RIVER VALE BOARD OF EDUCATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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, 2010

Prepared by

Business Office

RIVER VALE BOARD OF EDUCATION
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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, 2010 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 2009/2010 fiscal year with an enrollment of 1375.60 students, which is an decrease of 29.4 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

Fiscal Year	Student Enrollment	Percent Change
2009-2010	1,375.6	-2.15%
2008-2009	1,405.2	1.6%
2007-2008	1,383	1.50%
2006-2007	1,362	1.18%
2005-2006	1,346	.2%
2004-2005	1,343	-4.2%
2003-2004	1,402	7.4%
2002-2003	1,306	4.5%
2001-2002	1,250	3.1%
2000-2001	1,212	.0%

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 2009-2010 school year was 1375 students including out-of-district special education placements. Enrollment for 2010-2011 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.

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, 2010.

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, 2010 the River Vale School District had $8,370,000 in bonded debt.

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

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

OTHER INFORMATION:

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

AWARDS AND ACKNOWLEDGMENTS:

The Government Finance Officers Association (GFOA) and the Association of School Business Officials (ASBO) awarded a Certification of Achievement for Excellent in Financial Reporting to the River Vale Board of Education for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2009. This was the eighth year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

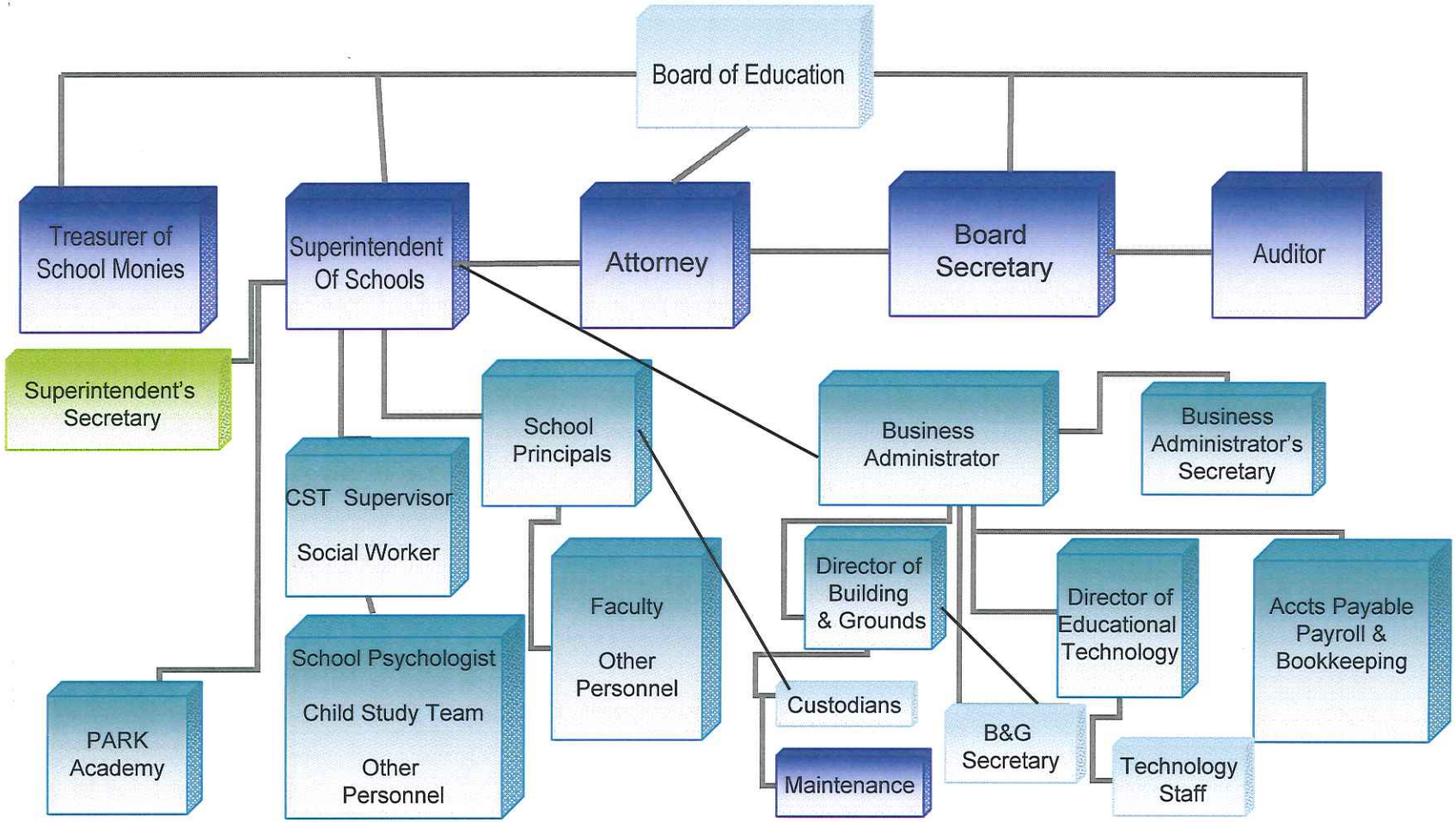
We would like to express our appreciation to the members of the River Vale School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.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

Respectfully submitted,

Kelly Ippolito

Kelly Ippolito
Business Administrator/Board Secretary

River Vale Public Schools



RIVER VALE BOARD OF EDUCATION
RIVER VALE, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2010

Members of the Board of Education	Term Expires
Lorraine Waldes, President	2012
Paul Criscuolo, Vice President	2011
Elaine Back	2011
Sheryl Eaton	2013
William Ellis	2012
Steven Rosini	2011
Andrew Spector	2013

Other Officials

Matthew J. Murphy, 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, 2010

Architect

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

Audit Firm

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

Attorney

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

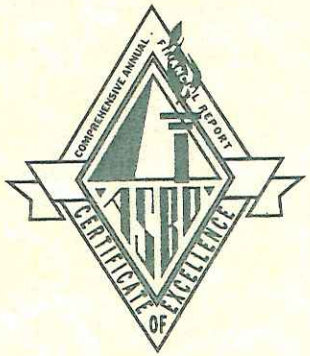
Official Depository

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, 2009
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

Erin Green
President

John D. Musso
Executive Director

JSSCO

FINANCIAL SECTION

LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS

REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208

FAIR LAWN, NJ 07410

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PAUL J. LERCH, CPA, RMA, PSA
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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, 2010, 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, 2010, and the respective changes in financial position and cash flows, where applicable, 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 November 16, 2010 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 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
November 16, 2010

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, 2010

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, 2010. 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 2010 are as follows:

- District-Wide - Overall revenues were $21,270,187. General revenues accounted for $18,607,638 or 88 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for $2,662,549 or 12 percent of total revenues of $21,270,187.

- District-Wide - The School District had $20,946,183 in expenses; only $2,662,549 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of $18,607,638 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 $1,302,523, an increase of $316,957 in comparison with the prior year.

- Fund Financials - At the end of June 30, 2010, unreserved fund balance (budgetary basis) for the General Fund was $421,499, a decrease of $35,490.

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.

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 there after; 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.

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.

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 2010 and 2009. Net assets for 2010 and 2009 were $12,110,186 and $11,786,182, 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.

Management's Discussion and Analysis (continued)

Table A-1
Statement of Net Assets
As of June 30, 2010 and 2009

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and Other Assets	$ 1,944,340	$ 1,483,307	$ 230,606	$ 183,019	$ 2,174,946	$ 1,666,326
Capital Assets	20,015,942	20,357,917	2,439	2,870	20,018,381	20,360,787
Total Assets	21,960,282	21,841,224	233,045	185,889	22,193,327	22,027,113
Other Liabilities	659,136	617,734	129,506	83,538	788,642	701,272
Long-Term Liabilities	9,294,499	9,539,659	-	-	9,294,499	9,539,659
Total Liabilities	9,953,635	10,157,393	129,506	83,538	10,083,141	10,240,931
Net Assets:						
Invested in Capital Assets, Net of Related Debt	11,562,104	11,300,821	2,439	2,870	11,564,543	11,303,691
Restricted	235,897	221,823			235,897	221,823
Unrestricted	208,646	161,187	101,100	99,481	309,746	260,668
Total Net Assets	$ 12,006,647	$ 11,683,831	$ 103,539	$ 102,351	$ 12,110,186	$ 11,786,182

Governmental activities. Governmental activities increased the District's net assets by $322,816. Key elements of this increase are as follows:

Table A-2
Changes in Net Assets
For the Fiscal Years Ended June 30, 2010 and 2009

	Governmental Activities		Business-Type Activities		Total	
Revenues	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Program Revenues						
Charges for Services		$ 12,794	$ 278,179	$ 250,745	$ 278,179	$ 263,539
Operating Grants and Contributions	2,373,202	1,946,518	11,168	15,663	2,384,370	1,962,181
General Revenues						
Property Taxes	18,524,538	17,795,531			18,524,538	17,795,531
Other	81,902	73,518	1,198	973	83,100	74,491
Total Revenues	20,979,642	19,828,361	290,545	267,381	21,270,187	20,095,742
Expenses						
Instruction						
Regular	9,676,884	9,244,287			9,676,884	9,244,287
Special Education	2,333,154	1,857,575			2,333,154	1,857,575
Other Instruction	538,942	469,976			538,942	469,976
School Sponsored Activities and Ath.	137,292	136,354			137,292	136,354
Support Services						
Student and Instruction Related Serv.	1,867,320	1,861,330			1,867,320	1,861,330
Attendance and Social Work	168,345	152,102			168,345	152,102
Educational Media/School Library	336,393	313,761			336,393	313,761
General Administrative Services	635,394	762,636			635,394	762,636
School Administrative Services	951,097	901,583			951,097	901,583
Plant Operations and Maintenance	2,148,125	2,074,072			2,148,125	2,074,072
Pupil Transportation	531,200	506,282			531,200	506,282
Central Services	968,795	895,645			968,795	895,645
Food Services & Safety Town			43,382	24,528	43,382	24,528
Park Academy			245,975	219,897	245,975	219,897
Interest on Long-Term Debt	363,885	427,156	-	-	363,885	427,156
Total Expenses	20,656,826	19,602,759	289,357	244,425	20,946,183	19,847,184
Change in Net Assets	322,816	225,602	1,188	22,956	324,004	248,558
Net Assets, Beginning of Year	11,683,831	11,458,229	102,351	79,395	11,786,182	11,537,624
Net Assets, End of Year	$ 12,006,647	$ 11,683,831	$ 103,539	$ 102,351	$ 12,110,186	$ 11,786,182

Governmental activities. The District's total governmental revenues were $20,979,642. The general share of the revenues, that included property taxes, interest, unrestricted state aid and miscellaneous revenue, amounted to $18,606,440 or 89% of total revenues. Funding from state and federal sources amounted to $2,373,202 or 11%.

The District's governmental expenses are predominantly related to instruction and support services. Instruction totaled $12,686,272 (61%), student support services totaled $7,606,669 (37%) and interest on long-term debt total $363,885 (2%) of total expenditures. (See Table A-3.)

