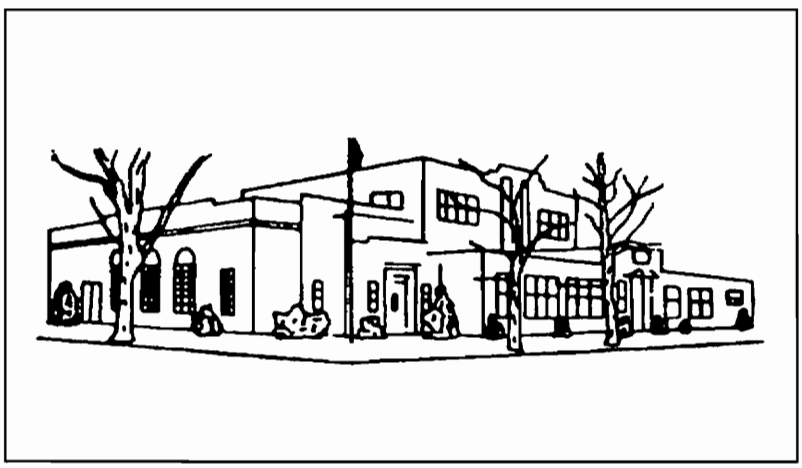
SCHOOL DISTRICT
OF

RIVERTON



Riverton Board of Education
Riverton, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2010

Comprehensive Annual Financial Report

of the

Riverton Board of Education

Riverton, New Jersey

For the Fiscal Year Ended June 30, 2010

Prepared by
Riverton Board of Education
Finance Department

RIVERTON SCHOOL DISTRICT

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Introductory Section

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www.riverton.k12.nj.us
Telephone: (856) 829-0087
Fax: (856) 829-5317

Mary Ellen Eck, Superintendent

August 4, 2010

Honorable President, Board of Education
and Riverton Citizens
Borough of Riverton School District
Riverton, Burlington County, New Jersey

Dear Citizens:

The comprehensive annual financial report of the Riverton School District for the fiscal year ending June 30, 2010 is hereby submitted. Responsibility for the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the 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 intended to present fairly the financial position and results of operations of the various funds and account groups 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 general-purpose financial statements and schedules, as well as the auditor's report thereon. 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 Non-Profit Organizations", 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, regulations, findings, and recommendations are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Riverton School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No.3. All funds and account groups of the District are included in this report. The Riverton Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Preschool through eight. This includes programming for students eligible for special education services, students identified as gifted and talented and others identified as at risk in specific academic areas. It also includes a comprehensive physical education, health, fine arts, music, media, computer and spanish instruction. The District completed the 2009/2010 fiscal year with an enrollment of 271 students, which is 12 students more than the previous year's end-of-year enrollment. The budget supports 53 students attending Palmyra High School, our receiving district. The following details the changes in the elementary student enrollment of the District over the last ten years:

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2000-01	257	.39%
2001-02	265	3.11%
2002-03	260	(1.89%
2003-04	245	(5.77%)
2004-05	225	(8.16%)
2005-06	229	1.78%
2006-07	241	5.24%
2007-08	253	4.98%
2008-09	259	2.37%
2009-10	271	4.63%

2. ECONOMIC CONDITION AND OUTLOOK: The Riverton School district is a one building district, which is located on the Delaware River in close proximity to Philadelphia and considered part of western Burlington County. Riverton School is a preschool through eighth grade district that has an enrollment of approximately 271 students.

The past and most recent changes in the funding formula and the laws pertaining to school budget have made it difficult for The Riverton Board of Education to budget long term. Each year we face the challenge of paying the high mandated special education costs and high school tuition while working to maintain an overall effective school program. With a

mandated limited surplus, it is impossible to meet the unanticipated costs associated with students with special needs or those who have been placed by another agency, moving into our district.

Currently, we are providing an excellent education where students perform at the top of the county on state mandated tests while maintaining an efficient budget. The taxpayers in Riverton support more than 89% of the current expense budget. The members of our town have passed the school budget including many separate proposal questions for the past fifteen years. Currently, there is redevelopment occurring in the township which may ease the school tax burden in town.

