

**RIVER VALE BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**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, 2009**

**Prepared by**

**Business Office**



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## **INTRODUCTORY SECTION**



# Board of Education

RIVER VALE-BERGEN COUNTY  
NEW JERSEY 07675-6299

**KELLY IPPOLITO**  
Business Administrator/Board Secretary

609 WESTWOOD AVENUE  
RIVER VALE, N.J. 07675  
201-358-4003  
FAX: 201-358-2489489

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, 2009 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the River Vale Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

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

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

The district provides a full range of educational services appropriate to grade levels K through 8. These include regular education as well as special education for handicapped youngsters. The district completed the 2008/2009 fiscal year with an enrollment of 1,405 students, which is an increase of 22 students over the previous year's enrollment.

## REPORTING ENTITY AND ITS SERVICES (Continued)

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

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

### Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2008-2009	1,405	1.6%
2007-2008	1,383	1.50%
2006-2007	1,362	1.18%
2005-2006	1,346	.2%
2004-2005	1,343	-4.2%
2003-2004	1,402	7.4%
2002-2003	1,306	4.5%
2001-2002	1,250	3.1%
2000-2001	1,212	.0%
1999-2000	1,212	.3%

**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 2008-2009 school year was 1405 students including out-of-district special education placements. Enrollment for 2009-2010 is expected to rise slightly. Homerooms average twenty (20) students and reading/math groups have a lower faculty/student ratio.

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

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

## **GENERAL EDUCATIONAL GOALS (Continued)**

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.

Last spring, students in grades three, five, six and seven were administered the latest edition of the Terra Nova Achievement Test. Students in grades four and eight were administered the Elementary School Proficiency Assessment (ESPA). The performance of River Vale students on these standardized assessment measures continues to be well above state and national averages in all content areas.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2009.

**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, 2009 the River Vale School District had \$8,944,000 in bonded debt.

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

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

**OTHER INFORMATION:**

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

**AWARDS AND ACKNOWLEDGMENTS:**

The Association of School Business Officials (ASBO) awarded a Certification of Achievement for Excellent in Financial Reporting to the River Vale Board of Education for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2008. This was the seventh year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

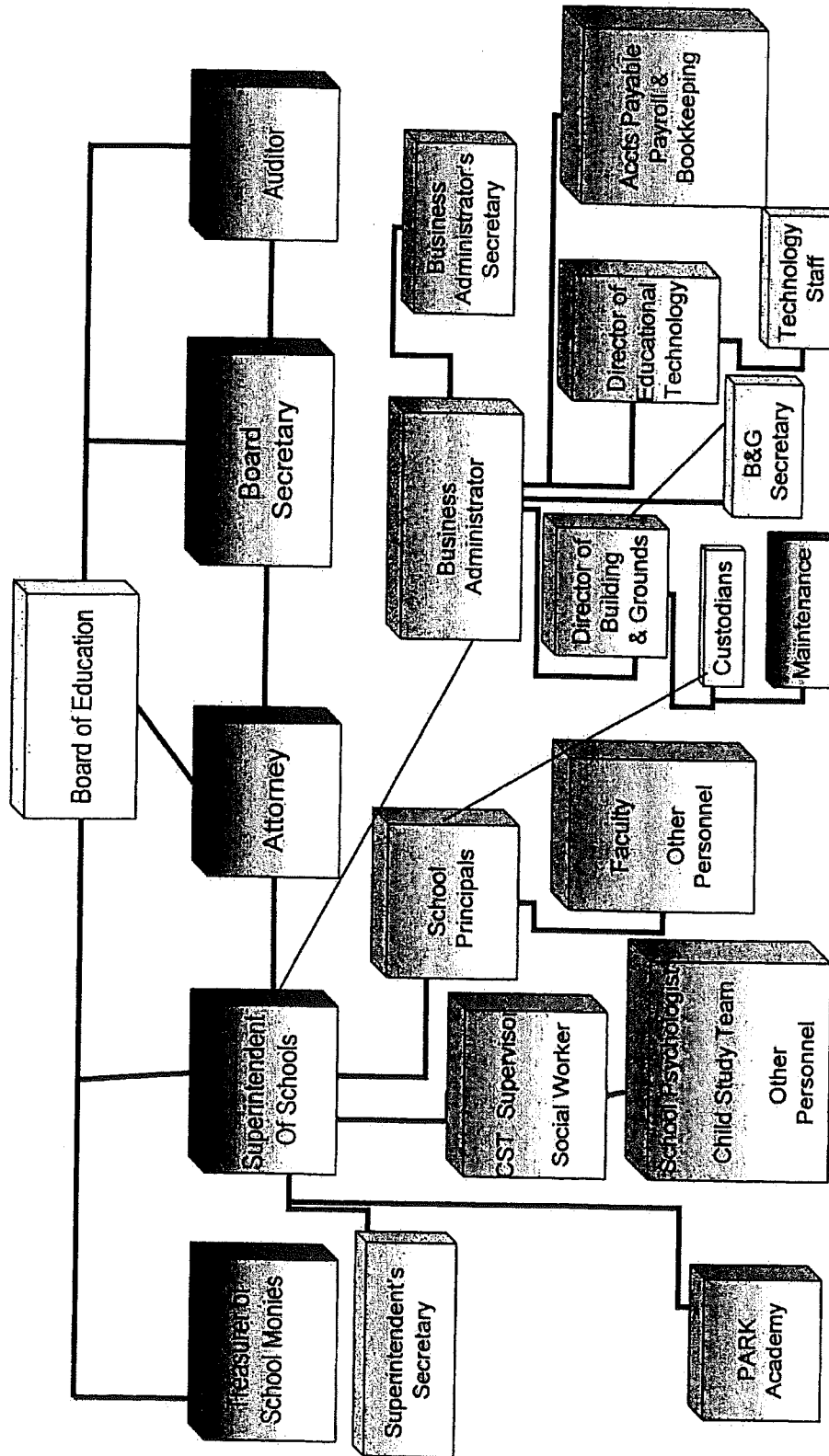
We would like to express our appreciation to the members of the River Vale School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.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

Respectfully submitted,

*Kelly Ippolito*

Kelly Ippolito  
Business Administrator/Board Secretary

# River Vale Public Schools



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

**ROSTER OF OFFICIALS  
JUNE 30, 2009**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Lorraine Waldes, President	2012
Sheryl Eaton, Vice President	2010
Elaine Back	2011
Kathy Blazina	2010
Paul Criscuolo	2011
William Ellis	2012
Steven Rosini	2011

**Other Officials**

David C. Verducci, Ph.D., Superintendent of Schools  
Kelly Ippolito, School Business Administrator/Board Secretary  
Gennaro Rotella, Treasurer of School Monies



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

**Consultants and Advisors**

**As of June 30, 2009**

**Architect**

LAN Associates  
Midland Park, New Jersey

**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

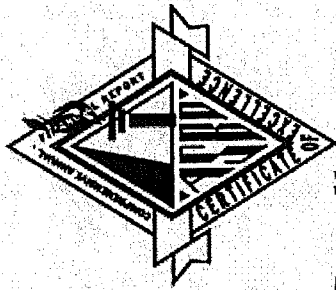
**Official Depository**

TD Bank  
River Vale Branch  
River Vale, New Jersey 07675

**Risk Manager**

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

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL



This Certificate of Excellence in Financial Reporting

*is presented to*

**River Vale Board of Education**

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2008

upon recommendation of the Association's Panel of Review

which has judged that the Report substantially conforms

to principles and standards of ASBO's Certificate of Excellence Program

*Angela Letuman*

President

*John D. Mueser*

Executive Director

**FINANCIAL SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208  
FAIR LAWN, NJ 07410  
TELEPHONE (201) 791-7100  
FACSIMILE (201) 791-3035  
WWW.LVHCPA.COM

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

ELIZABETH A. SHICK, CPA, RMA, PSA  
ANDREW PARENTE, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH KOZAK, CPA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
RALPH M. PICONE, CPA, RMA, PSA

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the River Vale Board of Education as of and for the fiscal year ended June 30, 2009, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

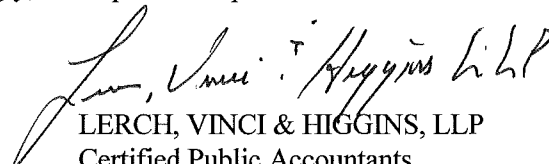
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by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

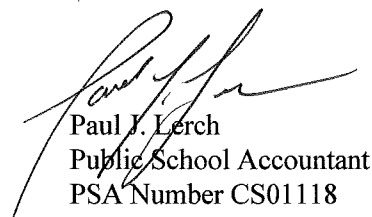
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the River Vale Board of Education as of June 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 31, 2009 on our consideration of the River Vale Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 accompanying introductory section, combining and individual nonmajor fund financial statements, financial schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules of expenditures of federal awards and state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.

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

  
Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
October 31, 2009

**MANAGEMENT'S DISCUSSION AND ANALYSIS**





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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2009**

This discussion and analysis of the River Vale School District's financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2009. 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 2009 are as follows:

- District-Wide - Overall revenues were \$20,095,742. General revenues accounted for \$17,870,022 or 89 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2,225,720 or 11 percent of total revenues of \$20,095,742.
- District-Wide - The School District had \$19,847,184 in expenses; only \$2,225,720 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$17,870,022 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 \$985,566, a decrease of \$397,958 in comparison with the prior year.
- Fund Financials - At the end of June 30, 2009, unreserved fund balance (budgetary basis) for the General Fund was \$456,989, an increase of \$36,785.

# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

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

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

### District-wide Statements

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

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

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

## RIVER VALE BOARD OF EDUCATION

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

#### District-wide Statements (Continued)

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

- *Governmental activities*- Most of the District's basic services are included here, such as regular and special education, transportation, maintenance and administration services. Property taxes and state aids finance most of these activities.
- *Business-type activities*- The District charges fees to customers to help it cover the costs of the District's Food Service Fund, Safety 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, Safety Town Program and Park Academy Fund. Proprietary Funds provide the same type of information as the district-wide financial statements and is presented as business-type activities in the district-wide financial statements.

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

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

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

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

Table A-1 provides a summary of the school district's net assets for fiscal years 2009 and 2008. Net assets for 2009 and 2008 were \$11,786,182 and \$11,537,624, respectively.

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

**RIVER VALE BOARD OF EDUCATION**

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

**Table A-1  
Statement of Net Assets  
As of June 30, 2009 and 2008**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Current and Other Assets	\$ 1,483,307	\$ 1,905,938	\$ 183,019	\$ 182,573	\$ 1,666,326	\$ 2,088,511
Capital Assets	<u>20,357,917</u>	<u>20,510,506</u>	<u>2,870</u>	<u>3,301</u>	<u>20,360,787</u>	<u>20,513,807</u>
<b>Total Assets</b>	<u>21,841,224</u>	<u>22,416,444</u>	<u>185,889</u>	<u>185,874</u>	<u>22,027,113</u>	<u>22,602,318</u>
Other Liabilities	617,734	653,814	83,538	106,479	701,272	760,293
Long-Term Liabilities	<u>9,539,659</u>	<u>10,304,401</u>	<u>-</u>	<u>-</u>	<u>9,539,659</u>	<u>10,304,401</u>
<b>Total Liabilities</b>	<u>10,157,393</u>	<u>10,958,215</u>	<u>83,538</u>	<u>106,479</u>	<u>10,240,931</u>	<u>11,064,694</u>
Net Assets:						
Invested in Capital Assets, Net of Related Debt	11,300,821	10,920,772	2,870	3,301	11,303,691	10,924,073
Restricted	221,823	219,144			221,823	219,144
Unrestricted	<u>161,187</u>	<u>318,313</u>	<u>99,481</u>	<u>76,094</u>	<u>260,668</u>	<u>394,407</u>
<b>Total Net Assets</b>	<u>\$ 11,683,831</u>	<u>\$ 11,458,229</u>	<u>\$ 102,351</u>	<u>\$ 79,395</u>	<u>\$ 11,786,182</u>	<u>\$ 11,537,624</u>

**Governmental activities.** Governmental activities increased the District's net assets by \$225,602. Key elements of this increase are as follows:

# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

**Table A-2**  
**Changes in Net Assets**  
**For the Fiscal Years Ended June 30, 2009 and 2008**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 12,794	\$ 13,435	\$ 250,745	\$ 268,180	\$ 263,539	\$ 281,615
Operating Grants and Contributions	1,946,518	2,956,062	15,663	14,076	1,962,181	2,970,138
General Revenues						
Property Taxes	17,795,531	17,151,984			17,795,531	17,151,984
Other	73,518	244,375	973	2,237	74,491	246,612
<b>Total Revenues</b>	<u>19,828,361</u>	<u>20,365,856</u>	<u>267,381</u>	<u>284,493</u>	<u>20,095,742</u>	<u>20,650,349</u>
<b>Expenses</b>						
Instruction						
Regular	9,244,287	9,562,717			9,244,287	9,562,717
Special Education	1,857,575	1,903,183			1,857,575	1,903,183
Other Instruction	469,976	571,252			469,976	571,252
School Sponsored Activities and Ath.	136,354	131,806			136,354	131,806
Support Services						
Student and Instruction Related Serv.	1,861,330	1,914,871			1,861,330	1,914,871
Attendance and Social Work	152,102	102,585			152,102	102,585
Educational Media/School Library	313,761	327,141			313,761	327,141
General Administrative Services	762,636	615,720			762,636	615,720
School Administrative Services	901,583	943,170			901,583	943,170
Plant Operations and Maintenance	2,074,072	2,092,545			2,074,072	2,092,545
Pupil Transportation	506,282	471,600			506,282	471,600
Central Services	895,645	892,744			895,645	892,744
Food Services & Safety Town			24,528	29,210	24,528	29,210
Park Academy			219,897	209,428	219,897	209,428
Interest on Long-Term Debt	427,156	457,397	-	-	427,156	457,397
<b>Total Expenses</b>	<u>19,602,759</u>	<u>19,986,731</u>	<u>244,425</u>	<u>238,638</u>	<u>19,847,184</u>	<u>20,225,369</u>
Change in Net Assets	225,602	379,125	22,956	45,855	248,558	424,980
Net Assets, Beginning of Year	<u>11,458,229</u>	<u>11,079,104</u>	<u>79,395</u>	<u>33,540</u>	<u>11,537,624</u>	<u>11,112,644</u>
Net Assets, End of Year	<u>\$ 11,683,831</u>	<u>\$ 11,458,229</u>	<u>\$ 102,351</u>	<u>\$ 79,395</u>	<u>\$ 11,786,182</u>	<u>\$ 11,537,624</u>

# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

**Governmental activities.** The District's total governmental revenues were \$19,828,361. The general share of the revenues, that included property taxes, interest, unrestricted state aid and miscellaneous revenue, amounted to \$17,869,049 or 90% of total revenues. Funding from state and federal sources amounted to \$1,946,518 or 10%. The balance of revenues of \$12,794 represents charges for services (tuition).

The District's governmental expenses are predominantly related to instruction and support services. Instruction totaled \$11,708,192 (60%), student support services totaled \$7,467,411 (38%) and interest on long-term debt total \$427,156 (2%) of total expenditures. (See Table A-3.)