Table A-2 Revenues by Source- Governmental Activities
For Fiscal Year 2010

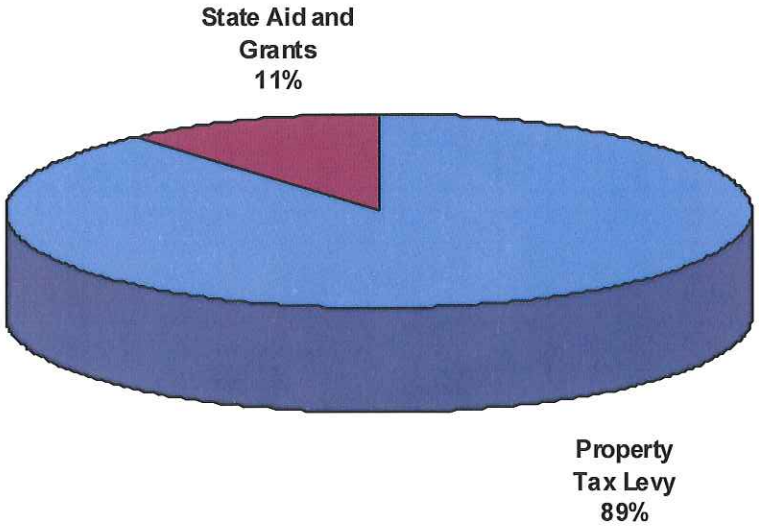

Table A-2 Expenditures by Type- Governmental Activities
For Fiscal Year 2010

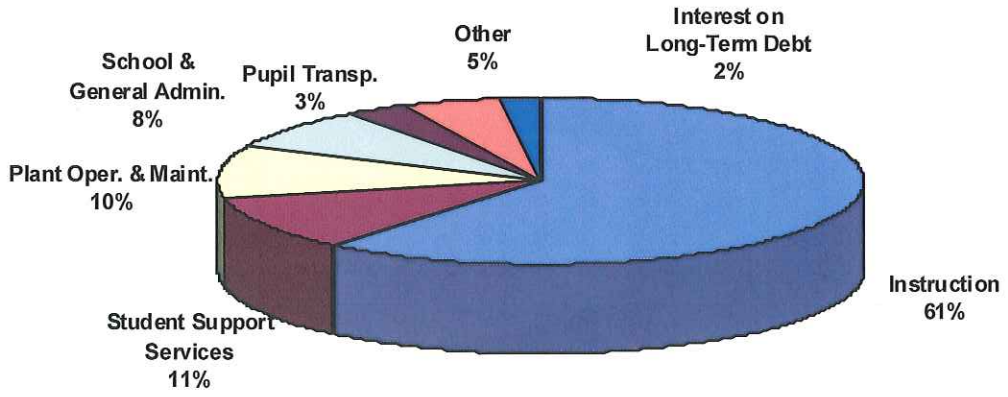

Table A-4
Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2010 and 2009

Functions/Programs	Cost of Services 2010	Cost of Services 2009	Net Cost of Services 2010	Net Cost of Services 2009
Governmental Activities				
Instruction				
Regular	$ 9,676,884	$ 9,244,287	$ 8,759,839	$ 8,501,742
Special Education	2,333,154	1,857,575	1,368,707	1,073,702
Other Instruction	538,942	469,976	479,474	423,846
School Sponsored Activities and Athletics	137,292	136,354	137,292	136,354
Support Services				
Student and Instruction Related Svcs.	1,867,320	1,861,330	1,741,775	1,753,617
Attendance and Social Work	168,345	152,102	134,809	125,299
Educational Media/School Library	336,393	313,761	308,882	291,569
General Administrative Services	635,394	762,636	615,077	740,722
School Administrative Services	951,097	901,583	895,855	854,930
Plant Operations and Maintenance	2,148,125	2,074,072	2,087,263	2,040,107
Pupil Transportation	531,200	506,282	443,806	395,316
Central Services	968,795	895,645	946,960	879,087
Interest on Long-Term Debt	363,885	427,156	363,885	427,156
Total Governmental Activities	$ 20,656,826	$ 19,602,759	$ 18,283,624	$ 17,643,447

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2010 was $289,357. 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 $1,188.

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 $1,302,523. At June 30, 2009 the fund balance was $985,566.

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 $20,979,642 and expenditures were $20,939,685.

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, 2010 and 2009.

	Year Ended June 30, 2010	Year Ended June 30, 2009	Amount of Increase (Decrease)	Percent Increase (Decrease)
Local Sources	$ 18,612,063	$ 17,881,681	$ 730,382	4.08%
State Sources	1,988,656	1,683,813	304,843	18.10%
Federal Sources	378,923	267,577	111,346	41.61%
Total Revenues	$ 20,979,642	$ 19,833,071	$ 1,146,571	5.78%

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, 2010 and 2009.

	Year Ended June 30, 2010	Year Ended June 30, 2009	Amount of Increase (Decrease)	Percent Increase (Decrease)
Instruction	$ 12,305,716	$ 11,335,048	$ 970,668	8.56%
Undistributed	7,405,652	7,306,048	99,604	1.36%
Capital Outlay	164,005	363,501	(199,496)	(54.88)%
Debt Service				
Principal	670,127	787,869	(117,742)	(14.94)%
Interest	394,185	438,563	(44,378)	(10.12)%
Total Expenditures	$ 20,939,685	$ 20,231,029	$ 708,656	3.50%

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 $221,784 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.

Capital Assets. The River Vale Board of Education's investment in capital assets for its governmental and business type activities as of June 30, 2010 amounts to $20,018,381 (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	
	2010	2009	2010	2009	2010	2009
Land	$ 43,525	$ 43,525			$ 43,525	$ 43,525
Land Improvements	384,600	384,600			384,600	384,600
Buildings and Building Improvements	23,726,401	23,661,160			23,726,401	23,661,160
Machinery, Equipment and Vehicles	2,032,158	1,961,994	$ 15,258	$ 15,258	2,047,416	1,977,252
Total	26,186,684	26,051,279	15,258	15,258	26,201,942	26,066,537
Less: Accumulated Depreciation	6,170,742	5,693,362	12,819	12,388	6,183,561	5,705,750
Total	$ 20,015,942	$ 20,357,917	$ 2,439	$ 2,870	$ 20,018,381	$ 20,360,787

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, 2010 the school district had long-term debt and outstanding long-term liabilities in the amount of $9,228,231 as stated in Table A-5.

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

	2010	2009
Serial Bonds	$ 8,370,000	$ 8,944,000
Capital Leases	349,684	142,811
Compensated Absences Payable	508,547	452,848
Total	$ 9,228,231	$ 9,539,659

Debt Administration (Continued)

The District has outstanding general obligation serial bonds in the amount of $8,370,000. These bonds were used to finance the facilities acquisitions and construction services at Holdrum, Woodside and Roberge Schools. The capital leases are comprised of technology improvements and a boiler upgrade. The compensated absences represents the District's liability for unused accrued sick leave and unused vacation.

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

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

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

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

FOR THE FUTURE

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

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

RIVER VALE BOARD OF EDUCATION
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 1,217,192	$ 46,741	$ 1,263,933
Receivables, net			
Receivables from Other Governments	628,982	992	629,974
Other	10,716	182,873	193,589
Deferred Charges	87,450		87,450
Capital Assets, Not Being Depreciated	43,525		43,525
Capital Assets, Being Depreciated, Net	19,972,417	2,439	19,974,856
Total Assets	21,960,282	233,045	22,193,327
LIABILITIES			
Accounts Payable and Other Current Liabilities	156,734	106,754	263,488
Note Payable	275,000		275,000
Accrued Interest Payable	104,769		104,769
Unearned Revenue	122,633	22,752	145,385
Noncurrent Liabilities			
Due Within One Year	835,817		835,817
Due Beyond One Year	8,458,682	-	8,458,682
Total Liabilities	9,953,635	129,506	10,083,141
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	11,562,104	2,439	11,564,543
Restricted for			
Capital Projects	235,897		235,897
Unrestricted	208,646	101,100	309,746
Total Net Assets	$ 12,006,647	$ 103,539	$ 12,110,186

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, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental Activities							
Instruction							
Regular	$ 9,676,884		$ 917,045		$ (8,759,839)		$ (8,759,839)
Special Education	2,333,154		964,447		(1,368,707)		(1,368,707)
Other Instruction	538,942		59,468		(479,474)		(479,474)
School Sponsored Activities and Athletics	137,292				(137,292)		(137,292)
Support Services							
Student and Instruction Related Services	1,867,320		125,545		(1,741,775)		(1,741,775)
Attendance and Social Work	168,345		33,536		(134,809)		(134,809)
Educational Media/School Library	336,393		27,511		(308,882)		(308,882)
School Administrative Services	951,097		55,242		(895,855)		(895,855)
General and Business Administrative Services	635,394		20,317		(615,077)		(615,077)
Plant Operations and Maintenance	2,148,125		60,862		(2,087,263)		(2,087,263)
Pupil Transportation	531,200		87,394		(443,806)		(443,806)
Central Services	968,795		21,835		(946,960)		(946,960)
Interest on Long-Term Debt	363,885	-	-	-	(363,885)	-	(363,885)
Total Governmental Activities	20,656,826	-	2,373,202	-	(18,283,624)	-	(18,283,624)
Business-Type Activities							
Food Service & Safety Town - Non Major	43,382	$ 31,232	11,168	-	-	$ (982)	(982)
Park Academy	245,975	246,947	-	-	-	972	972
Total Business-Type Activities	289,357	278,179	11,168	-	-	(10)	(10)
Total Primary Government	$ 20,946,183	$ 278,179	$ 2,384,370	-	(18,283,624)	(10)	(18,283,634)
General Revenues							
Property Taxes					18,524,538		18,524,538
Interest on Investments					18,264	1,198	19,462
Miscellaneous Income					63,638	-	63,638
Total General Revenues					18,606,440	1,198	18,607,638
Change in Net Assets					322,816	1,188	324,004
Net Assets, Beginning of Year					11,683,831	102,351	11,786,182
Net Assets, End of Year					$ 12,006,647	$ 103,539	$ 12,110,186

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, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 843,416		$ 373,776		$ 1,217,192
Due from Other Funds	297,778				297,778
Other Receivables	10,716				10,716
Receivables from Other Governments	40,337	$ 313,645	275,000	-	628,982
Total Assets	$ 1,192,247	$ 313,645	$ 648,776	$ -	$ 2,154,668
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 134,388	$ 16,346	$ 6,000		$ 156,734
Due to Other Funds		297,016	762		297,778
Note Payable			275,000		275,000
Deferred Revenue	-	283	122,350	-	122,633
Total Liabilities	134,388	313,645	404,112	-	852,145
Fund Balances					
Reserved for					
Encumbrances	188,926		32,528		221,454
Capital Reserve Account	235,897				235,897
Excess Surplus Designated for Subsequent Year's Expenditures	242,812				242,812
Excess Surplus	255,377				255,377
Unreserved Reported in:					
General Fund	134,847				134,847
Capital Projects Fund	-	-	212,136	-	212,136
Total Fund Balances	1,057,859	-	244,664	-	1,302,523
Total Liabilities and Fund Balances	$ 1,192,247	$ 313,645	$ 648,776	$ -	

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 $26,186,684 and the accumulated depreciation is $6,170,742.		20,015,942
The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:		(104,769)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General Obligation Bonds Payable, Net	$ 8,436,268	
Deferred Charge- Unamortized Bond Issuance Costs	(87,450)	
Capital Leases Payable	349,684	
Compensated Absences	508,547	
		(9,207,049)
Net assets of governmental activities (Exhibit A-1)		$ 12,006,647

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

RIVER VALE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources					
Local Property Tax Levy	$ 17,535,558			$ 988,980	$ 18,524,538
Tuition					-
Interest on Investment	17,343		$ 921		18,264
Miscellaneous	63,638	$ 5,623	-	-	69,261
Total - Local Sources	17,616,539	5,623	921	988,980	18,612,063
State Sources	1,988,656				1,988,656
Federal Sources	-	378,923	-	-	378,923
Total Revenues	19,605,195	384,546	921	988,980	20,979,642
EXPENDITURES					
Current					
Regular Instruction	9,343,833	5,623			9,349,456
Special Education Instruction	1,961,439	336,163			2,297,602
Other Instruction	515,408	5,958			521,366
School-Sponsored Activities and Athletics	137,292				137,292
Support Services					
Student and Instruction Related Services	1,784,526	36,802			1,821,328
Attendance and Social Work	156,757				156,757
Educational Media/School Library	326,303				326,303
School Administrative Services	919,633				919,633
General Administrative Services	593,714				593,714
Plant Operations and Maintenance	2,109,046				2,109,046
Pupil Transportation	531,200				531,200
Central Services	947,671				947,671
Debt Service					
Principal	70,127			600,000	670,127
Interest and Other Charges	5,205			388,980	394,185
Cost of Issuance				107,344	107,344
Advance Refunding Escrow				409,817	409,817
Capital Outlay	101,918	-	62,087	-	164,005
Total Expenditures	19,504,072	384,546	62,087	1,506,141	21,456,846
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	101,123	-	(61,166)	(517,161)	(477,204)
Other Financing Sources and (Uses)					
Lease Proceeds			277,000		277,000
Refunding Bond Proceeds				7,080,000	7,080,000
Premium on Refunding Bonds				491,161	491,161
Payment to Refunding Bond Escrow Agent				(7,054,000)	(7,054,000)
Transfers In	885				885
Transfers Out	-	-	(885)	-	(885)
Total Other Financing Sources and Uses	885	-	276,115	517,161	794,161
Net Change in Fund Balances	102,008	-	214,949	-	316,957
Fund Balance, Beginning of Year	955,851	-	29,715	-	985,566
Fund Balance, End of Year	$ 1,057,859	$ -	$ 244,664	$ -	$ 1,302,523