The District also benefits from a Foundation, the Friends of Riverton School, which serves to strictly fund raise for the district. The funds have been used for facility improvements, including playground, and technology initiatives.

We continue to share services whenever possible. We currently share services for transportation, media/technology, related services, food services, insurance services and professional development.

Our PTA continues to support the school with contributions to our educational programs through materials and programming. They are most active in helping to rally the community's support and making field trips a reality for all students.

The school strives to serve as a community focal point for many educational and civic activities. The town values the children's education and uses the facility on a regular basis.

3. Major Initiatives: Throughout the school, a strong emphasis continues to be placed on a strong academic foundation, reading real literature in a Balanced Literacy program, the integration of subject matter, and the use of computer technology as a tool to enhance learning. Our science and social studies programs are inquiry based and use non-fiction and authentic documents to enrich studies. In math, we combine a traditional approach with the skill mastery with constructivist activities for concept development. The teachers and specialists work cooperatively to provide meaningful educational programs for all students. Each professional shares his/her expertise in planning and implementing effective lessons and programs. Classroom teachers, special education teachers, and specialists meet monthly across grade levels to ensure communication of goals and objectives as well as to brainstorm for creative approaches.

Riverton School District offers a half-day integrated Preschool Program and a full day Kindergarten Program. The instruction of both programs is thematically based and focuses on academic, social and emotional development.

The classes take many field trips to broaden their concepts. We have found the transition to Kindergarten and grade 1 to be smooth and students are eager for the full day program.
All students in grades K-8 benefit from weekly instruction from the fine arts teacher, the physical education teacher and in grades K-7, from the vocal music teacher. Our media specialist meets with the elementary school students and the middle school students' weekly to provide library skills instruction. The media specialist also coordinates lessons weekly with the computer teacher for research projects in grades 5 - 8.

In our Fine Arts program, all students use a variety of media to create art while learning about art concepts, other cultures, famous artists, and their world. The students benefit from weekly sessions.

In our Music program, students learn songs focusing on social, cultural, and historic values. Programs include a holiday concert, Arbor Day celebration, spring program, Kindergarten graduation, 8th Grade graduation; as well as other performance opportunities as they relate to classroom themes.

Students in grades 3 and 4 also have the opportunity to take violin lessons during the school day; while sixth, seventh, and eighth grade students have the opportunity to participate in chorus. The chorus performs at the Burlington County Mall, Moorestown Mall and at school and community events.

Technology Literacy is taught in both the computer lab equipped with 24 personal computers and in the Media Center equipped with 20 computers. Children are taught familiarity with computer hardware, keyboarding, and higher level thinking skills. They are given opportunities to refine their research abilities using a variety of software sources and the Internet. They apply this knowledge when producing projects assigned by classroom and subject teachers. They are also encouraged and given time to enjoy software and activities that address reading, math, and other academic skills. This year we participated in the State recommended Learning.com curriculum. 100% of our students passed the Technology Literacy Assessment in Grade 8. Moving forward, we will not have a teacher in this area.

We also have a world languages program. Students in all grades have weekly lessons in Spanish provided by a certified teacher of Spanish. There is a stronger emphasis in the fifth through eighth grade program where students meet more often.

Riverton students continue to benefit from a departmentalized middle school in grades six through eight with highly qualified teachers in each subject area.

We continued this year with a computer based assessment to better diagnosis students' needs and strengths. Riverton students historically score in the top quartile on all nationally normed tests. Third through eighth grade

students must take State-mandated assessments. The Assessment of Skills and Knowledge (ASK) in Grades 3, 4, 5, 6, 7 and 8 are administered each spring. All grades perform at the top of our county. All students took the MAPS computerized test assessment to determine academic proficiency. Scores were used as part of a rubric to determine eligibility for a Gifted and Talented Program and our Basic Skills Improvement Program.