Table A-2 Revenues by Source- Governmental Activities  
For Fiscal Year 2009

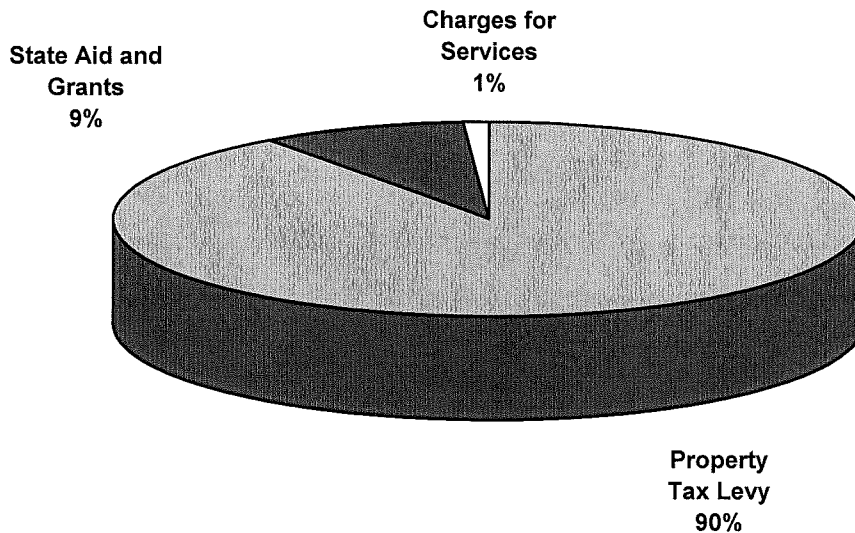
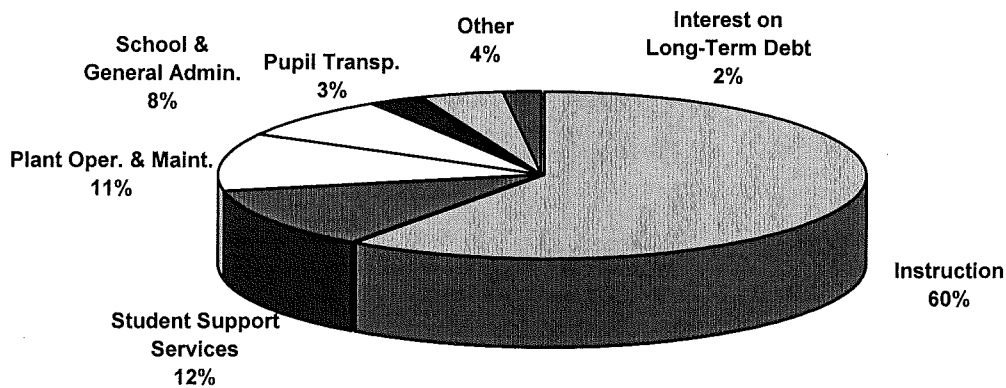


Table A-2 Expenditures by Type- Governmental Activities  
For Fiscal Year 2009





**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, 2009 and 2008**

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Governmental Activities				
Instruction				
Regular	\$ 9,244,287	\$ 9,562,717	\$ 8,501,742	\$ 8,199,004
Special Education	1,857,575	1,903,183	1,073,702	947,681
Other Instruction	469,976	571,252	423,846	453,883
School Sponsored Activities and Athletics	136,354	131,806	136,354	131,806
Support Services				
Student and Instruction Related Svcs.	1,861,330	1,914,871	1,753,617	1,711,396
Attendance and Social Work	152,102	102,585	125,299	89,021
Educational Media/School Library	313,761	327,141	291,569	285,393
General Administrative Services	762,636	615,720	740,722	575,823
School Administrative Services	901,583	943,170	854,930	847,055
Plant Operations and Maintenance	2,074,072	2,092,545	2,040,107	2,092,545
Pupil Transportation	506,282	471,600	395,316	363,868
Central Services	895,645	892,744	879,087	862,362
Interest on Long-Term Debt	427,156	457,397	427,156	457,397
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Governmental Activities	<u>\$ 19,602,759</u>	<u>\$ 19,986,731</u>	<u>\$ 17,643,447</u>	<u>\$ 17,017,234</u>

**Business-Type Activities**

The cost of Business-Type Activities for the fiscal year ended June 30, 2009 was \$244,425. These costs were funded by operating grants and charges for services (Detailed on Table A-2). The operations resulted in an increase in net assets of \$22,956.

# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

As the District completed the year, its governmental funds reported a combined fund balance of \$985,566. At June 30, 2008 the fund balance was \$1,383,524.

#### 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 \$19,833,071 and expenditures were \$20,231,029.

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, 2009 and 2008.

	<u>Year Ended</u> <u>June 30, 2009</u>	<u>Year Ended</u> <u>June 30, 2008</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Increase</u> <u>(Decrease)</u>
Local Sources	\$ 17,881,681	\$ 17,296,251	\$ 585,430	3.38%
State Sources	1,683,813	2,719,628	(1,035,815)	-38.09%
Federal Sources	<u>267,577</u>	<u>349,977</u>	<u>(82,400)</u>	-23.54%
 Total Revenues	 <u>\$ 19,833,071</u>	 <u>\$ 20,365,856</u>	 <u>\$ (532,785)</u>	 -2.62%

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, 2009 and 2008.

	<u>Year Ended</u> <u>June 30, 2009</u>	<u>Year Ended</u> <u>June 30, 2008</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Increase</u> <u>(Decrease)</u>
Instruction	\$ 11,335,048	\$ 11,795,589	\$ (460,541)	-3.90%
Undistributed	7,306,048	7,192,549	113,499	1.58%
Capital Outlay	363,501	203,956	159,545	78.23%
Debt Service				
Principal	787,869	848,073	(60,204)	-7.10%
Interest	<u>438,563</u>	<u>474,055</u>	<u>(35,492)</u>	-7.49%
 Total Expenditures	 <u>\$ 20,231,029</u>	 <u>\$ 20,514,222</u>	 <u>\$ (283,193)</u>	 -1.38%

# RIVER VALE BOARD OF EDUCATION

## Management's Discussion and Analysis (continued)

### General and Special Revenue Fund

#### Budgetary Highlights

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

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

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

- \* The District applied for and received \$264,945 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, 2009 amounts to \$20,360,787 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and building improvements, construction in progress and machinery and equipment.

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

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

	Governmental Activities		Business-Type Activities		Total	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land	\$ 43,525	\$ 43,525			\$ 43,525	\$ 43,525
Land Improvements	384,600	384,600			384,600	384,600
Buildings and Building Improvements	23,661,160	23,352,663			23,661,160	23,352,663
Machinery, Equipment and Vehicles	<u>1,961,994</u>	<u>1,925,890</u>	<u>\$ 15,258</u>	<u>\$ 15,258</u>	<u>1,977,252</u>	<u>1,941,148</u>
<b>Total</b>	26,051,279	25,706,678	15,258	15,258	26,066,537	25,721,936
Less: Accumulated Depreciation	<u>5,693,362</u>	<u>5,196,172</u>	<u>12,388</u>	<u>11,957</u>	<u>5,705,750</u>	<u>5,208,129</u>
<b>Total</b>	<u>\$ 20,357,917</u>	<u>\$ 20,510,506</u>	<u>\$ 2,870</u>	<u>\$ 3,301</u>	<u>\$ 20,360,787</u>	<u>\$ 20,513,807</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, 2009 the school district had long-term debt and outstanding long-term liabilities in the amount of \$9,539,659 as stated in Table A-5.

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

	<u>2009</u>	<u>2008</u>
Serial Bonds	\$ 8,944,000	\$ 9,514,000
Capital Leases	142,811	360,680
Compensated Absences Payable	<u>452,848</u>	<u>429,721</u>
<b>Total</b>	<u>\$ 9,539,659</u>	<u>\$ 10,304,401</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 \$8,944,000. These bonds were used to finance the facilities acquisitions and construction services at Holdrum, Woodside and Roberge Schools. The capital leases are comprised of technology improvements and a boiler upgrade. The compensated absences represents the District's liability for unused accrued sick leave and unused vacation.

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

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

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

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

### FOR THE FUTURE

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

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

### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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**BASIC FINANCIAL STATEMENTS**





**RIVER VALE BOARD OF EDUCATION**  
**STATEMENT OF NET ASSETS**  
**AS OF JUNE 30, 2009**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,074,621	\$ 143,450	\$ 1,218,071
Receivables, net			
Receivables from Other Governments	408,686	1,640	410,326
Other		37,929	37,929
Capital Assets, Not Being Depreciated	43,525		43,525
Capital Assets, Being Depreciated, Net	<u>20,314,392</u>	<u>2,870</u>	<u>20,317,262</u>
Total Assets	<u>21,841,224</u>	<u>185,889</u>	<u>22,027,113</u>
<b>LIABILITIES</b>			
Accounts Payable	100,191	55,646	155,837
Note Payable	275,000		275,000
Accrued Interest Payable	119,993		119,993
Unearned Revenue	122,550	27,892	150,442
Noncurrent Liabilities			
Due Within One Year	714,478		714,478
Due Beyond One Year	<u>8,825,181</u>	<u>-</u>	<u>8,825,181</u>
Total Liabilities	<u>10,157,393</u>	<u>83,538</u>	<u>10,240,931</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt Restricted for	11,300,821	2,870	11,303,691
Capital Projects	221,823		221,823
Unrestricted	<u>161,187</u>	<u>99,481</u>	<u>260,668</u>
Total Net Assets	<u>\$ 11,683,831</u>	<u>\$ 102,351</u>	<u>\$ 11,786,182</u>

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

RIVER VALE BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 9,244,287	\$ 12,794	\$ 742,545		\$ (8,501,742)		\$ (8,501,742)
Special Education	1,857,575		771,079		(1,073,702)		(1,073,702)
Other Instruction	469,976		46,130		(423,846)		(423,846)
School Sponsored Activities and Athletics	136,354				(136,354)		(136,354)
Support Services							
Student and Instruction Related Services	1,861,330		107,713		(1,753,617)		(1,753,617)
Attendance and Social Work	152,102		26,803		(125,299)		(125,299)
Educational Media/School Library	313,761		22,192		(291,569)		(291,569)
School Administrative Services	901,583		46,653		(854,930)		(854,930)
General and Business Administrative Services	762,636		21,914		(740,722)		(740,722)
Plant Operations and Maintenance	2,074,072		33,965		(2,040,107)		(2,040,107)
Pupil Transportation	506,282		110,966		(395,316)		(395,316)
Central Services	895,645		16,558		(879,087)		(879,087)
Interest on Long-Term Debt	427,156		-		(427,156)		(427,156)
<b>Total Governmental Activities</b>	<b>19,602,759</b>	<b>12,794</b>	<b>1,946,518</b>	<b>-</b>	<b>(17,643,447)</b>	<b>-</b>	<b>(17,643,447)</b>
<b>Business-Type Activities</b>							
Food Service & Safety Town - Non Major	24,528	23,021	15,663	-	-	\$ 14,156	14,156
Park Academy	219,897	227,724	-	-	-	7,827	7,827
<b>Total Business-Type Activities</b>	<b>244,425</b>	<b>250,745</b>	<b>15,663</b>	<b>-</b>	<b>-</b>	<b>21,983</b>	<b>21,983</b>
<b>Total Primary Government</b>	<b>\$ 19,847,184</b>	<b>\$ 263,539</b>	<b>\$ 1,962,181</b>	<b>-</b>	<b>(17,643,447)</b>	<b>21,983</b>	<b>(17,621,464)</b>
<b>General Revenues</b>							
Property Taxes					17,795,531		17,795,531
Unrestricted State Aid					5,672		5,672
Interest on Investments					32,426	973	33,399
Miscellaneous Income					40,130		40,130
Special Items:					(4,710)		(4,710)
Loss on Disposal of Capital Asset							
<b>Total General Revenues and Special Items</b>					<b>17,869,049</b>	<b>973</b>	<b>17,870,022</b>
<b>Change in Net Assets</b>					<b>225,602</b>	<b>22,956</b>	<b>248,558</b>
<b>Net Assets, Beginning of Year</b>					<b>11,458,229</b>	<b>79,395</b>	<b>11,537,624</b>
<b>Net Assets, End of Year</b>					<b>\$ 11,683,831</b>	<b>\$ 102,351</b>	<b>\$ 11,786,182</b>

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

**FUND FINANCIAL STATEMENTS**



**RIVER VALE BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2009**

	<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	\$ 913,114		\$ 161,507		\$ 1,074,621
Due from Other Funds	114,374				114,374
Receivables from Other Governments	<u>21,262</u>	<u>\$ 112,424</u>	<u>275,000</u>	<u>-</u>	<u>408,686</u>
Total Assets	<u>\$ 1,048,750</u>	<u>\$ 112,424</u>	<u>\$ 436,507</u>	<u>\$ -</u>	<u>\$ 1,597,681</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable	\$ 92,899	\$ 1,292	\$ 6,000		\$ 100,191
Due to Other Funds		110,932	3,442		114,374
Note Payable			275,000		275,000
Deferred Revenue	<u>-</u>	<u>200</u>	<u>122,350</u>	<u>-</u>	<u>122,550</u>
Total Liabilities	<u>92,899</u>	<u>112,424</u>	<u>406,792</u>	<u>-</u>	<u>612,115</u>
Fund Balances					
Reserved for					
Encumbrances	171,512		8,000		179,512
Capital Reserve Account	221,823				221,823
Excess Surplus Designated for Subsequent Year's Expenditures	176,429				176,429
Excess Surplus	242,812				242,812
Unreserved Reported in:					
General Fund	143,275				143,275
Capital Projects Fund	<u>-</u>	<u>-</u>	<u>21,715</u>	<u>-</u>	<u>21,715</u>
Total Fund Balances	<u>955,851</u>	<u>-</u>	<u>29,715</u>	<u>-</u>	<u>985,566</u>
Total Liabilities and Fund Balances	<u>\$ 1,048,750</u>	<u>\$ 112,424</u>	<u>\$ 436,507</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$26,051,279 and the accumulated depreciation is \$5,693,362

20,357,917

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

(119,993)

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

General Obligation Bonds Payable	\$ 8,944,000
Capital Leases Payable	142,811
Compensated Absences	<u>452,848</u>
	<u>(9,539,659)</u>

**Net assets of governmental activities (Exhibit A-1) \$ 11,683,831**

**RIVER VALE BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<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	\$ 16,810,226			\$ 985,305	\$ 17,795,531
Tuition	12,794				12,794
Interest on Investment	28,739		\$ 3,687		32,426
Miscellaneous	40,130	\$ 800	-	-	40,930
Total - Local Sources	16,891,889	800	3,687	985,305	17,881,681
State Sources	1,683,813				1,683,813
Federal Sources	-	267,577	-	-	267,577
Total Revenues	18,575,702	268,377	3,687	985,305	19,833,071
<b>EXPENDITURES</b>					
Current					
Regular Instruction	8,917,936	800			8,918,736
Special Education Instruction	1,596,079	230,600			1,826,679
Other Instruction	447,829	5,450			453,279
School-Sponsored Activities and Athletics	136,354				136,354
Support Services					
Student and Instruction Related Services	1,791,274	31,527			1,822,801
Attendance and Social Work	146,193				146,193
Educational Media/School Library	303,359				303,359
School Administrative Services	874,501				874,501
General Administrative Services	751,340				751,340
Plant Operations and Maintenance	2,034,298				2,034,298
Pupil Transportation	506,282				506,282
Central Services	867,274				867,274
Debt Service					
Principal	217,869			570,000	787,869
Interest and Other Charges	23,258			415,305	438,563
Capital Outlay	108,147	-	255,354	-	363,501
Total Expenditures	18,721,993	268,377	255,354	985,305	20,231,029
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	(146,291)	-	(251,667)	-	(397,958)
Other Financing Sources and (Uses)					
Transfers In	3,564				3,564
Transfers Out	-	-	(3,564)	-	(3,564)
Total Other Financing Sources and Uses	3,564	-	(3,564)	-	-
Net Change in Fund Balances	(142,727)	-	(255,231)	-	(397,958)
Fund Balance, Beginning of Year	1,098,578	-	284,946	-	1,383,524
Fund Balance, End of Year	\$ 955,851	\$ -	\$ 29,715	\$ -	\$ 985,566

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

**RIVER VALE BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**Total net change in fund balances - governmental funds (Exhibit B-2)** **\$ (397,958)**

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

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

Capital Outlay	\$	363,501	
Loss on Disposal of Fixed Assets		(4,710)	
Depreciation Expense		<u>(511,380)</u>	
			(152,589)

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

Compensated Absences			(23,127)
----------------------	--	--	----------

Repayment of bond and lease purchase principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.