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, 2010

Total net change in fund balances - governmental funds (Exhibit B-2)		$ 316,957
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	$ 164,005	
Depreciation Expense	(505,980)	
		(341,975)
Some of the District assets acquired this year were finance with capital leases. The amount financed by the lease is reported in the governmental funds as a source of financing. On the other hand, the lease proceeds are not revenues in the statement of activities but rather constitute long-term liabilities in the statement of assets.		
Capital Leases		(277,000)
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		(55,699)
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		670,127
The issuance of refunding bonds provides current financial resources to the governmental funds, while the repayment of the refunded bonds uses those current financial resources of governmental funds. Neither transactions, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums and other such items related to the refunding bonds when they are first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Refunding Bond Proceeds	(7,080,000)	
Premium on Refunding Bonds	(491,161)	
Payments to Escrow Agent for Refunding	7,463,817	
Cost of Issuance	107,344	
Amortization of Bond Premium	91,028	
Amortization of Deferred Amounts on Refunding	(75,952)	
Amortization of Cost of Issuance	(19,894)	
		(4,818)
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		15,224
Change in net assets of governmental activities (Exhibit A-2)		$ 322,816

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

RIVER VALE BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2010

	Business-Type Activities Enterprise Fund Park Academy	Business-Type Activities Enterprise Fund Non-Major	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents		$ 46,741	$ 46,741
Intergovernmental Receivable			
Other	$ 182,873		182,873
Federal	-	992	992
Total Current Assets	182,873	47,733	230,606
Capital Assets			
Equipment		15,258	15,258
Less: Accumulated Depreciation	-	(12,819)	(12,819)
Total Capital Assets, Net	-	2,439	2,439
Total Assets	182,873	50,172	233,045
LIABILITIES			
Current Liabilities			
Cash Overdraft	106,754		106,754
Unearned Revenue	-	22,752	22,752
Total Current Liabilities	106,754	22,752	129,506
Total Liabilities	106,754	22,752	129,506
NET ASSETS			
Invested in Capital Assets		2,439	2,439
Unrestricted	76,119	24,981	101,100
Total Net Assets	$ 76,119	$ 27,420	$ 103,539

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, 2010

	Business-Type Activities Enterprise Fund Park Academy	Business-Type Activities Enterprise Fund Non-Major	Total
OPERATING REVENUES			
Charges for Services			
Daily Sales - Milk		$ 28,932	$ 28,932
Program Fees	$ 246,947	2,300	249,247
Total Operating Revenues	246,947	31,232	278,179
OPERATING EXPENSES			
Cost of Sales		17,568	17,568
Salaries and Benefits	189,755	17,287	207,042
Other Purchased Services	15,771		15,771
Supplies and Materials		1,509	1,509
Rent	39,865		39,865
Miscellaneous	584	6,587	7,171
Depreciation	-	431	431
Total Operating Expenses	245,975	43,382	289,357
Operating Income/(Loss)	972	(12,150)	(11,178)
NONOPERATING REVENUES			
Interest	782	416	1,198
Federal Sources			
Special Milk Program	-	11,168	11,168
Total Nonoperating Revenues	782	11,584	12,366
Change in Net Assets	1,754	(566)	1,188
Total Net Assets, Beginning of Year	74,365	27,986	102,351
Total Net Assets, End of Year	$ 76,119	$ 27,420	$ 103,539

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, 2010

	Business-Type Activities Enterprise Fund Park Academy	Business-Type Activities Enterprise Fund Non-Major	Total
Cash Flows from Operating Activities			
Cash Received from Customers	$ 102,003	$ 26,092	$ 128,095
Cash Payments to Suppliers for Goods and Services	(301,621)	(42,951)	(344,572)
Net Cash Provided by (Used by) Operating Activities	(199,618)	(16,859)	(216,477)
Cash Flows from Noncapital Financing Activities			
Cash Received from State and Federal Subsidy Reimbursements	-	11,816	11,816
Net Cash Provided by (Used by) Noncapital Financing Activities	-	11,816	11,816
Cash Flows from Investing Activities			
Interest Earnings	782	416	1,198
Net Cash Provided by Investing Activities	782	416	1,198
Net Decrease in Cash and Cash Equivalents	(198,836)	(4,627)	(203,463)
Cash and Cash Equivalents, Beginning of Year	92,082	51,368	143,450
Cash and Cash Equivalents (Overdraft), End of Year	$ (106,754)	$ 46,741	(60,013)
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities			
Operating Income (Loss)	$ 972	$ (12,150)	$ (11,178)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used for Operating Activities			
Depreciation		431	431
Change in Assets and Liabilities			
(Increase)/Decrease in Intergovernmental Receivable - Other	(144,944)		(144,944)
Increase/(Decrease) in Accounts Payable	(55,646)		(55,646)
Increase/(Decrease) in Deferred Revenue	-	(5,140)	(5,140)
Total Adjustments	(200,590)	(4,709)	(205,299)
Net Cash (Used by) Operating Activities	$ (199,618)	$ (16,859)	$ (216,477)

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, 2010

	Unemployment Compensation Trust	Agency Fund
ASSETS		
Cash and Cash Equivalents	$ 85,733	$ 174,040
Total Assets	85,733	$ 174,040
LIABILITIES		
Intergovernmental Payable	4,181	
Payroll Deductions and Withholdings		$ 4,051
Accrued Salaries and Wages		1,500
Accounts Payable		10,934
Due to State of New Jersey		72,330
Due to Student Groups	-	85,225
Total Liabilities	4,181	$ 174,040
NET ASSETS		
Held in Trust for Unemployment Claims	$ 81,552	

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

EXHIBIT B-8

RIVER VALE BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Unemployment Compensation Trust
ADDITIONS	
Contributions	
District	$ 30,000
Employees	32,722
Investment Earnings	
Interest	712
Total Additions	63,434
DEDUCTIONS	
Unemployment Claims and Contributions	101,898
Total Deductions	101,898
Change in Net Assets	(38,464)
Net Assets, Beginning of Year	120,016
Net Assets, End of Year	$ 81,552

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

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 funds to be major funds.

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 program.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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, of 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 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.

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 2008-2009 and 2009-2010 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 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. 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.

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:

Assets	Years
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 (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds do not permit the accrual of vacation 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. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and refunding gains or losses. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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 in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2.)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Fund Equity(Continued)

Reserved for Excess Surplus – Designated for Subsequent Year's Expenditures - This reserve was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2009 audited excess surplus that was appropriated in the 2010/2011 original budget certified for taxes.

Reserved for Excess Surplus – This reserve was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2010 audited excess surplus that is required to be appropriated in the 2011/2012 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 2009/2010. During 2009/2010 the Board increased the original budget by $700,231. The increase was funded by grant awards and the reappropriation of prior year general fund encumbrances.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

Encumbrance accounting is employed in the governmental funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as 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.

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, 2010 is as follows:

Balance, July 1, 2009		$ 221,823
Increases		
Interest earnings	$ 1,571	
Deposits Approved by Board Resolution	40,000	
		41,571
Withdrawals		
Approved by Board Resolution		(27,497)
Balance, June 30, 2010		$ 235,897

The June 30, 2010 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.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Transfers to Capital Outlay

During the 2009/2010 school year, the district transferred $27,497 to the capital outlay accounts. The transfer was made from the capital reserve account to supplement a capital project previously approved by the voters in the budget certified for taxes pursuant to N.J.A.C. 6A:23-8.4.

D. 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, 2010 is $498,189. Of this amount, $242,812 was designated and appropriated in the 2010/2011 original budget certified for taxes and the remaining amount of $255,377 will be appropriated in the 2011/2012 original budget certified for taxes.

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 (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge plus collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds for all deposits not covered by the FDIC.

Bank balances are insured up to $250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of $250,000 for each failed brokerage firm. At June 30, 2010, the book value of the Board's deposits was $1,416,952 and bank balances of the Board's cash and deposits amounted to $1,961,353. The Board's deposits which are displayed on the balance sheets and statement of net assets as "cash" or "cash and cash equivalents" are categorized as:

Depository Account	
Insured	$ 1,961,353

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

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, 2010, the Board had no outstanding investments.

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

B. Receivables

Receivables as of year-end for the district's individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Major Enterprise Fund	Nonmajor Enterprise Funds	Total
Receivables:						
Intergovernmental	$ 40,337	$313,645	$ 275,000	$ 182,873	$ 992	$ 812,847
Other	10,716	-	-	-	-	10,716
Gross Receivables	51,053	313,645	275,000	182,873	992	823,563
Less: Allowance for Uncollectibles	-	-	-	-	-	-
Net Total Receivables	$ 51,053	$313,645	$ 275,000	$ 182,873	$ 992	$ 823,563

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:

	Unearned
Special Revenue Fund	
Unencumbered grant draw downs	$ 283
Capital Projects Fund	
Unrealized School Facility Grants	122,350
Total deferred revenue for governmental funds	$ 122,633

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	Balance, July 1, 2009	Increases	Decreases	Balance, June 30, 2010
Governmental activities:				
Capital Assets, not being Depreciated:				
Land	$ 43,525	-	-	$ 43,525
Total Capital Assets, not being depreciated	43,525	-	-	43,525
Capital Assets, being depreciated:				
Buildings and Building Improvements	23,661,160	$ 65,241		23,726,401
Machinery and Equipment	1,961,994	98,764	$ (28,600)	2,032,158
Land Improvements	384,600	-	-	384,600
Total Capital Assets being Depreciated	26,007,754	164,005	(28,600)	26,143,159
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(4,140,121)	(428,839)		(4,568,960)
Machinery and Equipment	(1,348,091)	(60,441)	28,600	(1,379,932)
Land Improvements	(205,150)	(16,700)	-	(221,850)
Total Accumulated Depreciation	(5,693,362)	(505,980)	28,600	(6,170,742)
Total Capital Assets, being Depreciated, net	20,314,392	(341,975)	-	19,972,417
Governmental Activities Capital Assets, net	$ 20,357,917	$ (341,975)	$ -	$ 20,015,942
Business-type activities:				
Food Service Fund				
Capital Assets, being Depreciated:				
Machinery and Equipment	$ 15,258	-	-	$ 15,258
Total Capital Assets being Depreciated	15,258	-	-	15,258
Less Accumulated Depreciation for:				
Machinery and Equipment	(12,388)	$ (431)	-	(12,819)
Total Accumulated Depreciation	(12,388)	(431)	-	(12,819)
Total Capital Assets, being Depreciated, net	2,870	(431)	-	2,439
Business-Type Activities Capital Assets, net	$ 2,870	$ (431)	$ -	$ 2,439

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

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

Governmental activities:	
Instruction	
Regular	$ 287,789
Special	34,104
Other Special Instruction	16,393
Total Instruction	338,286
Support Services	
Support Services - Students and Instructional Staff	67,314
General Administration	9,832
School Administration	28,831
Operations and Maintenance of Plant	38,097
Business and Other Support Services	23,620
Total Support Services	167,694
Total Depreciation Expense - Governmental Activities	$ 505,980
Business-Type activities:	
Food Service Fund	$ 431
Total Depreciation Expense-Business-Type Activities	$ 431

Construction commitments

The District has the following active construction projects as of June 30, 2010:

Project	Spent to Date	Remaining Commitment
Facilities, Acquisition and Construction Services at Holdrum, Woodside and Roberge Schools	$ 19,646,666	$ 8,000
Holdrum and Roberge Boiler Project	357,560	-
Total	$ 20,004,226	$ 8,000

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2010, is as follows:

Due to/from other funds

Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue Fund	$ 297,016
General Fund	Capital Projects Fund	762
		$ 297,778

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

Interfund transfers

	Transfer In:
	General Fund
Transfer Out:	
Capital Projects Fund	$ 885

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

E. Leases

Capital Leases

The District is leasing boiler and technology improvements totaling $295,000 and $277,000 under capital leases. The leases are for terms of 3 and 5 years.

