\$ 1,696,578</b>

811

**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, 2015**

**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 requirements of New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$45,036 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 2,575,942	\$ 2,575,942
Special Revenue Fund	\$ 328,343		328,343
Capital Projects		304,130	304,130
Food Service Fund	<u>6,279</u>	<u>-</u>	<u>6,279</u>
 Total Financial Assistance	 <u>\$ 334,622</u>	 <u>\$ 2,880,072</u>	 <u>\$ 3,214,694</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, 2015**

**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 \$655,001 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, 2015. The amount reported as TPAF Pension System Contributions in the amount of \$474,794 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$753,736 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2015.

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

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

**RIVER VALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

*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, 2015

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, as amended? \_\_\_\_\_ yes  X  no

Identification of major programs:

<u>State Grant/Project Number</u>	<u>Name of State Program</u>
<u>15-495-034-5094-003</u>	<u>TPAF Social Security Aid</u>
<u>15-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>15-495-034-5120-084</u>	<u>Security Aid</u>
<u>15-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>15-495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>Various</u>	<u>School Development Authority</u>

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

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

**RIVER VALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

*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, 2015**

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

Not applicable.

**RIVER VALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 15-08.

**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, 2015**

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

**STATUS OF PRIOR YEAR FINDINGS**

There were none.