Reduction on Long-Term Debt			787,869
-----------------------------	--	--	---------

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

Decrease in accrued interest			<u>11,407</u>
------------------------------	--	--	---------------

**Change in net assets of governmental activities (Exhibit A-2)** **\$ 225,602**

**RIVER VALE BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 AS OF JUNE 30, 2009**

	<u>Business-Type Activities Enterprise Fund Park Academy</u>	<u>Business-Type Activities Enterprise Fund Non-Major</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 92,082	\$ 51,368	\$ 143,450
Intergovernmental Receivable			
Other	37,929		37,929
Federal	-	1,640	1,640
	<hr/>	<hr/>	<hr/>
Total Current Assets	130,011	53,008	183,019
Capital Assets			
Equipment		15,258	15,258
Less: Accumulated Depreciation	-	(12,388)	(12,388)
	<hr/>	<hr/>	<hr/>
Total Capital Assets, Net	-	2,870	2,870
	<hr/>	<hr/>	<hr/>
Total Assets	130,011	55,878	185,889
	<hr/>	<hr/>	<hr/>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	55,646		55,646
Unearned Revenue	-	27,892	27,892
	<hr/>	<hr/>	<hr/>
Total Current Liabilities	55,646	27,892	83,538
	<hr/>	<hr/>	<hr/>
Total Liabilities	55,646	27,892	83,538
	<hr/>	<hr/>	<hr/>
<b>NET ASSETS</b>			
Invested in Capital Assets		2,870	2,870
Unrestricted	74,365	25,116	99,481
	<hr/>	<hr/>	<hr/>
Total Net Assets	\$ 74,365	\$ 27,986	\$ 102,351
	<hr/>	<hr/>	<hr/>

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



**RIVER VALE BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET ASSETS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<u>Business-Type Activities Enterprise Fund Park Academy</u>	<u>Business-Type Activities Enterprise Fund Non-Major</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for Services			
Daily Sales - Milk		\$ 17,671	\$ 17,671
Program Fees	\$ 227,724	5,350	233,074
	<u>227,724</u>	<u>23,021</u>	<u>250,745</u>
Total Operating Revenues	<u>227,724</u>	<u>23,021</u>	<u>250,745</u>
<b>OPERATING EXPENSES</b>			
Cost of Sales		21,946	21,946
Salaries and Benefits	173,250		173,250
Other Purchased Services	11,030	1,371	12,401
Supplies and Materials	13,745	780	14,525
Rent	19,865		19,865
Miscellaneous	2,007		2,007
Depreciation	-	431	431
	<u>219,897</u>	<u>24,528</u>	<u>244,425</u>
Total Operating Expenses	<u>219,897</u>	<u>24,528</u>	<u>244,425</u>
Operating Income/(Loss)	<u>7,827</u>	<u>(1,507)</u>	<u>6,320</u>
<b>NONOPERATING REVENUES</b>			
Interest	619	354	973
Federal Sources			
Special Milk Program	-	15,663	15,663
	<u>619</u>	<u>16,017</u>	<u>16,636</u>
Total Nonoperating Revenues	<u>619</u>	<u>16,017</u>	<u>16,636</u>
Change in Net Assets	8,446	14,510	22,956
Total Net Assets, Beginning of Year	<u>65,919</u>	<u>13,476</u>	<u>79,395</u>
Total Net Assets, End of Year	<u>\$ 74,365</u>	<u>\$ 27,986</u>	<u>\$ 102,351</u>

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

**RIVER VALE BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<u>Business-Type Activities Enterprise Fund Park Academy</u>	<u>Business-Type Activities Enterprise Fund Non-Major</u>	<u>Total</u>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 433,117	\$ 33,621	\$ 466,738
Cash Payments to Suppliers for Goods and Services	<u>(340,031)</u>	<u>(24,097)</u>	<u>(364,128)</u>
Net Cash Provided by (Used by) Operating Activities	<u>93,086</u>	<u>9,524</u>	<u>102,610</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Cash Received from State and Federal Subsidy Reimbursements	<u>-</u>	<u>15,136</u>	<u>15,136</u>
Net Cash Provided by (Used by) Noncapital Financing Activities	<u>-</u>	<u>15,136</u>	<u>15,136</u>
<b>Cash Flows from Investing Activities</b>			
Interest Earnings	<u>619</u>	<u>354</u>	<u>973</u>
Net Cash Provided by Investing Activities	<u>619</u>	<u>354</u>	<u>973</u>
Net Increase in Cash and Cash Equivalents	93,705	25,014	118,719
Cash and Cash Equivalents (Overdraft), Beginning of Year	<u>(1,623)</u>	<u>26,354</u>	<u>24,731</u>
Cash and Cash Equivalents, End of Year	<u>\$ 92,082</u>	<u>\$ 51,368</u>	<u>143,450</u>
<b>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</b>			
Operating Income (Loss)	\$ 7,827	\$ (1,507)	\$ 6,320
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities			
Depreciation		431	431
Change in Assets and Liabilities			
(Increase)/Decrease in Intergovernmental Receivable - Other	205,393		205,393
Increase/(Decrease) in Accounts Payable	(120,134)		(120,134)
Increase/(Decrease) in Deferred Revenue	<u>-</u>	<u>10,600</u>	<u>10,600</u>
Total Adjustments	<u>85,259</u>	<u>11,031</u>	<u>96,290</u>
Net Cash (Used by) Operating Activities	<u>\$ 93,086</u>	<u>\$ 9,524</u>	<u>\$ 102,610</u>

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

**RIVER VALE BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
AS OF JUNE 30, 2009**

	<b>Unemployment Compensation <u>Trust</u></b>	<b><u>Agency Fund</u></b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 123,521	\$ 93,859
Total Assets	<u>123,521</u>	<u>\$ 93,859</u>
<b>LIABILITIES</b>		
Intergovernmental Payable	3,505	
Payroll Deductions and Withholdings		\$ 1,572
Accrued Salaries and Wages		1,791
Due to Student Groups	<u>-</u>	<u>90,496</u>
Total Liabilities	<u>3,505</u>	<u>\$ 93,859</u>
<b>NET ASSETS</b>		
Held in Trust for Unemployment Claims	<u>\$ 120,016</u>	

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

**RIVER VALE BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<b>Unemployment Compensation <u>Trust</u></b>
<b>ADDITIONS</b>	
Contributions	
Employees	\$ <u>29,629</u>
Total Additions	<u>29,629</u>
<b>DEDUCTIONS</b>	
Unemployment Claims and Contributions	<u>67,182</u>
Total Deductions	<u>67,182</u>
Change in Net Assets	(37,553)
Net Assets, Beginning of Year	<u>157,569</u>
Net Assets, End of Year	<u>\$ 120,016</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS**



**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**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, safety town 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. District-wide and Fund Financial Statements**

The district-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The District considers all of its governmental and park academy enterprise fund to be major funds.

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

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

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

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

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

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

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

The *debt service fund* accounts for the accumulation of resources for and the payment of principal and interest on long-term general obligation debt of governmental funds.

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

The *park academy fund* accounts for the activities of the District's tuition reimbursement for students attending the school.

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

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

The *safety town fund* accounts for the activities of summer safety program.



**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

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

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.

Private-sector standards of accounting and financial reporting issued by the Financial Accounting Standards Board (FASB) prior to December 1, 1989, generally are followed in both the district-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Board has elected not to follow FASB guidance issued subsequent to December 1, 1989.

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

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

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, the Safety Town Program and the Park Academy Program are charges to customers for sales and services and program fees. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

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

***1. Deposits and Investments***

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

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

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

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

***2. Receivables and Payables***

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

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

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

*Tuition Expenditures* - Tuition charges for the fiscal years 2007-2008 and 2008-2009 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

***3. Capital Assets***

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or estimated historical cost if constructed. 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 assets lives are not capitalized.

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

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

**3. *Capital Assets* (Continued)**

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.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

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

**4. *Compensated Absences***

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

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

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

**6. *Fund Equity***

Reservations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is appropriated for future expenditures.

**Reserved for Encumbrances** - This reserve was created to represent encumbrances outstanding at the end of the year based on purchase orders and contracts awarded for which the goods or services have not yet been received at June 30.

**Reserved for Capital Reserve Account** – This reserve was created by the District to fund future capital expenditures.

**Reserved for Excess Surplus – Designated for Subsequent Year's Expenditures** - This reserve was created to represent the June 30, 2008 audited excess surplus that was appropriated in the 2009/2010 original budget certified for taxes.

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

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

**Reserved for Excess Surplus** – This reserve was created to represent the June 30, 2009 audited excess surplus that is required to be appropriated in the 2010/2011 original budget certified for taxes.

***7. Reclassifications***

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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

In accordance with the requirements of the New Jersey Department of Education ("the Department"), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the 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 and is voted upon at the annual school election on the third Tuesday in April. Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2008/2009. During 2008/2009 the Board increased the original budget by \$314,450. The increase was funded by additional grant awards and the reappropriation of prior year general fund encumbrances.

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

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

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

**B. Capital Reserve Account**

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

Funds placed in the capital reserve account 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 account 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, 2009 is as follows:

Balance, July 1, 2008	\$ 219,144
Interest earnings	<u>2,679</u>
Balance, June 30, 2009	<u>\$ 221,823</u>

The June 30, 2009 LRFP balance of local support costs of uncompleted capital projects is \$2,953,500. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan.

**C. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – 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, 2009 is \$419,241. Of this amount, \$176,429 was designated and appropriated in the 2009/2010 original budget certified for taxes and the remaining amount of \$242,812 will be appropriated in the 2010/2011 original budget certified from taxes.

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

**Deposits**

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank 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 \$100,000 for each failed brokerage firm. At June 30, 2009, the book value of the Board's deposits was \$1,435,451 and bank balances of the Board's cash and deposits amounted to \$1,810,652. The Board's deposits which are displayed on the balance sheets and statement of net assets as "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	<u>\$ 1,810,652</u>
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**Investments**

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

As of June 30, 2009, the Board had no outstanding investments.

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

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

**B. Receivables**

Receivables as of year-end for the district's individual major funds and nonmajor 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>Major Enterprise Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>
Receivables:						
Intergovernmental	\$ 21,262	\$ 112,424	\$ 275,000	\$ 37,929	\$ 1,640	\$ 448,255
Gross Receivables	21,262	112,424	275,000	37,929	1,640	448,255
Less: Allowance for Uncollectibles	-	-	-	-	-	-
Net Total Receivables	<u>\$ 21,262</u>	<u>\$ 112,424</u>	<u>\$ 275,000</u>	<u>\$ 37,929</u>	<u>\$ 1,640</u>	<u>\$ 448,255</u>

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

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered grant draw downs	\$ 200
Capital Projects Fund	
Unrealized School Facility Grants	<u>122,350</u>
Total deferred revenue for governmental funds	<u>\$122,550</u>

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2009 was as follows:

	Balance, <u>July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	Balance, <u>June 30, 2009</u>
<b>Governmental activities:</b>					
Capital Assets, not being Depreciated:					
Land	\$ 43,525	-	-	-	\$ 43,525
Total Capital Assets, not being depreciated	<u>43,525</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,525</u>
Capital Assets, being depreciated:					
Buildings and Building Improvements	23,352,663	\$ 308,497			23,661,160
Machinery and Equipment	1,925,890	55,004	\$ (18,900)		1,961,994
Land Improvements	384,600	-	-	-	384,600
Total Capital Assets being Depreciated	<u>25,663,153</u>	<u>363,501</u>	<u>(18,900)</u>	<u>-</u>	<u>26,007,754</u>
Less Accumulated Depreciation for:					
Buildings and Building Improvements	(3,711,933)	(428,188)			(4,140,121)
Machinery and Equipment	(1,295,789)	(66,492)	14,190		(1,348,091)
Land Improvements	(188,450)	(16,700)	-	-	(205,150)
Total Accumulated Depreciation	<u>(5,196,172)</u>	<u>(511,380)</u>	<u>14,190</u>	<u>-</u>	<u>(5,693,362)</u>
Total Capital Assets, being Depreciated, net	<u>20,466,981</u>	<u>(147,879)</u>	<u>(4,710)</u>	<u>-</u>	<u>20,314,392</u>
Governmental Activities Capital Assets, net	<u>\$ 20,510,506</u>	<u>\$ (147,879)</u>	<u>\$ (4,710)</u>	<u>\$ -</u>	<u>\$ 20,357,917</u>



**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

**C. Capital Assets (Continued)**

	Balance, <u>July 1, 2008</u>	<u>Increases</u>	<u>Adjustments</u>	Balance, <u>June 30, 2009</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>(11,957)</u>	\$ (431)	-	<u>(12,388)</u>
Total Accumulated Depreciation	<u>(11,957)</u>	<u>(431)</u>	<u>-</u>	<u>(12,388)</u>
Total Capital Assets, being Depreciated, net	<u>3,301</u>	<u>(431)</u>	<u>-</u>	<u>2,870</u>
Business-Type Activities Capital Assets, net	<u>\$ 3,301</u>	<u>\$ (431)</u>	<u>\$ -</u>	<u>\$ 2,870</u>

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

**Governmental activities:**

Instruction	
Regular	\$ 296,185
Special	29,545
Other Special Instruction	<u>15,128</u>
Total Instruction	<u>340,858</u>
Support Services	
Support Services - Students and Instructional Staff	67,849
General Administration	11,296
School Administration	26,998
Operations and Maintenance of Plant	40,895
Business and Other Support Services	<u>23,484</u>
Total Support Services	<u>170,522</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 511,380</u>
<b>Business-Type activities:</b>	
Food Service Fund	<u>\$ 431</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 431</u>

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

**C. Capital Assets (Continued)**

Construction commitments

The District has the following active construction projects as of June 30, 2009:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Facilities, Acquisition and Construction Services at Holdrum, Woodside and Roberge Schools	\$ 19,645,178	\$ 8,000
Holdrum and Roberge Boiler Project	<u>357,560</u>	<u>-</u>
Total	<u>\$ 20,002,738</u>	<u>\$ 8,000</u>

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

The composition of interfund balances as of June 30, 2009, is as follows:

**Due to/from other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 110,932
General Fund	Capital Projects Fund	<u>3,442</u>
		<u>\$ 114,374</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. The district expects all interfund balances to be liquidated within one year.