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Leases (Continued)

Capital Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2010 were as follows:

Year Ending June 30	Governmental Activities
2011	$ 173,619
2012	98,286
2013	98,286
Total minimum lease payments	370,191
Less: amount representing interest	20,507
Present value of minimum lease payments	$ 349,684

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, 2010 are comprised of the following issues:

$12,834,000, 2001 Bonds, due in annual installments of $630,000 to $660,000 through September 15, 2011, interest at 4.5%	$1,290,000
$7,080,000, 2010 Refunding Bonds, due in annual installments of $25,000 to $805,000 through September 15, 2010, interest at 2.00% to 4.50%	7,080,000
	$8,370,000

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 Principal	Interest	Total
2011	$ 655,000	$ 308,497	$ 963,497
2012	700,000	264,550	964,550
2013	725,000	241,850	966,850
2014	745,000	224,356	969,356
2015	765,000	203,594	968,594
2016-2020	3,990,000	570,917	4,560,917
2021	790,000	17,775	807,775
	$ 8,370,000	$ 1,831,539	$ 10,201,539

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2010 was as follows:

3% of Equalized Valuation Basis (Municipal)	$ 66,755,947
Less: Net Debt	8,370,000
Remaining Borrowing Power	$ 58,385,947

Advance and Current Refundings of Debt

On February 25, 2010, the District issued $7,080,000 in School District Refunding Bonds having an interest rate of 2.00% to 4.50%. These bonds were issued in order to advance refund certain principal maturities and certain interest payments of 2001 School District Bonds of the District. The total bond principal defeased was $7,054,000 and the total interest payments defeased was $634,860. The net proceeds of $7,463,817 (after payment of underwriting fees, insurance and other insurance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the advance refunding met the requirements of an in-substance debt defeasance and the refunded bond liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by $409,817. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued.

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable	$ 8,944,000	$ 7,080,000	$ 7,654,000	$ 8,370,000	$ 655,000
Deferred Amounts:					
Add: Original Issue Premium		491,161	91,028	400,133	
Less: Loss on Refunding	-	(409,817)	(75,952)	(333,865)	-
Total Bonds Payable	8,944,000	7,161,344	7,669,076	8,436,268	655,000
Capital Leases Payable	142,811	277,000	70,127	349,684	162,133
Compensated Absences	452,848	79,783	24,084	508,547	18,684
Governmental Activity Long-Term Liabilities	$ 9,539,659	$ 7,518,127	$ 7,763,287	$ 9,294,499	$ 835,817

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

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, 2010 was as follows:

Purpose	Balance, July 1, 2009	Increases	Decreases	Balance, June 30, 2010
Grant Anticipation Note	$ 275,000	$ 275,000	$ 275,000	$ 275,000
	$ 275,000	$ 275,000	$ 275,000	$ 275,000

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

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

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

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

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

Year Ended June 30,	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2010	$ 30,000	$ 32,722	$ 101,898	$ 81,552
2009		29,629	67,182	120,016
2008		28,157	28,252	157,569

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.

NOTE 4 OTHER INFORMATION (Continued)

B. Contingent Liabilities (Continued)

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2010, 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, 2010, 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:

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.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds

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

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems 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. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at 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.

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. 2009, c. 19, effective March 17, 2009 provided an option for local employers to contribute 50 percent of the normal and accrued liability contribution amounts certified by the PERS for payments due in State fiscal year 2009. This law also provided that a local employer may pay 100 percent of the required contribution. Such an employer was credited with the full payment and any such amounts were not to be included in their unfunded liability. The actuaries for PERS will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the State fiscal year ending June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Significant Legislation (Continued)

P.L. 2008, c. 89, effective November 1, 2008, increased the TPAF and PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; changed the early retirement provisions; increased the minimum annual compensation required for membership eligibility for new members on or after the effective date of this law.

P.L. 2007, c. 103, certain parts effective July 1, 2007, provided for the following: changed contribution rates of TPAF, PERS, and Defined Contribution Retirement Program (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) which included the creation of the School Employees' Health Benefit Program (SEHBP) and established an employee contribution of 1.5 percent of the employee's base salary.

Funding Status and Funding Progress

As of June 30, 2008, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 72.6 percent with an unfunded actuarial accrued liability of $34.4 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 69.6 percent and $23.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 77.2 percent and $11.4 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.

Actuarial Methods and Assumptions

In the June 30, 2008 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 with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 5.5% for PERS, 5.5% for TPAF and 5.5% for DCRP of the employee's annual compensation.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2010 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 contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended June 30, 2010, 2009 and 2008 the Board was required to contribute for PERS and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Year Ended June 30,	PERS	On-behalf TPAF
2010	$ 183,674	$ 30,843
2009	151,630	19,907
2008	104,136	637,150

During 2009/2010 and 2008/2009 school years, the State of New Jersey did not contribute to the TPAF for normal cost and accrued liability. The State only contributed $30,843 and $19,907 during 2009/2010 and 2008/2009, respectively, for the NCGI premium.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board $702,651 during the year ended June 30, 2010 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.

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are cost sharing multiple employer defined benefit plans.

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 Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 484 state and local participating employers and contributing entities for Fiscal Year 2009.

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

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

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, 2008, the most recent actuarial valuation date, the State had a $55.9 billion unfunded actuarial accrued liability for other postemployment benefits (OPEB) which is made up to $19.8 billion for state active and retired members and $36.1 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.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2008, 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. As of June 30, 2009, there were 84,590 retirees receiving post-retirement medical benefits and the State contributed $837.7 million on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides 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 $116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in fiscal year 2009.

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, 2010, 2009 and 2008 were $579,265, $379,782 and $696,671, respectively, which equaled the required contributions for each year . The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

BUDGETARY COMPARISON SCHEDULES

RIVER VALE BOARD OF EDUCATION
GENERAL FUND

BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Property Taxes	$ 17,535,558		$ 17,535,558	$ 17,535,558	
Interest on Investments	41,113		41,113	17,343	$ (23,770)
Miscellaneous	38,800	-	38,800	63,638	24,838
Total - Local Sources	17,615,471	-	17,615,471	17,616,539	1,068
State Sources					
Transportation Aid	131,854		131,854	85,705	(46,149)
Special Education Aid	412,067		412,067	267,846	(144,221)
Security Aid	104,687		104,687	68,047	(36,640)
Extraordinary Aid	169,564		169,564	221,784	52,220
Nonpublic School Transportation Aid				5,453	5,453
On-Behalf TPAF Pension Contribution (Non-Budgeted)- NCGI				30,843	30,843
Post Retirement Medical Contribution				579,265	579,265
On-Behalf TPAF Social Security (Non-Budgeted)	-	-	-	702,651	702,651
Total - State Sources	818,172	-	818,172	1,961,594	1,143,422
Total Revenues	18,433,643	-	18,433,643	19,578,133	1,144,490
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool/Kindergarten	460,131	$ 13,488	473,619	473,619	
Grades 1-5	4,060,690	(204,980)	3,855,710	3,855,709	1
Grades 6-8	2,303,299	24,442	2,327,741	2,327,741	
Instruction - Home					
Salaries of Teachers	2,500	5,254	7,754	7,754	
Purchased Professional - Educational Services	-	4,637	4,637	4,637	-
Total Instruction - Regular	6,826,620	(157,159)	6,669,461	6,669,460	1
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	50,490	1,511	52,001	52,001	
Purchased Professional Services	15,000	3,000	18,000	18,000	
Other Purchased Services	100,000	10,389	110,389	9,789	100,600
Travel		100	100	28	72
General Supplies	298,948	4,235	303,183	282,094	21,089
Textbooks	29,435	(20,774)	8,661	6,745	1,916
Other Objects	1,180	-	1,180	300	880
Total Regular Programs	495,053	(1,539)	493,514	368,957	124,557
Resource Room					
Salaries of Teachers	538,594	25,282	563,876	563,875	1
General Supplies	2,185	250	2,435	2,367	68
Textbooks	1,275	(839)	436	300	136
Total Resource Room	542,054	24,693	566,747	566,542	205
Preschool Disabilities - Part Time					
Salaries of Teachers	101,835	48,939	150,774	150,773	1
Other Salaries for Instruction	28,620	47,273	75,893	75,824	69
General Supplies	1,233	-	1,233	1,057	176
Total Preschool Disabilities - Part Time	131,688	96,212	227,900	227,654	246
Total Special Education	673,742	120,905	794,647	794,196	451

(Continued)

RIVER VALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Basic Skills/Remedial					
Salaries of Teachers	$ 266,888	$ 18,317	$ 285,205	$ 285,205	
General Supplies	1,450	(203)	1,247	1,247	
Textbooks	1,090	(193)	897	307	$ 590
Total Basic Skills/Remedial	269,428	17,921	287,349	286,759	590
Bilingual Education					
Salaries of Teachers	95,013		95,013	94,754	259
General Supplies	600	(150)	450	289	161
Total Bilingual Education	95,613	(150)	95,463	95,043	420
School Sponsored Co-Curricular Activities					
Salaries	82,130	(13,148)	68,982	68,528	454
Purchased Services	825	-	825	331	494
Total School Sponsored Co-Curricular Activities	82,955	(13,148)	69,807	68,859	948
School Sponsored Athletics - Instruction					
Salaries	55,104	(1,727)	53,377	53,177	200
Purchased Services	6,000	90	6,090	6,090	
Supplies and Materials	4,800	(75)	4,725	3,930	795
Total School Sponsored Athletics - Instruction	65,904	(1,712)	64,192	63,197	995
Total - Instruction	8,509,315	(34,882)	8,474,433	8,346,471	127,962
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Special	537,374	82,498	619,872	611,593	8,279
Tuition to Private School Handicapped-Within State	240,172	41,860	282,032	272,949	9,083
Tuition to Private School Handicapped-O/S State	-	24,761	24,761	19,272	5,489
Total Undistributed Expenditures - Instruction	777,546	149,119	926,665	903,814	22,851
Attendance and Social Work Services					
Salaries	32,735	24,853	57,588	57,419	169
Other Purchased Services	9,460	(712)	8,748	8,215	533
Total Attendance and Social Work Services	42,195	24,141	66,336	65,634	702
Health Services					
Salaries	206,697	(2,111)	204,586	203,283	1,303
Purchased Professional - Educational Services	21,625	(10,000)	11,625	10,351	1,274
Supplies and Materials	2,482	(199)	2,283	1,792	491
Total Health Services	230,804	(12,310)	218,494	215,426	3,068

(Continued)

RIVER VALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Speech, OT, PT & Related Services					
Salaries	$ 169,935	$ (786)	$ 169,149	$ 168,165	$ 984
Purchased Professional - Educational Services	103,059	54,269	157,328	146,568	10,760
Supplies and Materials	1,000	(274)	726	705	21
Miscellaneous Expenditures	315	(255)	60	-	60
Total Speech, OT, PT and Related Services	274,309	52,954	327,263	315,438	11,825
Other Support Services - Students - Extra. Service					
Salaries	235,208	29,792	265,000	263,492	1,508
Purchased Professional - Educational Services		468	468	468	
Supplies and Materials	2,100	(1,931)	169	-	169
Total Other Support Svcs.-Students-Extra. Service.	237,308	28,329	265,637	263,960	1,677
Guidance					
Salaries of Other Professional Staff	172,738	(1,480)	171,258	171,256	2
Purchased Professional - Educational Services	1,000	(900)	100	100	
Other Purchased Professional & Technical Services	8,000	(4,121)	3,879	1,595	2,284
General Supplies	11,450	(4,096)	7,354	7,192	162
Total Guidance	193,188	(10,597)	182,591	180,143	2,448
Child Study Team					
Salaries of Other Professional Staff	333,063	(41,921)	291,142	290,722	420
Salaries of Secretarial and Clerical Assistants	64,468	(1,119)	63,349	62,187	1,162
Purchased Professional-Educational Services		13,801	13,801	12,530	1,271
Region II Annual Fee	66,614	(6,353)	60,261	60,260	1
Miscellaneous Purchased Services	6,005	(2,505)	3,500	1,878	1,622
Supplies and Materials	5,000	7,795	12,795	5,268	7,527
Other Objects	785	-	785	570	215
Total Child Study Team	475,935	(30,302)	445,633	433,415	12,218
Improvement of Inst. Serv.					
Salaries of Other Professional Staff		3,000	3,000	3,000	
Other Salaries	50,000	(23,104)	26,896	3,000	23,896
Total Improvement of Inst. Serv.	50,000	(20,104)	29,896	6,000	23,896
Educational Media Services/School Library					
Salaries	217,082	1,620	218,702	217,612	1,090
Other Purchased Services	16,000	6,860	22,860	22,855	5
Supplies and Materials	16,310	(1,628)	14,682	14,292	390
Total Educational Media Services/School Library	249,392	6,852	256,244	254,759	1,485
Instructional Staff Training Services					
Other Salaries	1,750	4,350	6,100	5,217	883
Purchased Professional - Educational Services	1,137	6,597	7,734	5,959	1,775
Other Purchased Prof and Tech Services	4,431	(1,122)	3,309		3,309
Other Purchased Services	15,125	318	15,443	12,076	3,367
Supplies and Materials	500	3,258	3,758	3,747	11
Other Objects	1,000	(690)	310	150	160
Total Instructional Staff Training Services	23,943	12,711	36,654	27,149	9,505