Extracurricular activities are offered to all students' grades 5 through 8. They consist of kickball, flag football, volleyball, cheerleading, softball and basketball. Clubs include Drama, Newspaper, Student Council, Chess, Technology and Safety Patrol.

In summary, the strong community involvement in our district, our small size, and our quality programming allow active participation in a very positive vein through the school board, the administration, the teaching staff, and a supportive PTA.

4. INTERNAL ACCOUNTING CONTROLS: The 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 statements 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, 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.

5. 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 either are 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.

6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect GAAP, as promulgated by the GASB. The accounting system of the District is organized based on funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute and detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUPDA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. 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, and fidelity bonds.

9. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Inverso and Stewart, CPA. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act of 1984, the related OMB Circular A-133 and the State Treasury Circular Letter 04-04 OMB. The auditor's report on the general-purpose financial statements, and combining and individual fund statements and schedules, 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.

10. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Riverton School Board for their dedication 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 office staff.

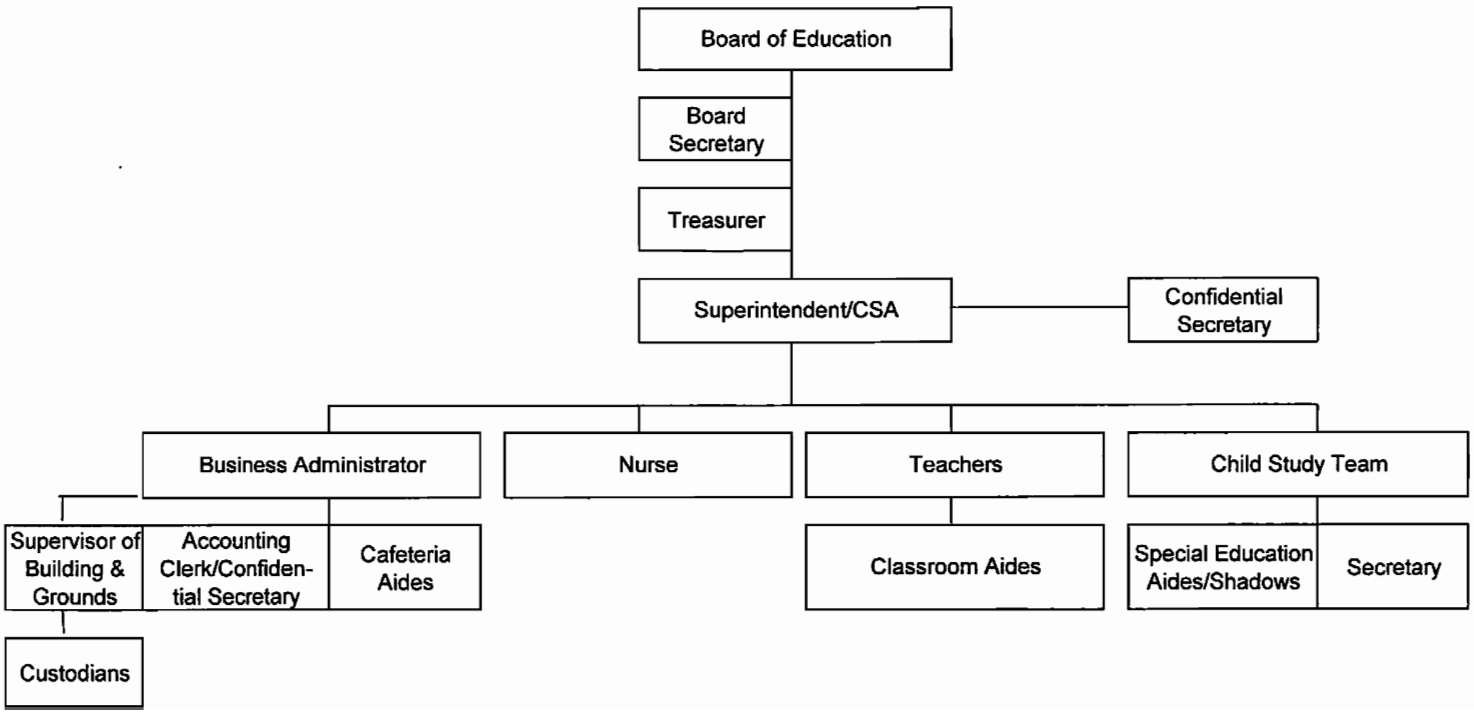
Respectfully submitted,

Mary Ellen Eck
Superintendent

Donna Gidjunis
Board Secretary/Business Administrator

RIVERTON PUBLIC SCHOOL

ORGANIZATIONAL CHART



RIVERTON SCHOOL DISTRICT

Roster of Officials
June 30, 2010

Members of the Board of Education:	**Term Expires**
Richard Park, President	2012
JoAnn Corbi, Vice President	2011
Helen Mack	2011
Walter Croft	2012
Michael V. Sencindiver	2012
Scott Koste	2013
Mark DiLeo	2013
Joseph VanBernum	2013
Scott Warnock	2011

Other Officials:

Mary Ellen Eck, Superintendent
Donna Gidjunis, Business Administrator/Board Secretary
Thomas Egan, Treasurer
Stephen Mushinski, Esq. Solicitor

RIVERTON SCHOOL DISTRICT
Consultants and Advisors

Audit Firm

Inverso & Stewart, LLC
12000 Lincoln Drive West, Suite 402
Marlton, NJ 08053

Attorney

Stephen J. Mushinski, Esquire
Acting for Parker/ McCay
Three Greentree Center, Suite 401
Route 73 & Greentree Road
Marlton, NJ 08053

Official Depository

Beneficial Bank
530 Walnut Street
Philadelphia, PA 19106

1st Colonial Bank
1150 Haddon Avenue, 2nd Floor
Collingswood, NJ 08108

Financial Section

INVERSO & STEWART, LLC

Certified Public Accountants
Registered Municipal Accountants

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American Institute of CPAs
New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
of the Board of Education
Riverton School District
County of Burlington
Riverton, 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 Riverton School District, in the County of Burlington, State of New Jersey (School District), as of and for the fiscal year ended June 30, 2010, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District'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 *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 School District'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. An audit also includes assessing the accounting principles used and the 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, business-type