**Interfund transfers**

	<u>Transfer In:</u>
	<u>General Fund</u>
Transfer Out: Capital Projects Fund	<u>\$ 3,564</u>

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

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

**E. Leases**

**Capital Leases**

The District is leasing boiler improvements totaling \$295,000 under capital leases. The leases are for terms of 5 years.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2009 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2010	\$ 75,333
2011	<u>75,332</u>
Total minimum lease payments	150,665
Less: amount representing interest	<u>7,854</u>
Present value of minimum lease payments	<u>\$ 142,811</u>

**F. Long-Term Debt**

**General Obligation Bonds**

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

Bonds payable at June 30, 2009 are comprised of the following issues:

\$12,834,000, 2001 Bonds, due in annual installments of \$600,000 to \$820,000 through September 15, 2020, interest at 4.5%	<u>\$8,944,000</u>
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**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

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

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

**Governmental Activities:**

Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
2010	\$ 600,000	\$ 388,980	\$ 988,980
2011	630,000	361,305	991,305
2012	660,000	332,280	992,280
2013	690,000	301,905	991,905
2014	725,000	270,068	995,068
2015-2019	4,000,000	825,078	4,825,078
2020-2020	<u>1,639,000</u>	<u>73,734</u>	<u>1,712,734</u>
	<u>\$ 8,944,000</u>	<u>\$ 2,553,350</u>	<u>\$ 11,497,350</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2009 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 66,064,488
Less: Net Debt	<u>8,944,000</u>
Remaining Borrowing Power	<u>\$ 57,120,488</u>

**Changes in long-term liabilities**

Long-term liability activity for the year ended June 30, 2009, was as follows:

	Balance, July 1, 2008	Additions	Reductions	Balance, June 30, 2009	Due Within One Year
<b>Governmental activities:</b>					
Bonds Payable	\$ 9,514,000		\$ 570,000	\$ 8,944,000	\$ 600,000
Capital Leases	360,680		217,869	142,811	72,683
Compensated Absences	<u>429,721</u>	<u>\$ 83,277</u>	<u>60,150</u>	<u>452,848</u>	<u>41,795</u>
Governmental Activity Long-Term Liabilities	<u>\$ 10,304,401</u>	<u>\$ 83,277</u>	<u>\$ 848,019</u>	<u>\$ 9,539,659</u>	<u>\$ 714,478</u>

Compensated absences and capital leases for the governmental activities are generally liquidated by the general fund.

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

**G. Short-Term Debt**

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

The Board issues Grant Anticipation Notes to interim finance capital projects funded by the State Development Authority's Facility construction grants. The Board's short-term debt activity for the year ended June 30, 2009 was as follows:

<u>Purpose</u>	<u>Balance, July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2009</u>
Grant Anticipation Note	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000
	<u>\$ 275,000</u>	<u>\$ 275,000</u>	<u>\$ 275,000</u>	<u>\$ 275,000</u>

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur.

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

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

NESBIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the 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.

**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

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

<u>Year Ended</u> <u>June 30,</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2009	\$ 29,629	\$ 67,182	\$ 120,016
2008	28,157	28,252	157,569
2007	32,067	12,873	157,665

**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, 2009, 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, 2009, the District had no estimated arbitrage earnings due to the IRS.

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

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

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Public Employees' Retirement System (PERS)** – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

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

**Other Pension Funds**

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

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for the system.

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

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

**Basis of Accounting**

The financial statements of the 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.

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Investment Valuation (Continued)**

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

**Significant Legislation**

P.L. 2007, c.92, implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform: established a Defined Contribution Retirement Program (DCRP) for elected and certain appointed officials, effective July 1, 2007; closed the Workers' Compensation Judges part of PERS to new members, effective July 1, 2007; eliminated the four percent fixed rate of interest for loans from the defined benefit plans and provided that the rate of interest will be set by the State Treasurer at a commercially reasonable rate as required by the Internal Revenue Code and permitted that an administrative processing fee may be charged for such loans. It also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the system when excess assets are available.

P.L. 2007, c.103, certain parts effective July 1, 2007, provided for the following: changed employee contribution rates of TPAF, PERS (State employees only) and DCRP to 5.5 percent of annual compensation; imposed an annual maximum wage contribution base and a new retirement age to new employees; implemented changes to State Health Benefits Program (SHBP) and established for State employees an employee contribution of 1.5 percent of the employee's base salary.

Public Law 2009, c.19 (S-21) was enacted on March 17, 2009 and allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying the full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the PERS and/or PFRS obligations for payments due in the State fiscal year ending June 30, 2009. These payments were due on April 1, 2009.

**Funding Status and Funding Progress**

As of June 30, 2007, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 76.0 percent with an unfunded actuarial accrued liability of \$28.4 billion.

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

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



**RIVER VALE BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Actuarial Methods and Assumptions**

In the June 30, 2007 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for the retirement systems and (2) 5.45 percent for projected salary increases for the PERS and 5.74 percent for TPAF.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF.

**Annual Pension Costs (APC)**

During the year ended June 30, 2009 for TPAF, which is a cost sharing plan with special funding situations, 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 the annual required contribution. 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.

During the years ended June 30, 2009, 2008 and 2007 the Board was required to contribute for PERS and the State of New Jersey was required to contribute for TPAF for normal cost pension contributions (including non-contributory group life insurance (NCGI)) the following amounts:

<u>Year Ended</u> <u>June 30,</u>	<u>PERS</u>	<u>On-behalf</u> <u>TPAF</u>
2009	\$ 151,630	\$ 19,907
2008	104,136	637,150
2007	57,985	649,755

During 2008/09 school year, the State of New Jersey did not contribute to the TPAF for normal cost. It only paid \$19,907 for the NCGI premium.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$665,369 during the year ended June 30, 2009 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, along with the on-behalf TPAF pension contribution, has been included in the district-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits**

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

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF are combined and reported as Health Benefits Program Fund –Local classified as a cost-sharing multiple-employer plan in the State's CAFR. The health benefit programs had a total of 452 state and local participating employers and contributing entities for Fiscal Year 2008.

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

**Basis of Accounting**

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

**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 June 30, 2007, the most recent actuarial valuation date, the State had a \$50.6 billion unfunded actuarial accrued liability for other postemployment benefits (OPEB) which is made up to \$18.4 billion for state active and retired members and \$32.2 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

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

**RIVER VALE BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Actuarial Methods and Assumptions**

In the June 30, 2007, actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

**Post-Retirement Medical Benefits Contributions**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2008, there were 80,181 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education with 25 years of service. The State paid \$116.0 million toward Chapter 126 benefits for 12,545 eligible retired members in fiscal year 2008.

The State sets the contribution rate based on a pay as you go basis and not on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2009, 2008 and 2007 were \$379,782, \$696,671 and \$673,654, 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.

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**BUDGETARY COMPARISON SCHEDULES**



**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 16,810,226		\$ 16,810,226	\$ 16,810,226	
Tuition				12,794	\$ 12,794
Interest on Investments	92,000		92,000	28,739	(63,261)
Miscellaneous	38,800		38,800	40,130	1,330
State Sources					
Transportation Aid	106,864		106,864	106,864	
Special Education Aid	409,003		409,003	409,003	
Security Aid	101,855		101,855	37,250	(64,605)
Extraordinary Aid	169,564		169,564	264,945	95,381
Nonpublic School Transportation Aid				8,469	8,469
On-Behalf TPAF Pension Contribution (Non-Budgeted)- Normal Cost				19,907	19,907
Post Retirement Medical Contribution				379,782	379,782
On-Behalf TPAF Social Security (Non-Budgeted)	-	-	-	665,369	665,369
<b>Total Revenues</b>	<u>17,728,312</u>	<u>-</u>	<u>17,728,312</u>	<u>18,783,478</u>	<u>1,055,166</u>
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool/Kindergarten	539,375	\$ (106,889)	432,486	427,445	5,041
Grades 1-5	3,775,944	75,945	3,851,889	3,851,736	153
Grades 6-8	2,182,463	48,911	2,231,374	2,231,225	149
Instruction - Home	2,500	2,773	5,273	4,801	472
<b>Total Instruction - Regular</b>	<u>6,500,282</u>	<u>20,740</u>	<u>6,521,022</u>	<u>6,515,207</u>	<u>5,815</u>
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	56,835	(7,750)	49,085	49,038	47
Purchased Professional Services		1,498	1,498	1,490	8
Other Purchased Services	169,468	7,515	176,983	169,706	7,277
Travel		258	258	79	179
General Supplies	301,397	(33,183)	268,214	237,928	30,286
Textbooks	27,750	(6,756)	20,994	17,613	3,381
<b>Total Regular Programs</b>	<u>555,450</u>	<u>(38,418)</u>	<u>517,032</u>	<u>475,854</u>	<u>41,178</u>
Resource Room					
Salaries of Teachers	512,946	11,324	524,270	524,068	202
General Supplies	2,035	(4)	2,031	1,799	232
Textbooks	1,295	(586)	709	582	127
<b>Total Resource Room</b>	<u>516,276</u>	<u>10,734</u>	<u>527,010</u>	<u>526,449</u>	<u>561</u>
Preschool Disabilities - Part Time					
Salaries of Teachers	99,553		99,553	99,552	1
Other Salaries for Instruction	23,828	7,343	31,171	31,171	
General Supplies	1,233	(206)	1,027	465	562
<b>Total Preschool Disabilities - Part Time</b>	<u>124,614</u>	<u>7,137</u>	<u>131,751</u>	<u>131,188</u>	<u>563</u>
<b>Total Special Education</b>	<u>640,890</u>	<u>17,871</u>	<u>658,761</u>	<u>657,637</u>	<u>1,124</u>

(Continued)

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Basic Skills/Remedial					
Salaries of Teachers	\$ 271,533	\$ (29,579)	\$ 241,954	\$ 241,924	\$ 30
General Supplies	1,095	462	1,557	1,448	109
Textbooks	1,295	230	1,525	1,481	44
Total Basic Skills/Remedial	<u>273,923</u>	<u>(28,887)</u>	<u>245,036</u>	<u>244,853</u>	<u>183</u>
Bilingual Education					
Salaries of Teachers	93,355	2	93,357	93,355	2
Purchased Services		492	492	420	72
General Supplies	650	(202)	448	409	39
Textbooks	200	(200)	-	-	-
Total Bilingual Education	<u>94,205</u>	<u>92</u>	<u>94,297</u>	<u>94,184</u>	<u>113</u>
School Sponsored Co-Curricular Activities					
Salaries	70,898	(1,620)	69,278	68,528	750
Purchased Services	825	(825)	-	-	-
Total School Sponsored Co-Curricular Activities	<u>71,723</u>	<u>(2,445)</u>	<u>69,278</u>	<u>68,528</u>	<u>750</u>
School Sponsored Athletics - Instruction					
Salaries	52,381	604	52,985	52,838	147
Purchased Services	7,000	(1,277)	5,723	5,622	101
Supplies and Materials	5,100	-	5,100	4,395	705
Total School Sponsored Athletics - Instruction	<u>64,481</u>	<u>(673)</u>	<u>63,808</u>	<u>62,855</u>	<u>953</u>
Total - Instruction	<u>8,200,954</u>	<u>(31,720)</u>	<u>8,169,234</u>	<u>8,119,118</u>	<u>50,116</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Special	611,053	(77,338)	533,715	522,577	11,138
Tuition to Private School Handicapped-Within State	174,603	44,742	219,345	208,768	10,577
Total Undistributed Expenditures - Instruction	<u>785,656</u>	<u>(32,596)</u>	<u>753,060</u>	<u>731,345</u>	<u>21,715</u>
Attendance and Social Work Services					
Salaries	62,493	(5,408)	57,085	56,834	251
Other Purchased Services	9,460	-	9,460	8,612	848
Total Attendance and Social Work Services	<u>71,953</u>	<u>(5,408)</u>	<u>66,545</u>	<u>65,446</u>	<u>1,099</u>
Health Services					
Salaries	191,475	1,019	192,494	192,343	151
Purchased Professional - Educational Services	21,000	1,621	22,621	17,768	4,853
Supplies and Materials	2,572	95	2,667	2,501	166
Total Health Services	<u>215,047</u>	<u>2,735</u>	<u>217,782</u>	<u>212,612</u>	<u>5,170</u>



**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Other Support Services - Students Related Services					
Salaries	\$ 163,130		\$ 163,130	\$ 163,130	
Purchased Professional - Educational Services	173,200	\$ 82,495	255,695	254,783	\$ 912
Supplies and Materials	2,050	(1,351)	699	699	
Miscellaneous Expenditures	315	(315)	-	-	-
<b>Total Other Support Services - Students Related Services</b>	<b>338,695</b>	<b>80,829</b>	<b>419,524</b>	<b>418,612</b>	<b>912</b>
Other Support Services - Students - Extra. Service					
Salaries	195,075	22,714	217,789	217,789	
Purchased Professional - Educational Services		250	250	42	208
Supplies and Materials	2,100	(2,100)			
Other Objects	-	590	590	590	-
<b>Total Other Support Svcs.-Students-Extra. Service.</b>	<b>197,175</b>	<b>21,454</b>	<b>218,629</b>	<b>218,421</b>	<b>208</b>
Other Support Services - Students - Reg.					
Salaries of Other Professional Staff	162,636	(1)	162,635	162,319	316
Purchased Professional - Educational Services	1,000	(378)	622	464	158
Other Purchased Professional & Technical Services	8,000	(6,580)	1,420	1,419	1
General Supplies	11,085	(1,846)	9,239	6,916	2,323
<b>Total Other Support Svcs.- Students - Reg.</b>	<b>182,721</b>	<b>(8,805)</b>	<b>173,916</b>	<b>171,118</b>	<b>2,798</b>
Other Support Services - Students - Special Svcs.					
Salaries of Other Professional Staff	323,960	(2,557)	321,403	321,012	391
Salaries of Secretarial and Clerical Assistants	58,723		58,723	58,723	
Purchased Professional-Educational Services	7,500	(761)	6,739	6,672	67
Region II Annual Fee	59,000	(1,883)	57,117	57,117	
Miscellaneous Purchased Services	5,500	599	6,099	3,926	2,173
Supplies and Materials	5,000	(1,759)	3,241	3,127	114
Other Objects	785	-	785	710	75
<b>Total Other Support Services - Students - Special Svcs</b>	<b>460,468</b>	<b>(6,361)</b>	<b>454,107</b>	<b>451,287</b>	<b>2,820</b>
Educational Media Services/School Library					
Salaries	164,789	23,527	188,316	188,315	1
Other Salaries	20,520		20,520	20,520	
Other Purchased Services	17,000	(750)	16,250	15,727	523
Supplies and Materials	16,860	(4)	16,856	15,070	1,786
<b>Total Educational Media Services/School Library</b>	<b>219,169</b>	<b>22,773</b>	<b>241,942</b>	<b>239,632</b>	<b>2,310</b>
Instructional Staff Training Services					
Other Salaries	1,750	341	2,091	1,375	716
Purchased Professional - Educational Services	1,137		1,137	45	1,092
Other Purchased Prof and Tech Services	4,431	(1,195)	3,236	375	2,861
Other Purchased Services	15,125	(682)	14,443	8,924	5,519
Supplies and Materials	500		500	227	273
Other Objects	1,000	-	1,000	-	1,000
<b>Total Instructional Staff Training Services</b>	<b>23,943</b>	<b>(1,536)</b>	<b>22,407</b>	<b>10,946</b>	<b>11,461</b>