(Continued)

RIVER VALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Support Services General Administration					
Salaries	$ 258,996	$ (28,266)	$ 230,730	$ 227,879	$ 2,851
Legal Services	58,000	10,000	68,000	41,916	26,084
Audit Fees	40,000	15,000	55,000	24,458	30,542
Other Purchased Professional Services	24,000	46,820	70,820	44,791	26,029
Lease Payments	3,500	-	3,500	3,338	162
Communications/Telephone	53,500	(15,651)	37,849	29,890	7,959
BOE Other Purchased Services	5,000	(1,715)	3,285	1,182	2,103
Other Purchased Services	125,502	(28,132)	97,370	85,769	11,601
General Supplies	10,000	(1,924)	8,076	7,143	933
Judgements Against the School		39,350	39,350	33,050	6,300
Miscellaneous Expenditures	9,500	(835)	8,665	5,635	3,030
BOE Membership Dues and Fees	12,550	-	12,550	10,969	1,581
Total Support Services General Administration	600,548	34,647	635,195	516,020	119,175
Support Services School Administration					
Salaries of Principals/Asst. Principals	390,522	52,557	443,079	443,077	2
Salaries of Other Professional Staff	21,933		21,933	21,932	1
Salaries of Secretarial and Clerical Assistants	225,929	(22,639)	203,290	203,246	44
Other Purchased Services	10,025	11,157	21,182	18,218	2,964
General Supplies	13,500	(561)	12,939	10,848	2,091
Miscellaneous Expenditures	11,275	(310)	10,965	9,804	1,161
Total Support Services School Administration	673,184	40,204	713,388	707,125	6,263
Central Services					
Salaries	354,300	(780)	353,520	353,518	2
Purchased Professional Services		20,250	20,250	20,250	
Other Purchased Services	17,200	6,388	23,588	18,849	4,739
Supplies and Materials	6,000	2,349	8,349	7,155	1,194
Interest on Current Loans	1,000	5,875	6,875	6,875	
Interest on Lease Purchase Agreements	5,206	-	5,206	5,205	1
Miscellaneous Expenditures	4,300	(43)	4,257	2,834	1,423
Total Central Services	388,006	34,039	422,045	414,686	7,359
Admin. Info. Tech.					
Salaries	190,134	4,535	194,669	193,960	709
Purchased Professional Services	20,847	6,507	27,354	25,589	1,765
Purchased Technical Services	36,444	38,949	75,393	36,079	39,314
Other Purchased Services	61,028	(2,269)	58,759	57,020	1,739
Supplies and Materials	50,582	(27,755)	22,827	21,402	1,425
Other Objects	18,748	(10,475)	8,273	4,975	3,298
Total Admin. Info. Tech.	377,783	9,492	387,275	339,025	48,250

(Continued)

RIVER VALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Required Maintenance for School Facilities					
Salaries	$ 120,158	$ (824)	$ 119,334	$ 119,334	
Cleaning, Repair and Maintenance Service	129,250	49,929	179,179	164,695	$ 14,484
General Supplies	27,500	-	27,500	27,292	208
Total Required Maintenance for School Facilities	276,908	49,105	326,013	311,321	14,692
Custodial Services					
Salaries	768,290	(57,220)	711,070	710,950	120
Salaries of Non-Instructional Aides	66,730	3,307	70,037	52,739	17,298
Purchased Professional and Technical Services	23,300	4,998	28,298	22,948	5,350
Cleaning, Repair, Maintenance	120,018	(15,053)	104,965	86,710	18,255
Other Purchased Property	13,500	119	13,619	13,144	475
Insurance	126,451	(7,600)	118,851	118,479	372
Other Purchased Services	8,900	3,264	12,164	9,942	2,222
General Supplies	103,650	7,600	111,250	88,336	22,914
Energy (Natural Gas)	186,800		186,800	84,949	101,851
Energy (Electricity)	292,000		292,000	267,406	24,594
Miscellaneous Expenditures	7,500	(2,902)	4,598	4,124	474
Total Custodial Services	1,717,139	(63,487)	1,653,652	1,459,727	193,925
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Service	21,000		21,000	16,527	4,473
General Supplies	11,500	-	11,500	4,347	7,153
Total Care and Upkeep of Grounds	32,500	-	32,500	20,874	11,626
Security					
Purchased Professional and Technical Services	30,000	14,401	44,401		44,401
Cleaning, Repair and Maintenance Service	11,500	(11,500)	-	-	-
Total Security	41,500	2,901	44,401	-	44,401
Student Transportation Services					
Contracted Services-Aid in Lieu of Pymts-Non-Public Schools	35,000	(14,403)	20,597	20,597	
Contracted Services (Between Home and School) - Vendors	164,000	(16,522)	147,478	147,478	
Contracted Services (Other Than Between Home and School) - Vendors	29,200	(2,236)	26,964	26,000	964
Contracted Services (Spec. Ed. Students) - Joint Agreement	301,773	35,352	337,125	337,125	-
Total Student Transportation Services	529,973	2,191	532,164	531,200	964

(Continued)

RIVER VALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Employee Benefits - Unallocated					
Social Security Contributions	$ 190,860	$ 19,139	$ 209,999	$ 209,999	
Other Retirement Contributions - Regular	207,929	(24,255)	183,674	183,674	
Unemployment Insurance		30,000	30,000	30,000	
Workmen's Compensation	111,100	(5,163)	105,937	99,423	$ 6,514
Health Benefits	2,205,267	(66,660)	2,138,607	2,137,262	1,345
Tuition Reimbursement	20,100	1,630	21,730	21,730	
Other Employee Benefits	36,412	(7,427)	28,985	24,993	3,992
Total Employee Benefits - Unallocated	2,771,668	(52,736)	2,718,932	2,707,081	11,851
On-Behalf TPAF Pension Contributions (Non-Budgeted)					
NCGI				30,843	(30,843)
Post-Retirement Medical Contribution				579,265	(579,265)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	702,651	(702,651)
Total	-	-	-	1,312,759	(1,312,759)
Total Undistributed Expenditures	9,963,829	257,149	10,220,978	10,985,556	(764,578)
Total Current Expenditures	18,473,144	222,267	18,695,411	19,332,027	(636,616)
CAPITAL OUTLAY					
Interest Deposit to Capital Reserve	2,000		2,000		2,000
Equipment					
Undistributed Expenditures - Instruction		11,483	11,483	11,483	
Undistributed Expenditures - Support Services Related & Extra.	4,800	(2,985)	1,815		1,815
Undistributed Expenditures - Admin. Info. Tech.		16,018	16,018	16,017	1
Operation & Maintenance of Plant Services	-	21,110	21,110	21,110	-
Total Undistributed Expenditures - Instruction	6,800	45,626	52,426	48,610	3,816
Total Equipment	6,800	45,626	52,426	48,610	3,816
Facilities Acquisition and Construction Services					
Construction Services	60,000	27,497	87,497	53,308	34,189
Lease Purchase Agreements - Principal	70,128	-	70,128	70,127	1
Total Facilities Acquisition and Construction Svcs.	130,128	27,497	157,625	123,435	34,190
Total Capital Outlay	136,928	73,123	210,051	172,045	38,006
Total Expenditures - General Fund	18,610,072	295,390	18,905,462	19,504,072	(598,610)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(176,429)	(295,390)	(471,819)	74,061	545,880
Other Financing Sources					
Operating Transfer In	-	-	-	885	885
Total Other Financing Sources	-	-	-	885	885
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources	(176,429)	(295,390)	(471,819)	74,946	546,765

(Continued)

RIVER VALE BOARD OF EDUCATION
GENERAL FUND

BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Fund Balances, Beginning of Year	$ 1,269,565	-	$ 1,269,565	$ 1,269,565	-
Fund Balances, End of Year	$ 1,093,136	$ (295,390)	$ 797,746	$ 1,344,511	$ 546,765
Recapitulation					
Reserve for:					
Encumbrances				$ 188,926	
Capital Reserve				235,897	
Excess Surplus				255,377	
Excess Surplus Designated for Subsequent Year's Expenditures				242,812	
Unreserved:					
Undesignated				421,499	
				1,344,511	
Reconciliation to Governmental Funds Statements (GAAP)					
Last State Aid Payment not recognized on GAAP Basis			$ 64,868		
Extraordinary Aid Payment			221,784		
				286,652	
Fund Balances Per Governmental Funds (GAAP)				$ 1,057,859	

RIVER VALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts				Variance
	Original	Transfers	Final	Actual	Final to Actual
REVENUES					
Intergovernmental					
Local		$ 5,906	$ 5,906	$ 5,623	$ (283)
Federal	$ 217,389	398,935	616,324	378,923	(237,401)
Total Revenues	217,389	404,841	622,230	384,546	(237,684)
EXPENDITURES					
Instruction					
Salaries & Benefits		4,306	4,306	4,306	
Purchased Professional/Educational Services	105,912	73,489	179,401	179,401	
Tuition	71,742	34,935	106,677	106,677	
General Supplies	2,079	91,228	93,307	51,059	42,248
Textbooks	-	426	426	343	83
Total Instruction	179,733	204,384	384,117	341,786	42,331
Support Services					
Purchased Professional/Education Services	26,023	(8,608)	17,415	12,215	5,200
General Supplies	11,633	12,954	24,587	24,587	-
Total Support Services	37,656	4,346	42,002	36,802	5,200
Facilities Acquisition and Construction Services					
Construction		180,736	180,736		180,736
Instructional Equipment	-	15,375	15,375	5,958	9,417
Total Facilities Acquisition and Construction	-	196,111	196,111	5,958	9,417
Total Expenditures	217,389	404,841	622,230	384,546	56,948
Excess Revenues Over Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	$ -	$ -	$ -	$ -	$ -

RIVER VALE BOARD OF EDUCATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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.

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1)	$ 19,578,133	(C-2)	$ 384,546
Difference - Budget to GAAP				
State Aid payment and Extraordinary Aid (2008/2009) recognized for GAAP statements, not recognized for budgetary statements		313,714		
State Aid payments and Extraordinary Aid (2009/2010) recognized for budgetary purposes, not recognized for GAAP statements		(286,652)		-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2)	$ 19,605,195	(B-2)	$ 384,546
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1)	$ 19,504,072	(C-2)	$ 384,546
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2)	$ 19,504,072	(B-2)	$ 384,546

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

RIVER VALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Actuarial Grant	IDEIA Part B- Basic	IDEIA Preschool	ARRA Part B- Basic	ARRA Preschool	NCLB Title II	NCLB Title III	NCLB Title IV	Total
REVENUES									
Intergovernmental									
Local	$ 5,623								$ 5,623
Federal	-	$ 262,137	$ 21,338	$ 41,335	$ 10,091	$ 23,887	$ 18,152	$ 1,983	378,923
Total Revenues	$ 5,623	$ 262,137	$ 21,338	$ 41,335	$ 10,091	$ 23,887	$ 18,152	$ 1,983	$ 384,546
EXPENDITURES									
Instruction									
Salaries & Benefits	$ 4,306								$ 4,306
Purchased Professional & Ed Svcs.		$ 170,596	$ 8,305				$ 500		179,401
Tuition		83,553	13,033		$ 10,091				106,677
General Supplies	974			$ 37,752			10,350	$ 1,983	51,059
Textbooks	343	-	-	-	-	-	-	-	343
Total Instruction	5,623	254,149	21,338	37,752	10,091	-	10,850	1,983	341,786
Support Services									
Purchased Professional Educational Svcs.						$ 11,415	800		12,215
General Supplies	-	5,613	-	-	-	12,472	6,502	-	24,587
Total Support Services	-	5,613	-	-	-	23,887	7,302	-	36,802
Facilities Acquisition and Construction Services									
Instructional Equipment	-	2,375	-	3,583	-	-	-	-	5,958
Total Facilities Acquisition and Construction	-	2,375	-	3,583	-	-	-	-	5,958
Total Expenditures	$ 5,623	$ 262,137	$ 21,338	$ 41,335	$ 10,091	$ 23,887	$ 18,152	$ 1,983	$ 384,546

EXHIBIT E-2

RIVER VALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL PROGRAM AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOT APPLICABLE