activities, each major fund and the aggregate remaining fund information of the Riverton School District, in the County of Burlington, State of New Jersey, 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 July 31, 2010 on our consideration of the School District's internal control over financial reporting and 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 accompanying management's discussion and analysis and budgetary comparison information, as listed in the table of contents, 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 primarily 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 School District's basic financial statements. 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 State of 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. In addition, the introductory section, combining statements and related major fund supporting statements and schedules, and statistical section listed in the table of contents are also presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedules of Expenditures of Federal Awards and State Financial Assistance, combining statements and related major fund supporting statements and schedules 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 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.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants

Robert A. Stewart
Public School Accountant

Marlton, New Jersey
July 31, 2010

INVERSO & STEWART, LLC

Certified Public Accountants
Registered Municipal Accountants

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New Jersey Society of CPAs

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*

The Honorable President and Members
of the Board of Education
Riverton School District
County of Burlington
Riverton, 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 Riverton School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated July 31, 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 in compliance with 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 Riverton School District'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 School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District'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 Riverton School District'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 management and others within the Riverton School District, the Division of Finance, Department of Education, State of New Jersey, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants

Robert A. Stewart
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
July 31, 2010

Required Supplementary Information - Part I

Management's Discussion and Analysis

Riverton School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010

As management of the Board of Education of the Borough of Riverton, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by $391,868 *(net assets)*.
- Governmental activities have unrestricted net assets deficit of $464. This deficit is attributable to the last 2 state aid payments, totaling $34,250, not being reflected in the 2010 financial statements.
- The total net assets of the School District increased by $127,398, or a 48.2% increase from the prior fiscal year-end balance. The majority of this increase is attributable to the payment of long-term debt.
- Fund balance of the School District's governmental funds increased by $12,536 resulting in an ending fund balance of $429,880. This was a result of spending approximately 97.79% of the approved budget.
- Business-type activities have unrestricted net assets of $32,703, which may be used to meet the School District's ongoing obligations of the food service fund.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide Financial Statements

The *district-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net assets and the statement of activities.