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Support Services General Administration					
Salaries	\$ 247,803	\$ 2,711	\$ 250,514	\$ 250,355	\$ 159
Legal Services	35,000	58,220	93,220	92,326	894
Audit Fees	40,000	27,620	67,620	27,620	40,000
Other Purchased Professional Services	21,700	63,526	85,226	47,305	37,921
Lease Payments	4,500	859	5,359	2,335	3,024
Communications/Telephone	53,500	(16,677)	36,823	34,941	1,882
BOE Other Purchased Services	5,000	(1,450)	3,550	2,578	972
Other Purchased Services	125,500	(20,061)	105,439	101,969	3,470
General Supplies	10,000	1,088	11,088	10,018	1,070
Judgements Against the School		91,400	91,400	75,000	16,400
Miscellaneous Expenditures	8,500	(500)	8,000	6,920	1,080
BOE Membership Dues and Fees	12,550	(1,043)	11,507	10,869	638
	<u>564,053</u>	<u>205,693</u>	<u>769,746</u>	<u>662,236</u>	<u>107,510</u>
Support Services School Administration					
Salaries of Principals/Asst. Principals	384,023	(9,205)	374,818	374,777	41
Salaries of Other Professional Staff	21,100		21,100	21,089	11
Salaries of Secretarial and Clerical Assistants	200,366	2,382	202,748	202,491	257
Purchased Professional & Technical Svcs.	625	(625)			
Other Purchased Services	22,919	7,978	30,897	21,525	9,372
General Supplies	13,700	(3,771)	9,929	6,437	3,492
Miscellaneous Expenditures	10,950	1,747	12,697	11,914	783
	<u>653,683</u>	<u>(1,494)</u>	<u>652,189</u>	<u>638,233</u>	<u>13,956</u>
Central Services					
Salaries	336,103	1,714	337,817	337,814	3
Other Purchased Services	16,400	1,325	17,725	15,042	2,683
Supplies and Materials	6,000	3,396	9,396	9,384	12
Interest on Current Loans	1,000	9,202	10,202	10,202	
Interest on Lease Purchase Agreements	13,057		13,057	13,056	1
Miscellaneous Expenditures	4,300	-	4,300	3,545	755
	<u>376,860</u>	<u>15,637</u>	<u>392,497</u>	<u>389,043</u>	<u>3,454</u>
Admin. Info. Tech.					
Salaries	182,890	(238)	182,652	182,649	3
Purchased Professional Services	18,690	3,256	21,946	20,308	1,638
Purchased Technical Services	35,819	2,529	38,348	32,221	6,127
Other Purchased Services	61,028	(1,059)	59,969	55,711	4,258
Supplies and Materials	51,404	140	51,544	23,624	27,920
Other Objects	19,373	(6,449)	12,924	4,858	8,066
	<u>369,204</u>	<u>(1,821)</u>	<u>367,383</u>	<u>319,371</u>	<u>48,012</u>
Required Maintenance for School Facilities					
Salaries	115,866	784	116,650	116,648	2
Cleaning, Repair and Maintenance Service	125,750	(3,613)	122,137	61,106	61,031
General Supplies	32,500	(1,863)	30,637	24,641	5,996
	<u>274,116</u>	<u>(4,692)</u>	<u>269,424</u>	<u>202,395</u>	<u>67,029</u>

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Other Operation and Maintenance of Plant					
Salaries	\$ 810,186	\$ (770)	\$ 809,416	\$ 789,684	\$ 19,732
Purchased Professional and Technical Services	22,300	7,204	29,504	26,839	2,665
Cleaning, Repair, Maintenance	149,035	(3,907)	145,128	112,374	32,754
Other Purchased Property	13,500		13,500	11,687	1,813
Insurance	126,451	(8,868)	117,583	117,583	
Other Purchased Services	9,350	(567)	8,783	7,397	1,386
General Supplies	97,400		97,400	68,561	28,839
Energy (Heat & Electricity)	435,800		435,800	390,110	45,690
Miscellaneous Expenditures	7,500	(1,033)	6,467	6,063	404
Total Other Operation and Maintenance	<u>1,671,522</u>	<u>(7,941)</u>	<u>1,663,581</u>	<u>1,530,298</u>	<u>133,283</u>
Student Transportation Services					
Contracted Services-Aid in Lieu of Pymts-Non-Public Schools					
	40,000	(15,314)	24,686	24,686	
Contracted Services (Between Home and School) - Vendors	159,172	(14,039)	145,133	145,108	25
Contracted Services (Other Than Between Home and School) - Vendors	24,850	(429)	24,421	24,185	236
Contracted Services (Spec. Ed. Students) - Joint Agreement	<u>256,705</u>	<u>55,598</u>	<u>312,303</u>	<u>312,303</u>	<u>-</u>
Total Student Transportation Services	<u>480,727</u>	<u>25,816</u>	<u>506,543</u>	<u>506,282</u>	<u>261</u>
Employee Benefits - Unallocated					
Social Security Contributions	187,000	13,034	200,034	196,695	3,339
Other Retirement Contributions - Regular	206,541	(54,911)	151,630	148,330	3,300
Workmen's Compensation	102,868	(407)	102,461	100,025	2,436
Health Benefits	2,222,123	(122,997)	2,099,126	2,069,848	29,278
Tuition Reimbursement	20,100	1,066	21,166	19,684	1,482
Other Employee Benefits	<u>30,500</u>	<u>29,651</u>	<u>60,151</u>	<u>60,150</u>	<u>1</u>
Total Employee Benefits - Unallocated	<u>2,769,132</u>	<u>(134,564)</u>	<u>2,634,568</u>	<u>2,594,732</u>	<u>39,836</u>
On-Behalf TPAF Pension Contributions (Non-Budgeted)					
Normal Cost				19,907	(19,907)
Post-Retirement Medical Contribution				379,782	(379,782)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	<u>-</u>	<u>-</u>	<u>-</u>	<u>665,369</u>	<u>(665,369)</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,065,058</u>	<u>(1,065,058)</u>
Total Undistributed Expenditures	<u>9,654,124</u>	<u>169,719</u>	<u>9,823,843</u>	<u>10,427,067</u>	<u>(603,224)</u>
Total Current Expenditures	<u>17,855,078</u>	<u>137,999</u>	<u>17,993,077</u>	<u>18,546,185</u>	<u>(553,108)</u>

(Continued)

**RIVER VALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CAPITAL OUTLAY</b>					
Interest Deposit to Capital Reserve	\$ 2,000		\$ 2,000		\$ 2,000
Equipment					
Undistributed Expenditures - Instruction		\$ 16,135	16,135	\$ 16,135	
Undistributed Expenditures - School Admin.		3,769	3,769	3,769	
Undistributed Expenditures - Admin. Info. Tech.	5,000	24,965	29,965	29,960	5
Operation & Maintenance of Plant Services	26,500	49,961	76,461	58,283	18,178
Total Undistributed Expenditures - Instruction	33,500	94,830	128,330	108,147	20,183
Total Equipment	33,500	94,830	128,330	108,147	20,183
Facilities Acquisition and Construction Services					
Lease Purchase Agreements - Principal	67,661	-	67,661	67,661	-
Total Facilities Acquisition and Construction Svcs.	67,661	-	67,661	67,661	-
Total Capital Outlay	101,161	94,830	195,991	175,808	20,183
Total Expenditures - General Fund	17,956,239	232,829	18,189,068	18,721,993	(532,925)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(227,927)	(232,829)	(460,756)	61,485	522,241
Other Financing Sources					
Operating Transfer In	-	-	-	3,564	3,564
Total Other Financing Sources	-	-	-	3,564	3,564
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources	(227,927)	(232,829)	(460,756)	65,049	525,805
Fund Balances, Beginning of Year	1,204,516	-	1,204,516	1,204,516	-
Fund Balances, End of Year	\$ 976,589	\$ (232,829)	\$ 743,760	\$ 1,269,565	\$ 525,805
<b>Recapitulation</b>					
Reserve for:					
Encumbrances				\$ 171,512	
Capital Reserve				221,823	
Excess Surplus				242,812	
Excess Surplus Designated for Subsequent Year's Expenditures				176,429	
Unreserved:					
Undesignated				456,989	
				1,269,565	
Reconciliation to Governmental Funds Statements (GAAP)					
Last State Aid Payment not recognized on GAAP Basis			\$ 48,769		
Extraordinary Aid Payment			264,945		
				313,714	
Fund Balances Per Governmental Funds (GAAP)				\$ 955,851	

**RIVER VALE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Transfers</u>	<u>Final</u>		<u>Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
Local		\$ 1,000	\$ 1,000	\$ 800	(200)
Federal	\$ 217,765	80,621	298,386	267,577	\$ (30,809)
Total Revenues	<u>217,765</u>	<u>81,621</u>	<u>299,386</u>	<u>268,377</u>	<u>(31,009)</u>
<b>EXPENDITURES</b>					
Instruction					
Purchased Professional/Educational Services		54,705	54,705	45,032	9,673
Tuition	188,030	5,843	193,873	185,568	8,305
General Supplies	6,337	(6,337)	-	-	-
Total Instruction	<u>194,367</u>	<u>54,211</u>	<u>248,578</u>	<u>230,600</u>	<u>17,978</u>
Support Services					
Purchased Professional/Education Services	15,398	1,125	16,523	14,823	1,700
General Supplies	8,000	18,390	26,390	17,504	8,886
Total Support Services	<u>23,398</u>	<u>19,515</u>	<u>42,913</u>	<u>32,327</u>	<u>10,586</u>
Facilities Acquisition and Construction Services					
Instructional Equipment	-	7,895	7,895	5,450	2,445
Total Facilities Acquisition and Construction	<u>-</u>	<u>7,895</u>	<u>7,895</u>	<u>5,450</u>	<u>2,445</u>
Total Expenditures	<u>217,765</u>	<u>81,621</u>	<u>299,386</u>	<u>268,377</u>	<u>31,009</u>
Excess Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**RIVER VALE BOARD OF EDUCATION  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

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

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1) \$ 18,783,478	(C-2) \$ 268,377
<b>Difference - Budget to GAAP</b>		
State Aid payment and Extraordinary Aid (2007/2008) recognized for GAAP statements, not recognized for budgetary statements	105,938	
State Aid payments and Extraordinary Aid (2008/2009) recognized for budgetary purposes, not recognized for GAAP statements	<u>(313,714)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) \$ <u>18,575,702</u>	(B-2) \$ <u>268,377</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ <u>18,721,993</u>	(C-2) \$ <u>268,377</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>18,721,993</u>	(B-2) \$ <u>268,377</u>

**SCHOOL LEVEL SCHEDULES**

**(General Fund)**

**NOT APPLICABLE**

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**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, 2009

	Montclair State	IDEIA Part B- Basic Preschool	IDEIA Part B-Basic Reg. Prog.	NCLB Title II	NCLB Title III	NCLB Title IV	Total
<b>REVENUES</b>							
Intergovernmental							
Local	800	\$ 4,724	\$ 236,243	\$ 24,023	\$ 508	\$ 2,079	\$ 800
Federal	-						267,577
Total Revenues	800	\$ 4,724	\$ 236,243	\$ 24,023	\$ 508	\$ 2,079	\$ 268,377
<b>EXPENDITURES</b>							
Instruction							
Purchased Professional & Ed Svcs.			\$ 45,032				\$ 45,032
Tuition		\$ 4,724	180,844				185,568
Total Instruction		4,724	225,876				230,600
Support Services							
Purchased Professional Educational Svcs.	800			\$ 14,023			14,823
General Supplies			4,917	10,000	508	2,079	17,504
Total Support Services	800		4,917	24,023	508	2,079	32,327
Facilities Acquisition and Construction Services							
Instructional Equipment			5,450				5,450
Total Facilities Acquisition and Construction			5,450				5,450
Total Expenditures	800	\$ 4,724	\$ 236,243	\$ 24,023	\$ 508	\$ 2,079	\$ 268,377

**RIVER VALE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
PRESCHOOL PROGRAM AID  
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOT APPLICABLE

**CAPITAL PROJECTS FUND**



RIVER VALE BOARD OF EDUCATION  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures To Date</u>		<u>Balance June 30, 2009</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Facilities Acquisitions and Construction Services at Holdrum, Woodside and Roberge Schools*	\$ 19,750,000	\$ 19,389,823	\$ 255,354	\$ 104,823
Holdrum & Roberge Boiler Project **	405,750	357,560	-	48,190
<b>Total</b>	<u>\$ 20,155,750</u>	<u>\$ 19,747,383</u>	<u>\$ 255,354</u>	<u>\$ 153,013</u>
Project Balances				\$ 153,013
Less: Unearned Revenue				(123,298)
Fund Balance				<u>\$ 29,715</u>
Analysis of Unearned Revenue				
SDA Grant				\$ 122,350
Debt Authorized But Not Issued				<u>948</u>
				<u>\$ 123,298</u>

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

\*\* - Modified Appropriation for Interest Earnings \$11,590

**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, 2009**

**Revenues and Other Financing Sources**

Interest	\$ <u>3,687</u>
----------	-----------------

Total Revenues	<u>3,687</u>
----------------	--------------

**Expenditures and Other Financing Uses**

Construction Services	255,354
-----------------------	---------

Transfer Out to General Fund	<u>3,564</u>
------------------------------	--------------

Total Expenditures	<u>258,918</u>
--------------------	----------------

Excess (Deficit) of Revenue Over (Under) Expenditures	(255,231)
---	-----------

Fund Balance, Beginning of Year	<u>408,244</u>
---------------------------------	----------------

Fund Balance, End of Year	<u>153,013</u>
---------------------------	----------------

## Reconciliation to GAAP

Less: SDA Drawdown Revenue and Debt Authorized But Not Issued Not Realized on GAAP Basis	<u>123,298</u>
---	----------------

Fund Balance, End of Year - GAAP Basis	<u><u>\$ 29,715</u></u>
--	-------------------------



**RIVER VALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS  
IMPROVEMENTS TO THE MIDDLE SCHOOL AND ELEMENTARY SCHOOLS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grants	\$ 6,115,052		\$ 6,115,052	\$ 6,115,052
Bond Proceeds and Transfers	12,834,000		12,834,000	12,834,000
Transfer from Capital Reserve	800,000		800,000	800,000
	<u>19,749,052</u>	<u>-</u>	<u>19,749,052</u>	<u>19,749,052</u>
<b>Expenditures and Other Financing Uses</b>				
Land and Improvements				
Construction Services	19,389,823	\$ 255,354	19,645,177	19,645,177
Equipment Purchases				
	<u>19,389,823</u>	<u>255,354</u>	<u>19,645,177</u>	<u>19,645,177</u>
Total Expenditures	<u>19,389,823</u>	<u>255,354</u>	<u>19,645,177</u>	<u>19,645,177</u>
Excess (deficiency) or Revenues over (under) Expenditures	<u>\$ 359,229</u>	<u>\$ (255,354)</u>	<u>\$ 103,875</u>	<u>\$ 103,875</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  
BOILER PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Lease Proceeds	\$ 295,000		\$ 295,000	\$ 295,000
Interest Earnings	11,468	\$ 122	11,590	11,590
Transfer from Capital Reserve	99,160	-	99,160	99,160
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	405,628	122	405,750	405,750
<b>Expenditures and Other Financing Uses</b>				
Construction Services				
Equipment Purchases	357,560	-	357,560	357,560
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	357,560	-	357,560	357,560
Excess (deficiency) or Revenues over (under) Expenditures	<u>\$ 48,068</u>	<u>\$ 122</u>	<u>\$ 48,190</u>	<u>\$ 48,190</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	394,160			
Additional Authorized Cost	11,590			
Revised Authorized Cost	405,750			
Percentage Increase over Original Authorized Cost	1.00%			
Percentage completion	88%			
Original target completion date	12/31/06			
Revised target completion date	12/31/06			