CAPITAL PROJECTS FUND

EXHIBIT F-1

RIVER VALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Issue/Project Title	Appropriation	Expenditures To Date: Prior Years	Expenditures To Date: Current Year	Balance June 30, 2010
Facilities Acquisitions and Construction Services at Holdrum, Woodside and Roberge Schools*	$ 19,750,000	$ 19,645,177	$ 1,489	$ 103,334
Holdrum & Roberge Boiler Project **	405,750	357,560		48,190
Technology Upgrade ***	277,036	-	60,598	216,438
Total	$ 20,432,786	$ 20,002,737	$ 62,087	$ 367,962

Project Balances	$ 367,962
Less: Unearned Revenue	(123,298)
Fund Balance	$ 244,664

Analysis of Unearned Revenue	
SDA Grant	$ 122,350
Debt Authorized But Not Issued	948
	$ 123,298

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

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

*** - Modified Appropriation for Interest Earnings $36

EXHIBIT F-2

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, 2010

Revenues and Other Financing Sources		
Lease Proceeds	$	277,000
Interest		921
Total Revenues		277,921
Expenditures and Other Financing Uses		
Construction Services		1,489
Equipment		60,598
Transfer Out to General Fund		885
Total Expenditures		62,972
Excess of Revenue Over Expenditures		214,949
Fund Balance, Beginning of Year		153,013
Fund Balance, End of Year		367,962
Reconciliation to GAAP		
Less: SDA Drawdown Revenue and Debt Authorized But Not Issued Not Realized on GAAP Basis		123,298
Fund Balance, End of Year - GAAP Basis	$	244,664

EXHIBIT F-2a

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, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grants	$ 6,115,052		$ 6,115,052	$ 6,115,052
Bond Proceeds and Transfers	12,834,000		12,834,000	12,834,000
Transfer from Capital Reserve	800,000		800,000	800,000
Total Revenues	19,749,052	-	19,749,052	19,749,052
Expenditures and Other Financing Uses				
Land and Improvements				
Construction Services	19,645,177	$ 1,489	19,646,666	19,646,666
Equipment Purchases				
Total Expenditures	19,645,177	1,489	19,646,666	19,646,666
Excess (deficiency) or Revenues over (under) Expenditures	$ 103,875	$ (1,489)	$ 102,386	$ 102,386

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

EXHIBIT F-2b

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, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Lease Proceeds	$ 295,000		$ 295,000	$ 295,000
Interest Earnings	11,590		11,590	11,590
Transfer from Capital Reserve	99,160	-	99,160	99,160
Total Revenues	405,750	-	405,750	405,750
Expenditures and Other Financing Uses				
Construction Services				
Equipment Purchases	357,560	-	357,560	357,560
Total Expenditures	357,560	-	357,560	357,560
Excess (deficiency) or Revenues over (under) Expenditures	$ 48,190	$ -	$ 48,190	$ 48,190

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	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

EXHIBIT F-2c

RIVER VALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
TECHNOLOGY IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Lease Proceeds		$ 277,000	$ 277,000	$ 277,000
Interest Earnings		36	36	36
Transfer from Capital Reserve	-	-	-	-
Total Revenues	-	277,036	277,036	277,036
Expenditures and Other Financing Uses				
Equipment Purchases	-	60,598	60,598	60,598
Total Expenditures	-	60,598	60,598	60,598
Excess (deficiency) or Revenues over (under) Expenditures	$ -	$ 216,438	$ 216,438	$ 216,438

Additional project information:

Project Number	N/A
Grant Date	9/29/09
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	277,000
Additional Authorized Cost	36
Revised Authorized Cost	277,036
Percentage Increase over Original Authorized Cost	0.01%
Percentage completion	22%
Original target completion date	9/18/12
Revised target completion date	9/18/12

PROPRIETARY FUNDS

RIVER VALE BOARD OF EDUCATION
ENTERPRISE FUNDS - NONMAJOR
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2010

	Food Service	Safety Town	Total Non-Major
ASSETS			
Current Assets			
Cash and Cash Equivalents	$ 46,741		$ 46,741
Receivables			
Intergovernmental			
Federal	992	-	992
Total Current Assets	47,733	-	47,733
Capital Assets			
Furniture, Machinery and Equipment	15,258		15,258
Less Accumulated Depreciation	(12,819)	-	(12,819)
Total Capital Assets	2,439	-	2,439
Total Assets	50,172	-	50,172
LIABILITIES			
Current Liabilities			
Unearned Revenue	22,752	-	22,752
Total Current Liabilities	22,752	-	22,752
NET ASSETS			
Invested in Capital Assets	2,439		2,439
Unrestricted	24,981	-	24,981
Total Net Assets	$ 27,420	$ -	$ 27,420

EXHIBIT G-2

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, 2010

	Food Service	Safety Town	Total Non-Major
OPERATING REVENUES			
Local Sources			
Daily Sales Milk	$ 28,932		$ 28,932
Program Fees	-	$ 2,300	2,300
Total Operating Revenues	28,932	2,300	31,232
OPERATING EXPENSES			
Cost of Sales	17,568		17,568
Salaries	16,470	817	17,287
Supplies and Materials	1,057	452	1,509
Miscellaneous		6,587	6,587
Depreciation	431	-	431
Total Operating Expenses	35,526	7,856	43,382
Operating Income (Loss)	(6,594)	(5,556)	(12,150)
Nonoperating Revenues			
Federal Sources			
Special Milk Program	11,168		11,168
Interest Income	373	43	416
Total Nonoperating Revenues	11,541	43	11,584
Change in Net Assets	4,947	(5,513)	(566)
Net Assets, Beginning of Year	22,473	5,513	27,986
Net Assets, End of Year	$ 27,420	$ -	$ 27,420

EXHIBIT G-3

RIVER VALE BOARD OF EDUCATION
ENTERPRISE FUNDS - NONMAJOR
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Food Service	Safety Town	Total Non-Major
Cash Flows from Operating Activities			
Cash Received from Customers	$ 25,692	$ 400	$ 26,092
Cash Payments to Suppliers for Goods and Services	(35,095)	(7,856)	(42,951)
Net Cash Provided (Used) by Operating Activities	(9,403)	(7,456)	(16,859)
Cash Flows from Noncapital Financing Activities			
Cash Received from State and Federal Subsidy Reimbursements	11,816	-	11,816
Net Cash Provided by Noncapital Financing Activities	11,816	-	11,816
Cash Flows from Investing Activities			
Interest Earnings	373	43	416
Net Cash Provided by Investing Activities	373	43	416
Net Decrease in Cash and Cash Equivalents	2,786	(7,413)	(4,627)
Cash and Cash Equivalents, Beginning of Year	43,955	7,413	51,368
Cash and Cash Equivalents, End of Year	$ 46,741	$ -	$ 46,741
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	$ (6,594)	$ (5,556)	$ (12,150)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation	431		431
Change in Assets and Liabilities			
Increase/(Decrease) in Deferred Revenue	(3,240)	(1,900)	(5,140)
Total Adjustments	(2,809)	(1,900)	(4,709)
Net Cash Provided (Used) by Operating Activities	$ (9,403)	$ (7,456)	$ (16,859)

FIDUCIARY FUNDS

EXHIBIT H-1

RIVER VALE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING SCHEDULE OF AGENCY NET ASSETS
AS OF JUNE 30, 2010

	Student Activity	Payroll	Total
ASSETS			
Cash and Cash Equivalents	$ 96,159	$ 77,881	$ 174,040
Total Assets	$ 96,159	$ 77,881	$ 174,040
LIABILITIES			
Payroll Deductions and Withholdings		$ 4,051	$ 4,051
Accrued Salaries and Wages		1,500	1,500
Accounts Payable	$ 10,934		10,934
Due to State of New Jersey		72,330	72,330
Due to Student Groups	85,225	-	85,225
Total Liabilities	$ 96,159	$ 77,881	$ 174,040

EXHIBIT H-2

FIDUCIARY FUNDS
COMBINING SCHEDULE OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOT APPLICABLE

EXHIBIT H-3

RIVER VALE BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance, July 1, 2009	Cash Receipts	Cash Disbursements	Balance, June 30, 2010
SCHOOLS				
Roberge Elementary	$ 11,913	$ 28,261	$ 25,716	$ 14,458
Woodside Elementary	23,121	25,363	29,950	18,534
Holdrum Middle School	55,462	173,560	165,855	63,167
Total All Schools	$ 90,496	$ 227,184	$ 221,521	$ 96,159

EXHIBIT H-4

PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance, July 1, 2009	Cash Receipts	Cash Disbursements	Balance, June 30, 2010
Payroll Deductions and Withholdings	$ 1,572	$ 5,188,906	$ 5,186,427	$ 4,051
Accrued Salaries and Wages	1,791	7,979,000	7,979,291	1,500
Due to State of New Jersey	-	72,330	-	72,330
Total	$ 3,363	$ 13,240,236	$ 13,165,718	$ 77,881

LONG-TERM DEBT

EXHIBIT I-1

RIVER VALE BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance, July 1, 2009	Increased	Decreased	Balance, June 30, 2010
School Improvements	3/15/2001	$ 12,834,000	9/15/2010	$ 630,000	4.50 %				
			9/15/2011	660,000	4.50	$ 8,944,000		$ 7,654,000	$ 1,290,000
School District Refunding Bonds - 2009	2/25/2010	7,080,000	9/15/2010	25,000	3.00				
			9/15/2011	40,000	3.00				
			9/15/2012	725,000	2.00				
			9/15/2013	745,000	2.75				
			9/15/2014	765,000	2.75				
			9/15/2015	790,000	4.00				
			9/15/2016	805,000	4.00				
			9/15/2017	470,000	4.00				
			9/15/2017	330,000	3.50				
			9/15/2018	800,000	4.00				
			9/15/2019	355,000	4.50				
			9/15/2019	440,000	3.50				
			9/15/2020	790,000	4.50	-	$ 7,080,000	-	7,080,000
						$ 8,944,000	$ 7,080,000	$ 7,654,000	$ 8,370,000

Paid by Budget Appropriation	$ 600,000
Paid by Refunding Bond Proceeds	7,054,000
	$ 7,654,000

EXHIBIT I-2

RIVER VALE BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Description	Interest Rate	Amount of Original Obligation	Balance, July 1, 2009	Increased	Retired	Balance, June 30, 2010
Boiler Upgrade	3.645%	$ 295,000	$ 142,811		$ 70,127	$ 72,684
Technology Improvement	3.585%	277,000	-	$ 277,000	-	277,000
Total			$ 142,811	$ 277,000	$ 70,127	$ 349,684

EXHIBIT I-3

RIVER VALE BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources					
Local Property Tax Levy	$ 988,980	-	$ 988,980	$ 988,980	-
Total Revenues	988,980	-	988,980	988,980	-
EXPENDITURES					
Regular Debt Service					
Principal	600,000		600,000	600,000	
Interest	388,980		388,980	388,980	
Cost of Issuance				107,344	$ (107,344)
Advance Refunding Escrow	-	-	-	409,817	(409,817)
Total Expenditures	988,980	-	988,980	1,506,141	(517,161)
Excess of Revenues Over Expenditures	-	-	-	(517,161)	(517,161)
OTHER FINANCING SOURCES (USES)					
Refunding Bond Proceeds				7,080,000	(7,080,000)
Premium on Refunding Bonds				491,161	(491,161)
Payment to Refunded Bond Escrow Agent	-	-	-	(7,054,000)	7,054,000
Total Other Financing Sources and (Uses)	-	-	-	517,161	(517,161)
Net Change in Fund Balance	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	$ -	$ -	$ -	$ -	$ -

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 eight years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

EXHIBIT J-1

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

	Fiscal Year Ended June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental Activities								
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	$ 11,562,104
Restricted	997,194	199,160	268,376	205,507	211,903	219,144	221,823	235,897
Unrestricted	694,538	283,950	168,021	337,990	412,966	318,313	161,187	208,646
Total Governmental Activities Net Assets	$ 8,621,336	$ 10,183,611	$ 10,536,703	$ 10,806,552	$ 11,079,104	$ 11,458,229	$ 11,683,831	$ 12,006,647
Business-Type Activities								
Invested in Capital Assets	$ 1,710	$ 2,661	$ 4,412	$ 4,163	$ 3,732	$ 3,301	$ 2,870	$ 2,439
Restricted								
Unrestricted	6,643	2,975	6,485	9,252	29,808	76,094	99,481	101,100
Total Business-Type Activities Net Assets	$ 8,353	$ 5,636	$ 10,897	$ 13,415	$ 33,540	$ 79,395	$ 102,351	$ 103,539
District-Wide								
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	$ 11,564,543
Restricted	997,194	199,160	268,376	205,507	211,903	219,144	221,823	235,897
Unrestricted	701,181	286,925	174,506	347,242	442,774	394,407	260,668	309,746
Total District Net Assets	$ 8,629,689	$ 10,189,247	$ 10,547,600	$ 10,819,967	$ 11,112,644	$ 11,537,624	$ 11,786,182	$ 12,110,186