**PROPRIETARY FUNDS**



**RIVER VALE BOARD OF EDUCATION  
ENTERPRISE FUNDS - NONMAJOR  
COMBINING STATEMENT OF NET ASSETS  
AS OF JUNE 30, 2009**

	<u>Food Service</u>	<u>Safety Town</u>	<u>Total Non-Major</u>
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 43,955	\$ 7,413	\$ 51,368
Receivables			
Intergovernmental			
Federal	<u>1,640</u>	<u>-</u>	<u>1,640</u>
Total Current Assets	<u>45,595</u>	<u>7,413</u>	<u>53,008</u>
Capital Assets			
Furniture, Machinery and Equipment	15,258		15,258
Less Accumulated Depreciation	<u>(12,388)</u>	<u>-</u>	<u>(12,388)</u>
Total Capital Assets	<u>2,870</u>	<u>-</u>	<u>2,870</u>
Total Assets	<u>48,465</u>	<u>7,413</u>	<u>55,878</u>
<b>LIABILITIES</b>			
Current Liabilities			
Unearned Revenue	<u>25,992</u>	<u>1,900</u>	<u>27,892</u>
Total Current Liabilities	<u>25,992</u>	<u>1,900</u>	<u>27,892</u>
<b>NET ASSETS</b>			
Invested in Capital Assets	2,870		2,870
Unrestricted	<u>19,603</u>	<u>5,513</u>	<u>25,116</u>
Total Net Assets	<u>\$ 22,473</u>	<u>\$ 5,513</u>	<u>\$ 27,986</u>

**RIVER VALE BOARD OF EDUCATION  
ENTERPRISE FUNDS - NONMAJOR  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<u>Food Service</u>	<u>Safety Town</u>	<u>Total Non-Major</u>
<b>OPERATING REVENUES</b>			
Local Sources			
Daily Sales Milk	\$ 17,671		\$ 17,671
Program Fees	<u>          -</u>	<u>\$ 5,350</u>	<u>5,350</u>
Total Operating Revenues	<u>17,671</u>	<u>5,350</u>	<u>23,021</u>
<b>OPERATING EXPENSES</b>			
Cost of Sales	21,946		21,946
Other Purchased Services		1,371	1,371
Supplies and Materials		780	780
Depreciation	<u>431</u>	<u>-</u>	<u>431</u>
Total Operating Expenses	<u>22,377</u>	<u>2,151</u>	<u>24,528</u>
Operating Income (Loss)	<u>(4,706)</u>	<u>3,199</u>	<u>(1,507)</u>
Nonoperating Revenues			
Federal Sources			
Special Milk Program	15,663		15,663
Interest Income	<u>299</u>	<u>55</u>	<u>354</u>
Total Nonoperating Revenues	<u>15,962</u>	<u>55</u>	<u>16,017</u>
Change in Net Assets	11,256	3,254	14,510
Net Assets, Beginning of Year	<u>11,217</u>	<u>2,259</u>	<u>13,476</u>
Net Assets, End of Year	<u>\$ 22,473</u>	<u>\$ 5,513</u>	<u>\$ 27,986</u>

**RIVER VALE BOARD OF EDUCATION  
ENTERPRISE FUNDS - NONMAJOR  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<u>Food Service</u>	<u>Safety Town</u>	<u>Total Non-Major</u>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 28,471	\$ 5,150	\$ 33,621
Cash Payments to Suppliers for Goods and Services	<u>(21,946)</u>	<u>(2,151)</u>	<u>(24,097)</u>
Net Cash Provided by Operating Activities	<u>6,525</u>	<u>2,999</u>	<u>9,524</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Cash Received from State and Federal Subsidy Reimbursement:	<u>15,136</u>	<u>-</u>	<u>15,136</u>
Net Cash Provided by Noncapital Financing Activities	<u>15,136</u>	<u>-</u>	<u>15,136</u>
<b>Cash Flows from Investing Activities</b>			
Interest Earnings	<u>299</u>	<u>55</u>	<u>354</u>
Net Cash Provided by Investing Activities	<u>299</u>	<u>55</u>	<u>354</u>
Net Increase in Cash and Cash Equivalents	21,960	3,054	25,014
Cash and Cash Equivalents, Beginning of Year	<u>21,995</u>	<u>4,359</u>	<u>26,354</u>
Cash and Cash Equivalents, End of Year	<u>\$ 43,955</u>	<u>\$ 7,413</u>	<u>\$ 51,368</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>			
Operating Income (Loss)	<u>\$ (4,706)</u>	<u>\$ 3,199</u>	<u>\$ (1,507)</u>
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities			
Depreciation	431		431
Change in Assets and Liabilities			
Increase/(Decrease) in Deferred Revenue	<u>10,800</u>	<u>(200)</u>	<u>10,600</u>
Total Adjustments	<u>11,231</u>	<u>(200)</u>	<u>11,031</u>
Net Cash Provided by Operating Activities	<u>\$ 6,525</u>	<u>\$ 2,999</u>	<u>\$ 9,524</u>

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**FIDUCIARY FUNDS**



**RIVER VALE BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING SCHEDULE OF AGENCY NET ASSETS  
AS OF JUNE 30, 2009**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 90,496	\$ 3,363	\$ 93,859
Total Assets	<u>\$ 90,496</u>	<u>\$ 3,363</u>	<u>\$ 93,859</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 1,572	\$ 1,572
Accrued Salaries and Wages		1,791	1,791
Due to Student Groups	\$ 90,496	-	90,496
Total Liabilities	<u>\$ 90,496</u>	<u>\$ 3,363</u>	<u>\$ 93,859</u>

**FIDUCIARY FUNDS  
COMBINING SCHEDULE OF CHANGES IN NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOT APPLICABLE

**RIVER VALE BOARD OF EDUCATION  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<b>Balance, July 1, <u>2008</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2009</u></b>
<b>SCHOOLS</b>				
Roberge Elementary	\$ 22,466	\$ 34,829	\$ 45,382	\$ 11,913
Woodside Elementary	18,089	24,102	19,070	23,121
Holdrum Middle School	<u>74,592</u>	<u>116,114</u>	<u>135,244</u>	<u>55,462</u>
Total All Schools	<u>\$ 115,147</u>	<u>\$ 175,045</u>	<u>\$ 199,696</u>	<u>\$ 90,496</u>

**PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<b>Balance, July 1, <u>2008</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2009</u></b>
Payroll Deductions and Withholdings	\$ (1,038)	\$ 5,113,162	\$ 5,110,552	\$ 1,572
Accrued Salaries and Wages	1,344	7,531,045	7,530,598	1,791
Due to State of New Jersey	<u>69,208</u>	<u>-</u>	<u>69,208</u>	<u>-</u>
Total	<u>\$ 69,514</u>	<u>\$ 12,644,207</u>	<u>\$ 12,710,358</u>	<u>\$ 3,363</u>

**LONG-TERM DEBT**



RIVER VALE BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

<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, 2008</u>	<u>Decreased</u>	<u>Balance, June 30, 2009</u>
School Improvements	3/15/2001	\$ 12,834,000	9/15/2009	\$ 600,000	4.50			
			9/15/2010	630,000	4.50			
			9/15/2011	660,000	4.50			
			9/15/2012	690,000	4.50			
			9/15/2013	725,000	4.50			
			9/15/2014	760,000	4.50			
			9/15/2015	795,000	4.50			
			9/15/2016	810,000	4.50			
			9/15/2017	815,000	4.50			
			9/15/2018-19	820,000	4.50			
			9/15/2020	819,000	4.50	\$ 9,514,000	\$ 570,000	\$ 8,944,000

**RIVER VALE BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

<u>Description</u>	<u>Interest Rate</u>	<u>Amount of Original Obligation</u>	<u>Balance, July 1, 2008</u>	<u>Increased</u>	<u>Retired</u>	<u>Balance, June 30, 2009</u>
Boiler Upgrade	3.645%	295,000	\$ 210,472		\$ 67,661	\$ 142,811
Technology Improvement	3.585%	285,000	<u>150,208</u>	<u>-</u>	<u>150,208</u>	<u>-</u>
Total			<u>\$ 360,680</u>	<u>\$ -</u>	<u>\$ 217,869</u>	<u>\$ 142,811</u>



**RIVER VALE BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Property Tax Levy	\$ 985,305	-	\$ 985,305	\$ 985,305	-
Total Revenues	<u>985,305</u>	<u>-</u>	<u>985,305</u>	<u>985,305</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	570,000		570,000	570,000	
Interest	415,305	-	415,305	415,305	-
Total Expenditures	<u>985,305</u>	<u>-</u>	<u>985,305</u>	<u>985,305</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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## 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.

#### Note:

GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only seven years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.



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

	Fiscal Year Ended June 30,						
	2003	2004	2005	2006	2007	2008	2009
<b>Governmental Activities</b>							
Invested in Capital Assets, Net of Related Debt	\$ 6,929,604	\$ 9,700,501	\$ 10,100,306	\$ 10,263,055	\$ 10,454,235	\$ 10,920,772	\$ 11,300,821
Restricted	997,194	199,160	268,376	205,507	211,903	219,144	221,823
Unrestricted	694,538	283,950	168,021	337,990	412,966	318,313	161,187
<b>Total Governmental Activities Net Assets</b>	<b>\$ 8,621,336</b>	<b>\$ 10,183,611</b>	<b>\$ 10,536,703</b>	<b>\$ 10,806,552</b>	<b>\$ 11,079,104</b>	<b>\$ 11,458,229</b>	<b>\$ 11,683,831</b>
<b>Business-Type Activities</b>							
Invested in Capital Assets	\$ 1,710	\$ 2,661	\$ 4,412	\$ 4,163	\$ 3,732	\$ 3,301	\$ 2,870
Restricted							
Unrestricted	6,643	2,975	6,485	9,252	29,808	76,094	99,481
<b>Total Business-Type Activities Net Assets</b>	<b>\$ 8,353</b>	<b>\$ 5,636</b>	<b>\$ 10,897</b>	<b>\$ 13,415</b>	<b>\$ 33,540</b>	<b>\$ 79,395</b>	<b>\$ 102,351</b>
<b>District-Wide</b>							
Invested in Capital Assets, Net of Related Debt	\$ 6,931,314	\$ 9,703,162	\$ 10,104,718	\$ 10,267,218	\$ 10,457,967	\$ 10,924,073	\$ 11,303,691
Restricted	997,194	199,160	268,376	205,507	211,903	219,144	221,823
Unrestricted	701,181	286,925	174,506	347,242	442,774	394,407	260,668
<b>Total District Net Assets</b>	<b>\$ 8,629,689</b>	<b>\$ 10,189,247</b>	<b>\$ 10,547,600</b>	<b>\$ 10,819,967</b>	<b>\$ 11,112,644</b>	<b>\$ 11,537,624</b>	<b>\$ 11,786,182</b>

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

	Fiscal Year Ended June 30,						
	2003	2004	2005	2006	2007	2008	2009
<b>Expenses</b>							
Governmental Activities							
Instruction							
Regular	\$ 7,387,853	\$ 7,779,019	\$ 8,389,069	\$ 8,662,658	\$ 9,485,795	\$ 9,562,717	\$ 9,244,287
Special Education	1,000,965	1,210,878	1,656,779	1,319,651	1,673,647	1,903,183	1,857,575
Other Instruction	388,870	440,348	406,733	518,550	549,047	571,252	469,976
School Sponsored Activities and Athletics	98,559	173,456	126,116	118,763	128,705	131,806	136,354
Support Services:							
Student & Instruction Related Services	1,237,876	1,344,326	1,511,348	1,631,621	1,766,408	1,914,871	1,861,330
Attendance and Social Work	61,628	60,665	63,456	80,746	87,303	102,585	152,102
Educational Media/School Library	541,379	720,471	252,368	293,549	317,648	327,141	313,761
School Administrative Services	672,033	799,730	761,119	797,799	924,889	943,170	901,583
General Administration	527,093	599,473	690,539	673,008	676,129	615,720	762,636
Central Services			656,940	837,282	877,481	892,744	895,645
Plant Operations and Maintenance	1,592,584	1,906,270	1,664,260	1,789,695	1,915,028	2,092,545	2,074,072
Pupil Transportation	265,409	320,888	344,106	360,512	376,815	471,600	506,282
Other Support Services	400,196	400,183					
Interest on Long-Term Debt	552,467	550,506	512,035	497,049	463,080	457,397	427,156
<b>Total Governmental Activities Expenses</b>	<b>14,726,912</b>	<b>16,306,213</b>	<b>17,034,868</b>	<b>17,580,883</b>	<b>19,241,975</b>	<b>19,986,731</b>	<b>19,602,759</b>
Business-Type Activities:							
Food Service	20,334	21,915	18,132	26,722	19,677	26,967	22,377
Safety Town			1,482	2,060	2,404	2,243	2,151
Park Academy	-	-	-	234,349	192,961	209,428	219,897
<b>Total Business-Type Activities Expense</b>	<b>20,334</b>	<b>21,915</b>	<b>19,614</b>	<b>263,131</b>	<b>215,042</b>	<b>238,638</b>	<b>244,425</b>
<b>Total District Expenses</b>	<b>\$ 14,747,246</b>	<b>\$ 16,328,128</b>	<b>\$ 17,054,482</b>	<b>\$ 17,844,014</b>	<b>\$ 19,457,017</b>	<b>\$ 20,225,369</b>	<b>\$ 19,847,184</b>
<b>Program Revenues</b>							
Governmental Activities:							
Charges for Services:							
Instruction (tuition)	\$ 189,917	\$ 201,738	\$ 268,073	\$ 2,184,228	\$ 15,087	\$ 13,435	\$ 12,794
Operating Grants and Contributions	1,822,235	1,935,006	2,075,656	-	2,824,689	2,956,062	1,946,518
Capital Grants and Contributions	3,896,766	1,467,563	-	-	-	-	-
<b>Total Governmental Activities Program Revenues</b>	<b>5,908,918</b>	<b>3,604,307</b>	<b>2,343,729</b>	<b>2,184,228</b>	<b>2,839,776</b>	<b>2,969,497</b>	<b>1,959,312</b>