EXHIBIT J-2

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

	Fiscal Year Ended June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Expenses								
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	$ 9,676,884
Special Education	1,000,965	1,210,878	1,656,779	1,319,651	1,673,647	1,903,183	1,857,575	2,333,154
Other Instruction	388,870	440,348	406,733	518,550	549,047	571,252	469,976	538,942
School Sponsored Activities and Athletics	98,559	173,456	126,116	118,763	128,705	131,806	136,354	137,292
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	1,867,320
Attendance and Social Work	61,628	60,665	63,456	80,746	87,303	102,585	152,102	168,345
Educational Media/School Library	541,379	720,471	252,368	293,549	317,648	327,141	313,761	336,393
School Administrative Services	672,033	799,730	761,119	797,799	924,889	943,170	901,583	951,097
General Administration	527,093	599,473	690,539	673,008	676,129	615,720	762,636	635,394
Central Services			656,940	837,282	877,481	892,744	895,645	968,795
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	2,148,125
Pupil Transportation	265,409	320,888	344,106	360,512	376,815	471,600	506,282	531,200
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	363,885
Total Governmental Activities Expenses	14,726,912	16,306,213	17,034,868	17,580,883	19,241,975	19,986,731	19,602,759	20,656,826
Business-Type Activities:								
Food Service	20,334	21,915	18,132	26,722	19,677	26,967	22,377	35,526
Safety Town			1,482	2,060	2,404	2,243	2,151	7,856
Park Academy	-	-	-	234,349	192,961	209,428	219,897	245,975
Total Business-Type Activities Expense	20,334	21,915	19,614	263,131	215,042	238,638	244,425	289,357
Total District Expenses	$ 14,747,246	$ 16,328,128	$ 17,054,482	$ 17,844,014	$ 19,457,017	$ 20,225,369	$ 19,847,184	$ 20,946,183
Program Revenues								
Governmental Activities:								
Charges for Services:								
Instruction (tuition)	$ 189,917	$ 201,738	$ 268,073		$ 15,087	$ 13,435	$ 12,794	
Operating Grants and Contributions	1,822,235	1,935,006	2,075,656	$ 2,184,228	2,824,689	2,956,062	1,946,518	$ 2,373,202
Capital Grants and Contributions	3,896,766	1,467,563	-	-	-	-	-	-
Total Governmental Activities Program Revenues	5,908,918	3,604,307	2,343,729	2,184,228	2,839,776	2,969,497	1,959,312	2,373,202

EXHIBIT J-2

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

	Fiscal Year Ended June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Business-Type Activities:								
Charges for Services								
Food Service	$ 8,954	$ 8,638	$ 8,563	$ 20,812	$ 9,258	$ 19,260	$ 17,671	$ 28,932
Safety Town			1,275	750	2,018	4,250	5,350	2,300
Park Academy				244,087	209,855	244,670	227,724	246,947
Operating Grants and Contributions	11,635	10,541	12,921		11,457	14,076	15,663	11,168
Total Business Type Activities Program Revenues	20,589	19,179	22,759	265,649	232,588	282,256	266,408	289,347
Total District Program Revenues	$ 5,929,507	$ 3,623,486	$ 2,366,488	$ 2,449,877	$ 3,072,364	$ 3,251,753	$ 2,225,720	$ 2,662,549
Net (Expense)/Revenue								
Governmental Activities	$ (8,817,994)	$ (12,701,906)	$ (14,691,139)	$ (15,396,655)	$ (16,402,199)	$ (17,017,234)	$ (17,643,447)	$ (18,283,624)
Business-Type Activities	255	(2,736)	3,145	2,518	17,546	43,618	21,983	(10)
Total district-wide net expense	$ (8,817,739)	$ (12,704,642)	$ (14,687,994)	$ (15,394,137)	$ (16,384,653)	$ (16,973,616)	$ (17,621,464)	$ (18,283,634)
General Revenues and Other Changes in Net Assets								
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	$ 18,524,538
Unrestricted Grants and Contributions			93,500	93,702	93,322	114,890	5,672	
Donation of Capital Assets			9,690					
Consolidated Aid		70,266						
Loss on Disposal of Capital Assets							(4,710)	
Investment Earnings				73,300	131,320	100,886	32,426	18,264
Miscellaneous Income	224,242	89,042	50,834	86,057	36,016	28,599	40,130	63,638
Total Governmental Activities	13,395,556	14,264,181	15,044,231	15,666,504	16,674,751	17,396,359	17,869,049	18,606,440
Business-Type Activities:								
Investment Earnings	31	19	16		2,579	2,237	973	1,198
Total Business-Type Activities	31	19	16	-	2,579	2,237	973	1,198
Total District-Wide	$ 13,395,587	$ 14,264,200	$ 15,044,247	$ 15,666,504	$ 16,677,330	$ 17,398,596	$ 17,870,022	$ 18,607,638
Change in Net Assets								
Governmental Activities	$ 4,577,562	$ 1,562,275	$ 353,092	$ 269,849	$ 272,552	$ 379,125	$ 225,602	$ 322,816
Business-Type Activities	286	(2,717)	3,161	2,518	20,125	45,855	22,956	1,188
Total District	$ 4,577,848	$ 1,559,558	$ 356,253	$ 272,367	$ 292,677	$ 424,980	$ 248,558	$ 324,004

EXHIBIT J-3

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

	Fiscal Year Ended June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
General Fund								
Reserved	$ 1,517,079	$ 693,929	$ 702,037	$ 864,009	$ 879,700	$ 783,312	$ 812,576	$ 923,012
Unreserved	687,187	386,058	360,892	236,968	296,609	315,266	143,275	134,847
Total General Fund	$ 2,204,266	$ 1,079,987	$ 1,062,929	$ 1,100,977	$ 1,176,309	$ 1,098,578	$ 955,851	$ 1,057,859
All Other Governmental Funds								
Reserved	$ 5,166,761	$ 814,388	$ 612,252	$ 608,693	$ 251,843	$ 246,158	$ 8,000	$ 32,528
Unreserved	(1,441,208)	167,892	16,245	192,774	103,738	38,788	21,715	212,136
Total All Other Governmental Funds	$ 3,725,553	$ 982,280	$ 628,497	$ 801,467	$ 355,581	$ 284,946	$ 29,715	$ 244,664

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

	Fiscal Year Ended June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Revenues								
Tax Levy	$ 13,171,314	$ 14,104,873	$ 14,890,207	$ 15,413,445	$ 16,414,093	$ 17,151,984	$ 17,795,531	$ 18,524,538
Tuition Charges		201,738	268,073		15,087	13,435	12,794	
Interest Earnings				73,300	131,320	100,886	32,426	18,264
Miscellaneous	414,159	89,042	52,084	86,361	37,169	29,946	40,930	69,261
State Sources	5,523,816	3,229,063	1,901,074	2,066,927	2,656,768	2,719,628	1,683,813	1,988,656
Federal Sources	195,185	243,772	266,832	210,699	260,088	349,977	267,577	378,923
Total revenues	19,304,474	17,868,488	17,378,270	17,850,732	19,514,525	20,365,856	19,833,071	20,979,642
Expenditures								
Instruction								
Regular Instruction	7,264,910	7,568,911	8,222,473	8,373,221	9,176,613	9,239,618	8,918,736	9,349,456
Special Education Instruction	988,194	1,197,063	1,637,877	1,293,263	1,645,822	1,878,856	1,826,679	2,297,602
Other Instruction	381,726	431,782	398,717	500,910	532,102	545,309	453,279	521,366
School Sponsored Activities and Athletics	96,364	170,987	123,399	118,763	128,705	131,806	136,354	137,292
Support Services:								
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	1,821,328
Attendance and Social Work	60,331	59,335	61,958	77,964	84,464	98,831	146,193	156,757
Educational Media/School Library	532,563	711,230	246,959	284,211	307,818	316,369	303,359	326,303
General Administration	521,929	596,088	684,585	662,132	664,416	604,394	751,340	593,714
School Administrative Services	663,018	768,615	746,104	770,855	894,225	942,283	874,501	919,633
Central Services			656,940	815,134	853,956	866,266	867,274	947,671
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	2,109,046
Pupil Transportation	265,409	320,888	332,221	360,512	376,815	471,600	506,282	531,200
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	164,005
Debt Service:								
Principal	530,281	653,070	568,888	596,630	641,987	848,073	787,869	670,127
Interest and Other Charges	558,111	547,536	520,019	500,122	464,356	474,055	438,563	394,185
Cost of Issuance								107,344
Advance Refunding Escrow								409,817
Total Expenditures	27,418,756	21,736,040	17,749,111	18,219,714	19,885,079	20,514,222	20,231,029	21,456,846

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

	Fiscal Year Ended June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Excess (Deficiency) of Revenues over (under) Expenditures	$ (8,114,282)	$ (3,867,552)	$ (370,841)	$ (368,982)	$ (370,554)	$ (148,366)	$ (397,958)	$ (477,204)
Other Financing Sources (uses)								
Proceeds from Borrowing	500,000							
Capital Leases (non-budgeted)				580,000				277,000
Refunding Bond Proceeds								7,080,000
Premium on Notes/Bonds								491,161
Bonds Refunded								(7,054,000)
Transfers In	149,807	823,837	12,510	122,239	20,298	12,724	3,564	885
Transfers Out	(149,807)	(823,837)	(12,510)	(122,239)	(20,298)	(12,724)	(3,564)	(885)
Total Other Financing Sources (uses)	500,000	-	-	580,000	-	-	-	794,161
Net Change in Fund Balances	$ (7,614,282)	$ (3,867,552)	$ (370,841)	$ 211,018	$ (370,554)	$ (148,366)	$ (397,958)	$ 316,957
Debt Service as a Percentage of Noncapital Expenditures	7.23%	7.22%	6.28%	6.20%	5.72%	6.51%	6.17%	7.43%

* Noncapital expenditures are total expenditures less capital outlay.

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

Ended June 30	Tuition	Interest on Investments	State Health Benefit Rebate	E-Rate Rebate	Insurance Refund	Tuition Refunds	Miscellaneous	Total
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
2010		17,343		15,911	399		47,328	80,981

Source: School District's Financial Statements

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate [a]
2009	$ 12,081,100	$ 1,821,722,900	$ 758,100	$ 109,531,700	$ 14,315,500	$ 1,995,300	$ 1,960,404,600	$ -	$ 1,960,404,600	$ 2,179,123,352	$ 2.001
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	1.930
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

Source: County Abstract of Ratables

a Tax rates are per $100

EXHIBIT J-7

RIVER VALE BOARD OF EDUCATION
PROPERTY TAX RATES
PER $100 OF ASSESSED VALUATION
LAST TEN FISCAL YEARS
(Unaudited)

Calendar Year	Total	Local School District	Regional School District	Municipality (2)	County (1)
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
2009	1.89	0.831	0.464	0.388	0.208
2010	2.001	0.902	0.470	0.417	0.212

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	2010 Taxable Assessed Value	2010 % of Total District Net Assessed Value	2000 Taxable Assessed Value	2000 % of Total District Net Assessed Value
River Vale Development Partners, LLC	$ 11,432,400	1.15%		
F.B.D. Enterprises USA. Inc			$ 11,710,700	1.27%
Hackensack Water			11,586,200	1.26%
Edgewood Country Club, Inc.	9,794,900	0.98%	9,749,300	1.06%
United properties Group			5,970,900	0.65%
United Water Company of New Jersey	4,934,750	0.49%		
United Water	3,331,000	0.33%		
Gal-Ben Associates	3,125,100	0.31%	2,544,500	0.28%
River Vale Dev LLC % Garden Homes	3,040,000	0.30%		
Village on the Green	2,627,500	0.26%	2,544,000	0.28%
Lindvale Gardens	2,478,000	0.25%	2,027,800	0.22%
PNC Bank			2,358,600	0.26%
Florentine, Inc.	2,326,500	0.23%	938,900	0.10%
RiverVale Developers III, LLC	2,240,200	0.22%		
Cooper Associates			1,285,200	0.14%
			-	
	$ 45,330,350	4.52%	$ 50,716,100	5.52%

Source: Municipal Tax Assessor

EXHIBIT J-9

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	
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%	
2010	18,524,538	18,524,538	100.00%	

EXHIBIT J-10

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

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities			
	General Obligation Bonds	Capital Leases	Capital Leases	Total District	Population	Per Capita
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	9,655	941
2010	8,370,000	349,684	N/A	8,719,684	N/A	N/A

Source: District records

Note:

EXHIBIT J-11

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: 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%	926
2010	8,370,000		8,370,000	.38%	N/A

Source: District records

RIVER VALE BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2010
(Unaudited)

	Gross Debt	Deductions	Net Debt
Municipal Debt: (1)			
River Vale Board of Education	$ 16,285,823	$ 16,285,823	
Borough of River Vale	6,994,875	-	$ 6,994,875
	$ 23,280,698	$ 16,285,823	6,994,875
Overlapping Debt Apportioned to the Municipality:			
Bergen County:			
County of Bergen			8,109,338
Bergen Utilities Authority - Water Pollution (B)			3,197,450
			11,306,788
Total Direct and Overlapping Debt			$ 18,301,663

Source:
(1)Township of River Vale's 2009 Annual Debt Statement

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	$ 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	$ 66,755,947
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	8,370,000
Legal debt margin	$ 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	$ 58,385,947
Total net debt applicable to the limit as a percentage of debt limit	59.77%	54.38%	34.71%	31.75%	24.52%	21.73%	20.66%	15.07%	13.54%	12.54%

Legal Debt Margin Calculation for Fiscal Year 2009

Equalized valuation basis		
2009		$ 2,210,358,223
2008		2,226,216,168
2007		2,239,020,261
		$ 6,675,594,652
Average equalized valuation of taxable property		$ 2,225,198,217
Debt limit (3 % of average equalization value)		66,755,947
Total Net Debt Applicable to Limit		8,370,000
Legal debt margin		$ 58,385,947

Source: Annual Debt Statements

EXHIBIT J-14

RIVER VALE BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Year	Population	County Per Capita Personal Income	Unemployment Rate
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	67,696	2.7%
2009	9,655	N/A	4.8%

Source: New Jersey State Department of Education

EXHIBIT J-15

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

NOT APPLICABLE

EXHIBIT J-16

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

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Instruction										
Regular	83	83	83	88	90	92	92	96	97	97
Special education	15	15	15	15	15	15	15	15	15	15
Support Services:										
Student & instruction related services	13	13	18	19	16	17	17	18	14	14
General administration	2	2	2	2	2	2	2	2	2	2
School administrative services	7	7	7	7	7	6	6	6	6	6
Administrative Information Technology					1	2	2	2	2	2
Plant operations and maintenance	15	15	15	16	16	16	16	16	16	16
Other support services	5	5	5	5	5	5	5	5	5	5
Total	140	140	144	152	151	155	155	160	157	157

Source: District Personnel Records

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

Fiscal Year	Enrollment [a]	Operating Expenditures [b]	Cost Per Pupil [c]	Percentage Change	Teaching Staff	Teacher/Pupil Ratio Elementary	Teacher/Pupil Ratio Middle School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2001	1,212.2	$ 12,253,636	$ 10,109	-1.94%	111	14.1	11.5	1,212.2	1,165.1	#REF!	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%
2010	1,375.0	19,711,368	14,336	8.05%	120	14.1	10.9	1,375.6	1,327.5	-2.11%	96.50%

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.

EXHIBIT J-18

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

	2003	2004	2005	2006	2007	2008	2009	2010
District Building								
Elementary								
Roberge Elementary								
Square Feet	54,817	54,817	54,817	54,817	54,817	54,817	54,817	54,817
Capacity (students)	407	407	407	407	407	407	407	407
Enrollment								
Woodside Elementary								
Square Feet	46,273	46,273	46,273	46,273	46,273	46,273	46,273	46,273
Capacity (students)	454	454	454	454	454	454	454	454
Enrollment [a]								
Middle School								
Square Feet	62,133	62,133	62,133	62,133	62,133	62,133	62,133	62,133
Capacity (students)	363	363	363	363	363	363	363	363
Enrollment								

Number of Schools at June 30, 2010
Elementary = 2
Middle School = 1
Senior High School = None
Other = None

Source: District Records

RIVER VALE BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN YEARS
(Unaudited)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
School Facilities										
Roberge Elementary School	$ 113,039	$ 82,121	$ 47,950	$ 59,414	$ 49,159	$ 99,796	$ 74,527	$ 77,324	$ 63,965	$ 79,589
Woodside Elementary School	98,814	71,786	40,898	68,802	60,191	66,154	93,211	85,892	73,755	123,032
Holdrum Middle School	125,486	91,163	52,181	52,827	58,888	81,116	71,417	72,412	64,675	108,700
Grand Total	$ 337,339	$ 245,070	$ 141,029	$ 181,043	$ 168,238	$ 247,066	$ 239,155	$ 235,628	$ 202,395	$ 311,321

Source: District Records

RIVER VALE BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2010
(Unaudited)

	Coverage	Deductible
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

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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, 2010, which collectively comprise the River Vale Board of Education's basic financial statements and have issued our report thereon dated November 16, 2010. 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the River Vale Board of Education's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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
November 16, 2010

LERCH, VINCI & HIGGINS, LLP

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

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

Compliance

We have audited the River Vale Board of Education's compliance 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 OMB Circular 04-04 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of River Vale Board of Education's major state programs for the fiscal year ended June 30, 2010. 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 compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2010.

Internal Control Over Compliance

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 to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

A deficiency in 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 and correct noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 other 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
November 16, 2010

RIVER VALE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance July 1, 2009	Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Year's Balances	Balance, June 30, 2010 (Account Receivable)	Balance, June 30, 2010 Deferred Revenue	Balance, June 30, 2010 Due to Grantor
U.S. Department of Education Passed-through State Department of Education											
Special Milk Program	10.556	7/1/09-6/30/10	$ 11,168			$ 10,176	$ 11,168		$ (992)		
Special Milk Program	10.556	7/1/08-6/30/09	15,663	$ (1,640)	-	1,640	-	-	-	-	-
Total U.S. Department of Agriculture				(1,640)	-	11,816	11,168	-	(992)	-	-
U.S. Department of Education Passed-through State Department of Education											
I.D.E.I.A. Part B, Basic	84.027A	9/1/09-8/31/10	246,935		$ 15,203	58,333	262,137		(203,804)		
I.D.E.I.A. Part B, Basic, Carryover	84.027A	9/1/08-8/31/09	236,243	(81,090)	(15,203)	81,090					
I.D.E.I.A.Part B, Preschool	84.173A	9/1/09-8/31/10	13,033		8,305		21,338		(21,338)		
I.D.E.I.A.Part B, Preschool, Carryover	84.173A	9/1/08-8/31/09	4,724	(4,724)	(8,305)	4,724					
ARRA Basic	84.391	9/1/09-8/31/10	278,736			6,944	41,335		(271,792)	$ 237,401	
ARRA Preschool	84.392	9/1/09-8/31/10	10,091				10,091		(10,091)		
NCLB Title II	84.367A	9/1/09-8/31/10	23,887				23,887		(23,887)		
NCLB Title II	84.367A	9/1/08-8/31/09	24,023	(24,023)		24,023					
NCLB Title III	84.365A	9/1/09-8/31/10	10,850		7,302		18,152		(18,152)		
NCLB Title III	84.365A	9/1/08-8/31/09	508	(508)	(7,302)	508					
NCLB Title IV	84.184A	9/1/09-8/31/10	1,983				1,983		(1,983)		
NCLB Title IV	84.184A	9/1/08-8/31/09	2,079	(2,079)	-	2,079	-	-	-	-	-
Total U.S. Department of Education				(112,424)	-	177,701	378,923	-	(551,047)	237,401	-
Total				$ (114,064)	$ -	$ 189,517	$ 390,091	$ -	$ (552,039)	$ 237,401	$ -

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, 2010

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2009 (Accounts Receivable)	Balance, July 1, 2009 Deferred Revenue	Balance, July 1, 2009 Due to Grantor	Cash Received	Budgetary Expenditures	Refund of Prior Year's Balances	Balance, June 30, 2010 (Accounts Receivable)	Balance, June 30, 2010 Deferred Revenue	Balance, June 30, 2010 Due to Grantor	Memo GAAP Receivable	Memo Cumulative Total Expenditures
State Department of Education														
General Fund														
Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	$ 85,705				$ 72,518	$ 85,705		$ (13,187)				$ 85,705
Transportation Aid	09-495-034-5120-014	7/1/08-6/30/09	106,864	$ (9,422)			9,422							
Special Education Aid	10-495-034-5120-089	7/1/09-6/30/10	267,846				226,635	267,846		(41,211)				267,846
Special Education Aid	09-495-034-5120-089	7/1/08-6/30/09	409,003	(36,062)			36,062							
Security Aid	10-495-034-5120-084	7/1/09-6/30/10	68,047				57,577	68,047		(10,470)				68,047
Security Aid	09-495-034-5120-084	7/1/08-6/30/09	37,250	(3,285)			3,285							
Extraordinary Aid	10-100-034-5120-473	7/1/09-6/30/10	221,784					221,784		(221,784)				221,784
Extraordinary Aid	09-100-034-5120-473	7/1/08-6/30/09	264,945	(264,945)			264,945							
Nonpublic School Transportation Aid	N/A	7/1/09-6/30/10	5,453					5,453		(5,453)			$ (5,453)	5,453
Nonpublic School Transportation Aid	N/A	7/1/08-6/30/09	8,469	(8,469)			8,469							
On-Behalf TPAF Social Security Aid	10-495-034-5095-002	7/1/09-6/30/10	702,651				667,767	702,651		(34,884)			(34,884)	702,651
On-Behalf TPAF Pension Contributions-NCGI	10-495-034-5095-001	7/1/09-6/30/10	30,843				30,843	30,843						30,843
On-Behalf TPAF Post-Retirement Medical Contributions	10-100-034-5095-001	7/1/09-6/30/10	579,265	-	-	-	579,265	579,265	-	-	-	-	-	579,265
Total General Fund				(322,183)	-	-	1,956,788	1,961,594	-	(326,989)	-	-	(40,337)	1,961,594
Capital Project Fund														
Educational Facilities Construction and Financing Act of 2000	4430-060-01-0393/0394/0395-0	N/A	6,115,052	(152,650)	$ 122,350	-	-	-	-	(152,650)	$ 122,350	-	275,000	5,870,352
State Financial Assistance														
Not Subject to Single Audit Determination														
General Fund														
On-Behalf TPAF Pension-NCGI	09-495-034-5095-006	7/1/09-6/30/10	30,843				(30,843)	(30,843)						(30,843)
On-Behalf TPAF Post-Retirement Medic	09-495-034-5095-001	7/1/09-6/30/10	579,265	-	-	-	(579,265)	(579,265)	-	-	-	-	-	(579,265)
Total State Financial Assistance Subject to Single Audit				$ (474,833)	$ 122,350	$ -	$ 1,346,680	$ 1,351,486	$ -	$ (479,639)	$ 122,350	$ -	$ 234,663	$ 7,221,838

See Accompanying Notes to the Schedule of Expenditures of Federal Awards and Expenditures of State Financial Assistance

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, 2010

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of $27,062 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:

	Federal	State	Total
General Fund		$ 1,988,656	$ 1,988,656
Special Revenue Fund	$ 378,923		378,923
Food Service Fund	11,168	-	11,168
Total Financial Assistance	$ 390,091	$ 1,988,656	$ 2,378,747

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, 2010

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

TPAF Social Security contributions in the amount of $702,651 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, 2010. The amount reported as TPAF Pension System Contributions in the amount of $30,843 and TPAF Post-Retirement Medical Benefits Contributions in the amount of $579,265 represents the amount paid by the State on behalf of the District for the year ended June 30, 2010.

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, 2010

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

Internal Control over major programs:

1) Material weakness(es) identified? _____ yes _____ no

2) Significant deficiencies identified not considered to be material weaknesses? _____ yes _____ none reported

Type of auditor's report issued on compliance for major programs _____

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? _____ yes _____ no

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster

Dollar threshold used to distinguish between Type A and Type B programs: _____

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

RIVER VALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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
10-495-034-5095-002	TPAF Social Security Aid
10-495-034-5120-089	Special Education Aid
10-495-034-5120-084	Security Aid

RIVER VALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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, 2010

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, 2010

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.

EXHIBIT K-7

RIVER VALE BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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.