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

	Fiscal Year Ended June 30,						
	2003	2004	2005	2006	2007	2008	2009
<b>Business-Type Activities:</b>							
Charges for Services							
Food Service	\$ 8,954	\$ 8,638	\$ 8,563	\$ 20,812	\$ 9,258	\$ 19,260	\$ 17,671
Safety Town			1,275	750	2,018	4,250	5,350
Park Academy				244,087	209,855	244,670	227,724
Operating Grants and Contributions	11,635	10,541	12,921		11,457	14,076	15,663
<b>Total Business Type Activities Program Revenues</b>	<b>20,589</b>	<b>19,179</b>	<b>22,759</b>	<b>265,649</b>	<b>232,588</b>	<b>282,256</b>	<b>266,408</b>
<b>Total District Program Revenues</b>	<b>\$ 5,929,507</b>	<b>\$ 3,623,486</b>	<b>\$ 2,366,488</b>	<b>\$ 2,449,877</b>	<b>\$ 3,072,364</b>	<b>\$ 3,251,753</b>	<b>\$ 2,225,720</b>
<b>Net (Expense)/Revenue</b>							
Governmental Activities	\$ (8,817,994)	\$ (12,701,906)	\$ (14,691,139)	\$ (15,396,655)	\$ (16,402,199)	\$ (17,017,234)	\$ (17,643,447)
Business-Type Activities	255	(2,736)	3,145	2,518	17,546	43,618	21,983
<b>Total district-wide net expense</b>	<b>\$ (8,817,739)</b>	<b>\$ (12,704,642)</b>	<b>\$ (14,687,994)</b>	<b>\$ (15,394,137)</b>	<b>\$ (16,384,653)</b>	<b>\$ (16,973,616)</b>	<b>\$ (17,621,464)</b>
<b>General Revenues and Other Changes in Net Assets</b>							
Governmental Activities:							
Property Taxes Levied for General Purposes, net	\$ 13,171,314	\$ 14,104,873	\$ 14,890,207	\$ 15,413,445	\$ 16,414,093	\$ 17,151,984	\$ 17,795,531
Unrestricted Grants and Contributions			93,500	93,702	93,322	114,890	5,672
Donation of Capital Assets			9,690				
Consolidated Aid		70,266					(4,710)
Loss on Disposal of Capital Assets				73,300	131,320	100,886	32,426
Investment Earnings				86,057	36,016	28,599	40,130
Miscellaneous Income	224,242	89,042	50,834				
<b>Total Governmental Activities</b>	<b>13,395,556</b>	<b>14,264,181</b>	<b>15,044,231</b>	<b>15,666,504</b>	<b>16,674,751</b>	<b>17,396,359</b>	<b>17,869,049</b>
<b>Business-Type Activities:</b>							
Investment Earnings	31	19	16		2,579	2,237	973
<b>Total Business-Type Activities</b>	<b>31</b>	<b>19</b>	<b>16</b>	<b>-</b>	<b>2,579</b>	<b>2,237</b>	<b>973</b>
<b>Total District-Wide</b>	<b>\$ 13,395,587</b>	<b>\$ 14,264,200</b>	<b>\$ 15,044,247</b>	<b>\$ 15,666,504</b>	<b>\$ 16,677,330</b>	<b>\$ 17,398,596</b>	<b>\$ 17,870,022</b>
<b>Change in Net Assets</b>							
Governmental Activities	\$ 4,577,562	\$ 1,562,275	\$ 353,092	\$ 269,849	\$ 272,552	\$ 379,125	\$ 225,602
Business-Type Activities	286	(2,717)	3,161	2,518	20,125	45,855	22,956
<b>Total District</b>	<b>\$ 4,577,848</b>	<b>\$ 1,559,558</b>	<b>\$ 356,253</b>	<b>\$ 272,367</b>	<b>\$ 292,677</b>	<b>\$ 424,980</b>	<b>\$ 248,558</b>

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

(Unaudited)  
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,						
	2003	2004	2005	2006	2007	2008	2009
General Fund							
Reserved	\$ 1,517,079	\$ 693,929	\$ 702,037	\$ 864,009	\$ 879,700	\$ 783,312	\$ 812,576
Unreserved	687,187	386,058	360,892	236,968	296,609	315,266	143,275
Total General Fund	<u>\$ 2,204,266</u>	<u>\$ 1,079,987</u>	<u>\$ 1,062,929</u>	<u>\$ 1,100,977</u>	<u>\$ 1,176,309</u>	<u>\$ 1,098,578</u>	<u>\$ 955,851</u>
All Other Governmental Funds							
Reserved	\$ 5,166,761	\$ 814,388	\$ 612,252	\$ 608,693	\$ 251,843	\$ 246,158	\$ 8,000
Unreserved	(1,441,208)	167,892	16,245	192,774	103,738	38,788	21,715
Total All Other Governmental Funds	<u>\$ 3,725,553</u>	<u>\$ 982,280</u>	<u>\$ 628,497</u>	<u>\$ 801,467</u>	<u>\$ 355,581</u>	<u>\$ 284,946</u>	<u>\$ 29,715</u>



**RIVER VALE BOARD OF EDUCATION**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST SEVEN FISCAL YEARS**  
**(Unaudited)**

*(modified accrual basis of accounting)*

	Fiscal Year Ended June 30,						
	2003	2004	2005	2006	2007	2008	2009
<b>Revenues</b>							
Tax Levy	\$ 13,171,314	\$ 14,104,873	\$ 14,890,207	\$ 15,413,445	\$ 16,414,093	\$ 17,151,984	\$ 17,795,531
Tuition Charges		201,738	268,073		15,087	13,435	12,794
Interest Earnings				73,300	131,320	100,886	32,426
Miscellaneous	414,159	89,042	52,084	86,361	37,169	29,946	40,930
State Sources	5,523,816	3,229,063	1,901,074	2,066,927	2,656,768	2,719,628	1,683,813
Federal Sources	195,185	243,772	266,832	210,699	260,088	349,977	267,577
<b>Total revenues</b>	<b>19,304,474</b>	<b>17,868,488</b>	<b>17,378,270</b>	<b>17,850,732</b>	<b>19,514,525</b>	<b>20,365,856</b>	<b>19,833,071</b>
<b>Expenditures</b>							
<b>Instruction</b>							
Regular Instruction	7,264,910	7,568,911	8,222,473	8,373,221	9,176,613	9,239,618	8,918,736
Special Education Instruction	988,194	1,197,063	1,637,877	1,293,263	1,645,822	1,878,856	1,826,679
Other Instruction	381,726	431,782	398,717	500,910	532,102	545,309	453,279
School Sponsored Activities and Athletics	96,364	170,987	123,399	118,763	128,705	131,806	136,354
<b>Support Services:</b>							
Student & Inst. Related Services	1,216,983	1,322,974	1,486,744	1,595,227	1,711,437	1,847,569	1,822,801
Attendance and Social Work	60,331	59,335	61,958	77,964	84,464	98,831	146,193
Educational Media/School Library	532,563	711,230	246,959	284,211	307,818	316,369	303,359
General Administration	521,929	596,088	684,585	662,132	664,416	604,394	751,340
School Administrative Services	663,018	768,615	746,104	770,855	894,225	942,283	874,501
Central Services			656,940	815,134	853,956	866,266	867,274
Plant Operations and Maintenance	1,572,701	1,883,928	1,642,485	1,751,119	1,873,210	2,045,237	2,034,298
Pupil Transportation	265,409	320,888	332,221	360,512	376,815	471,600	506,282
Other Support Services	392,603	392,312					
Capital Outlay	12,373,633	5,111,321	419,742	519,651	529,153	203,956	363,501
<b>Debt Service:</b>							
Principal	530,281	653,070	568,888	596,630	641,987	848,073	787,869
Interest and Other Charges	558,111	547,536	520,019	500,122	464,356	474,055	438,563
<b>Total Expenditures</b>	<b>27,418,756</b>	<b>21,756,040</b>	<b>17,749,111</b>	<b>18,219,714</b>	<b>19,885,079</b>	<b>20,514,222</b>	<b>20,231,029</b>

**RIVER VALE BOARD OF EDUCATION  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
LAST SEVEN FISCAL YEARS  
(Unaudited)**

*(modified accrual basis of accounting)*

	Fiscal Year Ended June 30,						
	2003	2004	2005	2006	2007	2008	2009
Excess (Deficiency) of Revenues over (under) Expenditures	\$ (8,114,282)	\$ (3,867,552)	\$ (370,841)	\$ (368,982)	\$ (370,554)	\$ (148,366)	\$ (397,958)
<b>Other Financing Sources (uses)</b>							
Proceeds from Borrowing	500,000			580,000			
Capital Leases (non-budgeted)	149,807	823,837	12,510	122,239	20,298	12,724	3,564
Transfers In	(149,807)	(823,837)	(12,510)	(122,239)	(20,298)	(12,724)	(3,564)
Transfers Out							
Total Other Financing Sources (uses)	500,000	-	-	580,000	-	-	-
Net Change in Fund Balances	<u>\$ (7,614,282)</u>	<u>\$ (3,867,552)</u>	<u>\$ (370,841)</u>	<u>\$ 211,018</u>	<u>\$ (370,554)</u>	<u>\$ (148,366)</u>	<u>\$ (397,958)</u>
Debt Service as a Percentage of Noncapital Expenditures	7.23%	7.22%	6.28%	6.20%	5.72%	6.51%	6.17%

\* Noncapital expenditures are total expenditures less capital outlay.

**RIVER VALE SCHOOL DISTRICT  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
TEN FISCAL YEARS ENDED JUNE 30, 2009  
(Unaudited)**

<u>Ended June 30</u>	<u>Tuition</u>	<u>Interest on Investments</u>	<u>State Health Benefit Rebate</u>	<u>E-Rate Rebate</u>	<u>Insurance Refund</u>	<u>Tuition Refunds</u>	<u>Miscellaneous</u>	<u>Total</u>
2000	\$ 105,214	\$ 75,186	\$ 21,849				\$ 12,867	\$ 215,116
2001	111,068	98,380	22,272			\$ 7,948	69,130	308,798
2002	74,328	58,854			\$ 42,063	27,668	16,478	219,391
2003	189,917	36,805	21,893		36,428		7,002	292,045
2004	201,738	15,191			27,096		20,915	264,940
2005	268,073	27,964					10,360	306,397
2006		73,300					52,792	126,092
2007	15,087	101,171					36,016	152,274
2008	13,435	85,840		\$ 20,698			7,901	127,874
2009	12,794	28,739		13,608	8,337		18,185	81,663

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>
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
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
2006	16,638,050	930,721,467	714,000	49,179,450	-	4,834,400	1,002,087,367	-	1,002,087,367	2,142,448,500	2.493
2005	17,591,750	918,378,267	714,000	48,799,150	-	4,834,400	990,317,567	-	990,317,567	1,933,744,455	2.364
2004	17,591,750	918,378,267	714,000	48,799,150	-	4,834,400	990,317,567	-	990,317,567	1,720,035,503	2.240
2003	19,123,550	906,708,067	714,000	49,760,350	-	4,834,400	981,140,367	-	981,140,367	1,535,124,183	2.070
2002	21,526,150	889,423,967	714,000	48,271,750	-	4,834,400	964,770,267	-	964,770,267	1,377,065,260	1.950
2001	23,724,755	870,521,062	714,000	47,745,150	-	4,834,400	947,539,367	-	947,539,367	1,228,389,332	1.870
2000	22,611,655	864,075,262	714,000	48,136,950	-	4,834,400	940,372,267	-	940,372,267	1,126,796,245	1.730
1999	21,176,855	857,746,662	714,000	48,863,800	-	4,834,400	933,335,717	-	933,335,717	1,051,628,692	1.670

Source: County Abstract of Rates

<sup>a</sup> Tax rates are per \$100

**RIVER VALE BOARD OF EDUCATION  
PROPERTY TAX RATES  
PER \$100 OF ASSESSED VALUATION  
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>
1999	\$ 2.45	\$ 1.150	\$ 0.520	\$ 0.510	\$ 0.270
2000	2.54	1.190	0.540	0.530	0.280
2001	2.69	1.300	0.570	0.530	0.290
2002	2.78	1.330	0.600	0.540	0.310
2003	2.92	1.400	0.670	0.550	0.300
2004	3.16	1.470	0.770	0.600	0.320
2005	3.36	1.517	0.847	0.646	0.350
2006	3.55	1.589	0.904	0.705	0.520
2007	3.85	1.680	1.000	0.800	0.380
2008	1.89	0.831	0.464	0.388	0.208

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 TEN YEARS AGO  
 (Unaudited)**

Taxpayer	2009		1999	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
	NOT AVAILABLE		NOT AVAILABLE	
	\$ -	0.00%	-	0.00%

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	
2000	\$ 10,936,673	\$ 10,936,673	100.00%	-
2001	11,567,802	11,567,802	100.00%	-
2002	12,599,897	12,599,897	100.00%	-
2003	13,171,314	13,171,314	100.00%	-
2004	14,104,873	14,104,873	100.00%	-
2005	14,890,207	14,890,207	100.00%	-
2006	15,413,445	15,413,445	100.00%	-
2007	15,429,737	15,429,737	100.00%	-
2008	17,151,984	17,151,984	100.00%	-
2009	17,795,531	17,795,531	100.00%	-

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

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases	Capital Leases				
2005	\$ 11,074,000	\$ 307,370	N/A	\$ 11,381,370	9,671	\$ 1,177	
2006	10,579,000	785,740	N/A	11,364,740	9,633	1,180	
2007	10,059,000	663,753	N/A	10,722,753	9,667	1,109	
2008	9,514,000	360,680	N/A	9,874,680	9,620	1,026	
2009	8,944,000	142,811	N/A	9,086,811	N/A	N/A	

Source: District records

Note:



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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2005	\$ 11,074,000	\$ -	\$ 11,074,000	1.11%	\$ 1,134
2006	10,579,000		10,579,000	1.06%	1,098
2007	10,059,000		10,059,000	1.00%	1,041
2008	9,514,000		9,514,000	.45%	989
2009	8,944,000		8,944,000	.38%	N/A

Source: District records

**RIVER VALE BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2009  
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
River Vale Board of Education	\$ 16,867,657	\$ 16,867,657	
Borough of River Vale	<u>9,970,015</u>	<u>-</u>	<u>\$ 9,970,015</u>
	<u>\$ 26,837,672</u>	<u>\$ 16,867,657</u>	<u>9,970,015</u>
Overlapping Debt Apportioned to the Municipality:			
Bergen County:			
County of Bergen			8,135,849
Bergen Utilities Authority - Water Pollution (B)			<u>3,320,341</u>
			<u>11,456,190</u>
Total Direct and Overlapping Debt			<u>\$ 21,426,205</u>

Source:

(1) Township of River Vale's 2008 Annual Debt Statement

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$ 30,046,206	\$ 31,705,790	\$ 34,035,775	\$ 37,287,633	\$ 41,368,590	\$ 46,283,399	\$ 48,682,888	\$ 48,682,888	\$ 63,127,446	\$ 66,064,488
Total net debt applicable to limit	-	18,950,000	18,509,425	12,941,834	13,134,862	11,350,125	10,579,000	10,059,000	9,514,000	8,944,000
Legal debt margin	\$ 30,046,206	\$ 12,755,790	\$ 15,526,350	\$ 24,345,799	\$ 28,233,728	\$ 34,933,274	\$ 38,103,888	\$ 38,623,888	\$ 53,613,446	\$ 57,120,488
Total net debt applicable to the limit as a percentage of debt limit	0.00%	59.77%	54.38%	34.71%	31.75%	24.52%	21.73%	20.66%	15.07%	13.54%

Legal Debt Margin Calculation for Fiscal Year 2008

Equalized valuation basis	
2008	\$ 2,226,216,168
2007	2,239,020,261
2006	2,141,212,323
	<u>\$ 6,606,448,752</u>
Average equalized valuation of taxable property	\$ 2,202,149,584
Debt limit (3 % of average equalization value)	66,064,488
Total Net Debt Applicable to Limit	<u>8,944,000</u>
Legal debt margin	<u>\$ 57,120,488</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>
1999	9,943	\$ 46,893	3.1%
2000	9,449	51,240	2.6%
2001	9,692	52,143	3.0%
2002	9,704	51,521	4.2%
2003	9,706	50,682	4.1%
2004	9,730	54,095	3.4%
2005	9,671	56,435	2.1%
2006	9,633	61,264	2.3%
2007	9,667	67,125	2.5%
2008	9,620	N/A	2.7%

Source: New Jersey State Department of Education

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

<b>Employer</b>	<b>2009</b>		<b>1999</b>	
	<b>Employees</b>	<b>Percentage of Total Municipal Employment</b>	<b>Employees</b>	<b>Percentage of Total Municipal Employment</b>
River Vale School District		N/A	N/A	N/A
US Post Office				
Edgewood Country Club				
Valley Brook Golf Club				
Bergen Hills Country Club				
Spectrum For Living Dev. Inc				
Florentine Gardens				
Spectrum River Vale Apartments				
	<u>-</u>	<u>0.00%</u>	<u>-</u>	<u>0.00%</u>

Source: New Jersey Dept. of Labor & Workforce Development

Note: The information for 1997 was not available from the New Jersey Dept. of Labor & Workforce Development.

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

<u>Function/Program</u>	2001	2002	2003	2004	2005	2006	2007	2008	2009
Instruction									
Regular	83	83	83	88	90	92	92	96	97
Special education	15	15	15	15	15	15	15	15	15
Support Services:									
Student & instruction related services	13	13	18	19	16	17	17	18	14
General administration	2	2	2	2	2	2	2	2	2
School administrative services	7	7	7	7	7	6	6	6	6
Administrative Information Technology					1	2	2	2	2
Plant operations and maintenance	15	15	15	16	16	16	16	16	16
Other support services	5	5	5	5	5	5	5	5	5
Total	140	140	144	152	151	155	155	160	157

Source: District Personnel Records

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

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff	Teacher/Pupil Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School					
2000	1,212.3	\$ 11,731,676	\$ 9,677	-1.94%	107	12.8	11.0	1,212.3	1,169.5	0.32%	96.47%	
2001	1,212.2	12,253,636	10,109	4.46%	111	14.1	11.5	1,212.2	1,165.1	-0.01%	96.11%	
2002	1,249.6	12,877,936	10,306	1.95%	115	14.1	11.5	1,249.6	1,200.1	3.09%	96.04%	
2003	1,305.5	13,956,731	10,691	3.74%	119	15.0	11.1	1,305.5	1,250.0	4.47%	95.75%	
2004	1,402.2	15,424,113	11,000	2.89%	121	15.0	11.1	1,402.2	1,277.2	7.41%	91.09%	
2005	1,342.8	16,240,462	12,094	9.95%	129	14.2	10.9	1,342.8	1,290.9	-4.24%	96.13%	
2006	1,346.0	16,603,311	12,335	1.99%	126	14.2	10.9	1,346.0	1,346.0	0.24%	100.00%	
2007	1,362.0	18,249,583	13,399	8.62%	126	14.2	10.9	1,316.4	1,271.8	-2.20%	96.61%	
2008	1,383.0	18,988,138	13,730	2.47%	120	14.1	10	1,390.5	1,337.5	5.63%	96.19%	
2009	1,405.0	18,641,096	13,268	-3.36%	120	14.1	10	1,405.2	1,352.9	1.06%	96.28%	

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 SEVEN FISCAL YEARS  
(Unaudited)**

	2003	2004	2005	2006	2007	2008	2009
<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
Capacity (students)	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
Capacity (students)	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
Capacity (students)	363	363	363	363	363	363	363
Enrollment							

Number of Schools at June 30, 2009

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 NINE YEARS  
 (Unaudited)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Project # (s)									
School Facilities									
Roberge Elementary School	\$ 113,039	\$ 82,121	\$ 47,950	\$ 59,414	\$ 49,159	\$ 99,796	\$ 74,527	\$ 77,324	\$ 63,965
Woodside Elementary School	98,814	71,786	40,898	68,802	60,191	66,154	93,211	85,892	73,755
Holdrum Middle School	123,486	91,163	52,181	52,827	58,888	81,116	71,417	72,412	64,675
Grand Total	<u>\$ 337,339</u>	<u>\$ 245,070</u>	<u>\$ 141,029</u>	<u>\$ 181,043</u>	<u>\$ 168,238</u>	<u>\$ 247,066</u>	<u>\$ 239,155</u>	<u>\$ 235,628</u>	<u>\$ 202,395</u>

Source: District Records

**RIVER VALE BOARD OF EDUCATION  
SCHEDULE OF INSURANCE  
JUNE 30, 2009  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy - SELECTIVE INS. CO.		
Property - Blanket Building & Contents	\$ 35,364,985	\$ 5,000
Comprehensive General Liability	1,000,000	
Comprehensive Crime Coverage-Employee Dishonesty	100,000	
EXCESS CRIME	400,000	
Computers and Scheduled Equipment - SELECTIVE INS. CO.		
Valuable Papers and Records	5,000,000	1,000
Data Processing Equipment	2,500,000	5,000
Umbrella Policy - American Re	9,000,000	
Fireman's Fund CAP Excess Liability Policy (Shared NESBIG)	50,000,000	
School Board Legal Liability - ACE	1,000,000	10,000
Employment Practices Liability		25,000

Source: District's records

**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-1

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208  
FAIR LAWN, NJ 07410  
TELEPHONE (201) 791-7100  
FACSIMILE (201) 791-3035  
WWW.LVHCPA.COM

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

ELIZABETH A. SHICK, CPA, RMA, PSA  
ANDREW PARENTE, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH KOZAK, CPA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the River Vale Board of Education as of and for the fiscal year ended June 30, 2009, which collectively comprise the River Vale Board of Education's basic financial statements and have issued our report thereon dated October 31, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

### Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the River Vale Board of Education's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the statutory basis of accounting such that there is more than a remote likelihood that a misstatement of the River Vale Board of Education's financial statements that is more than inconsequential will not be prevented or detected by the River Vale Board of Education's internal control.

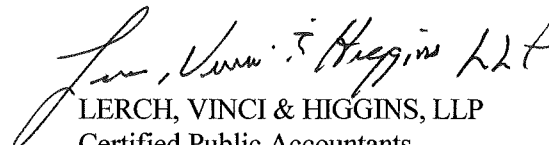
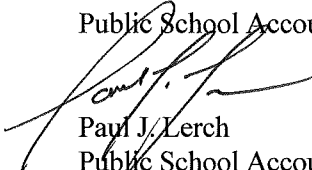
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the River Vale Board of Education's internal control.

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

**Compliance and Other Matters**

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

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

  
LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants  
  
Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
October 31, 2009

# LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-2

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208  
FAIR LAWN, NJ 07410  
TELEPHONE (201) 791-7100  
FACSIMILE (201) 791-3035  
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CINDY JANACEK, CPA, RMA  
RALPH M. PICONE, CPA, RMA, PSA

## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

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

### Compliance

We have audited the compliance of the River Vale Board of Education with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" and the "New Jersey State Aid/Grant Compliance Supplement" that are applicable to each of its major state programs for the fiscal year ended June 30, 2009. River Vale Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the River Vale Board of Education's management. Our responsibility is to express an opinion on River Vale Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Those standards and circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about River Vale Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on River Vale Board of Education's compliance with those requirements.

In our opinion, River Vale Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the fiscal year ended June 30, 2009.

### Internal Control Over Compliance

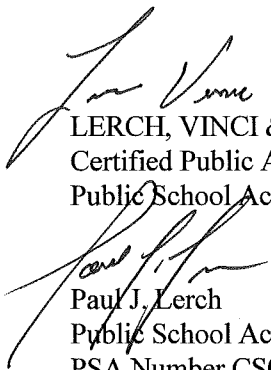
The management of River Vale Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered River Vale Board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

A control deficiency in the Board's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board's ability to administer a state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a state program that is more than inconsequential will not be prevented or detected by the Board's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state program will not be prevented or detected by the Board's internal control.

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

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

  
 LERCH, VINCI & HIGGINS, LLP  
 Certified Public Accountants  
 Public School Accountants  
 Paul J. Lerch  
 Public School Accountant  
 PSA Number CS01118

Fair Lawn, New Jersey  
 October 31, 2009



**RIVER VALE BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Federal CFDA Number	Grant Period	Award Amount	Balance July 1, 2008	Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Year's Balances	Balance, June 30, 2009	
								(Account Receivable)	Deferred Revenue
Federal Grantor/Pass-Through Grantor/ Program Title									Due to Grantor
<b>U.S. Department of Education</b>									
<b>Passed-through State Department of Education</b>									
10.556	7/1/08-6/30/09	\$ 15,663			\$ 14,023	\$ 15,663		\$ (1,640)	
10.556	7/1/07-6/30/08	14,076	\$ (1,113)	-	1,113	-	-	-	-
Total U.S. Department of Agriculture									
			(1,113)	-	15,136	15,663	-	(1,640)	-
<b>U.S. Department of Education</b>									
<b>Passed-through State Department of Education</b>									
84.027A	9/1/08-8/31/09	236,243		\$ 4,507	150,646	236,243		(81,090)	
84.027A	9/1/07-8/31/08	236,621	4,507	(4,507)	-	-		-	
84.173A	9/1/08-8/31/09	4,724				4,724		(4,724)	
84.367A	9/1/08-8/31/09	24,023				24,023		(24,023)	
84.365A	9/1/08-8/31/09	508				508		(508)	
84.184A	9/1/08-8/31/09	2,079				2,079		(2,079)	
Total U.S. Department of Education									
			4,507	-	150,646	267,577	-	(112,424)	-
Total									
			\$ 3,394	\$ -	\$ 165,782	\$ 283,240	\$ -	\$ (114,064)	\$ -

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, 2009

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2008			Cash Received	Budgetary Expenditures	Refund of Prior Year's Balances	Balance, June 30, 2009			Memo	
				(Accounts Receivable)	Deferred Revenue	Due to Grantor				(Accounts Receivable)	Deferred Revenue	Due to Grantor		GAAP Receivable
<b>State Department of Education</b>														
<b>General Fund</b>														
Transportation Aid	09-495-034-5120-014	7/1/08-6/30/09	\$ 106,864				\$ 97,442	\$ 106,864		\$ (9,422)			\$	106,864
Transportation Aid	08-495-034-5120-014	7/1/07-6/30/08	101,086	\$ (5,055)		5,055		409,003		(36,062)				409,003
Special Education Aid	09-495-034-5120-089	7/1/08-6/30/09	409,003			372,941		22,027		(3,285)				37,250
Special Education Aid	08-495-034-5120-011	7/1/07-6/30/08	440,480	(22,027)		22,027		37,250						37,250
Security Aid	09-495-034-5120-084	7/1/08-6/30/09	37,250			33,965		1,167						1,167
Bilingual Education Aid	08-495-034-5120-008	7/1/07-6/30/08	23,324	(1,167)		1,167		3,725						3,725
Consolidated Aid	08-495-034-5120-057	7/1/07-6/30/08	74,496	(3,725)		3,725		1,947						1,947
Additional Formula Aid	08-495-034-5120-058	7/1/07-6/30/08	38,939	(1,947)		1,947								
Extraordinary Aid	09-100-034-5120-473	7/1/08-6/30/09	264,945					264,945		(8,469)			\$ (8,469)	8,469
Extraordinary Aid	08-495-034-5120-044	7/1/07-6/30/08	72,017	(72,017)				72,017						72,017
Nonpublic School Transportation Aid	09-495-034-5120-014	7/1/08-6/30/09	8,469			6,581		19,907						19,907
Nonpublic School Transportation Aid	08-495-034-5120-014	7/1/07-6/30/08	6,581	(6,581)				379,782						379,782
On-Behalf TPAF Normal Pension	09-495-034-5095-006	7/1/08-6/30/09	19,907					665,369						665,369
On-Behalf Post Retirement	09-495-034-5095-001	7/1/08-6/30/09	379,782					1,891,589		(322,183)			(8,469)	1,891,589
Medical Contributions	09-100-034-5095-051		665,369											
On-Behalf TPAF Social Security Aid														
<b>Total General Fund</b>														
<b>Capital Project Fund</b>														
<b>Educational Facilities Construction and Financing Act of 2000</b>														
	4430-060-01-0395/0394/0395-0	N/A	6,115,052	(152,650)						(152,650)				5,870,352
<b>State Financial Assistance</b>														
<b>Not Subject to Single Audit Determination</b>														
<b>General Fund</b>														
On-Behalf TPAF Normal Pension	09-495-034-5095-006	7/1/08-6/30/09	19,907			(19,907)		(19,907)						(19,907)
On-Behalf TPAF Post-Retirement Medic	09-495-034-5095-001	7/1/08-6/30/09	379,782			(379,782)		(379,782)						(379,782)
<b>Total State Financial Assistance Subject to Single Audit</b>														
			\$ 1,282,236	\$ 122,350		\$ 1,282,236		\$ 1,491,900		\$ (474,833)			\$ 266,531	\$ 7,362,252

Total State Financial Assistance Subject to Single Audit

**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, 2009**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) to the Board's basic financial statements.

**NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the deferred 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 deferred state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the deferred 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 \$207,776 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 1,683,813	\$ 1,683,813
Special Revenue Fund	\$ 267,577		267,577
Food Service Fund	15,663	-	15,663
	<u>          </u>	<u>          </u>	<u>          </u>
Total Financial Assistance	<u>\$ 283,240</u>	<u>\$ 1,683,813</u>	<u>\$ 1,967,053</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, 2009**

**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**

Revenues and expenditures reported under the National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of \$665,369 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2009. The amount reported as TPAF Pension System Contributions in the amount of \$19,907 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$379,782 represents the amount paid by the State on behalf of the District for the year ended June 30, 2009.

**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 basic financial statements and the amount subject to State single audit and major program determination.

RIVER VALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Part I – Summary of Auditor’s Results

Financial Statement Section

- A) Type of auditors' report issued: Unqualified
- B) Internal control over financial reporting:
  - 1) Material weakness(es) identified?            yes   X   no
  - 2) Were significant deficiencies identified that were not considered to be material weaknesses?            yes   X   none
- C) Noncompliance material to basic financial statements noted?            yes   X   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, 2009**

*Part I – Summary of Auditor’s Results*

**State Awards Section**

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

Auditee qualified as low-risk auditee?  X  yes   no

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

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

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

Identification of major programs:

GMIS Number(s)	Name of State Program
<u>09-495-034-5095-051</u>	<u>TPAF Social Security Aid</u>
<u>09-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>09-495-034-5120-084</u>	<u>Security Aid</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

**RIVER VALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

*Part 2 - Schedule of Financial Statement Findings*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *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, 2009**

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

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

**CURRENT YEAR FEDERAL AWARDS**

Not applicable.



**RIVER VALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

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

**CURRENT YEAR STATE AWARDS**

There are none.

**RIVER VALE BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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.