The *statement of net assets* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net assets of the School District changed during the current fiscal year. Changes in net assets are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the district-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues *(governmental activities)* and other functions that are intended to recover all or most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities reflect only the Food Service Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds, proprietary funds* and *fiduciary funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains one type of proprietary fund - the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the district-wide financial statements, only in more detail.

The School District's one enterprise fund (Food Service Fund) is listed individually and is considered to be a major fund.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the School District's programs.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

District-wide Financial Analysis

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. The majority of the current assets are the results of the tax levy and state aid collection process.

Capital assets are used in the operations of the School District. These assets are land, buildings, improvements and equipment. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2010. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2010.

The assets of the primary government activities exceeded liabilities by $359,165 with an unrestricted deficit balance of $464. The net assets of the primary government do not include internal balances.

Net assets of $214,130 have been restricted as follows:

Reserved for encumbrances	$ 1,998
Reserved for future maintenance projects	102,237
Reserved for future capital projects	33,892
Reserved for future tuition costs	21,413
Reserved for future budget appropriation	54,500

Comparative Summary of Net Assets
As of June 30, 2010 and 2009

	Governmental Activities		Business-Type Activities		District-Wide	
	2010	2009	2010	2009	2010	2009
Assets:						
Current assets	$ 468,921	$ 447,848	$ 32,703	$ 20,261	$ 501,624	$ 468,109
Capital assets	890,499	903,264			890,499	903,264
Total assets	1,359,420	1,351,112	32,703	20,261	1,392,123	1,371,373
Liabilities:						
Current Liabilities	147,995	133,295			147,995	133,295
Noncurrent Liabilities	852,260	973,608			852,260	973,608
Total liabilities	1,000,255	1,106,903			1,000,255	1,106,903
Net assets (Deficit)	$ 359,165	$ 244,209	$ 32,703	$ 20,261	$ 391,868	$ 264,470
Net assets consist of:						
Invested in capital Assets (Deficit)	$ 145,499	$ 48,264			$ 145,499	$ 48,264
Restricted net assets	214,130	206,520			214,130	206,520
Unrestricted net assets	(464)	(10,575)	$ 32,703	$ 20,261	32,239	9,686
Net assets (Deficit)	$ 359,165	$ 244,209	$ 32,703	$ 20,261	$ 391,868	$ 264,470

Governmental Activities

Governmental activities increased the net assets of the School District by $114,956 during the current fiscal year, thereby accounting for almost all the total increase in the net assets of the School District. Key elements of the increase in net assets for governmental activities are as follows:

- Expenditures increased $20,268.
- Increases in salaries for instruction, offset by reductions in tuition costs and administrative costs accounts for the majority of increase in expenditures.
- The increase in revenues of $106,067 is mostly attributed to a tax levy increase.

Business-type Activities

Business-type activities increased the School District's net assets by $12,442. Operations of the food service fund produced a profit for the fiscal year as the district increased the number of lunches sold.

Comparative Schedule of Changes in Net Assets
As of and for the Fiscal Year Ended June 30, 2010 and 2009

	Governmental Activities		Business-Type Activities		District-Wide	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program Revenues						
Charges for services			$ 40,090	$ 38,123	$ 40,090	$ 38,123
Operating grants and Contributions	$ 457,823	$ 106,848	14,687	11,981	472,510	118,829
General Revenues:						
Property Taxes	4,035,363	3,949,811			4,035,363	3,949,811
Debt Service Tax Levy	147,193	141,543			147,193	141,543
Unrestricted State Aid	609,285	883,607			609,285	883,607
Other Revenues	14,446	65,207			14,446	65,207
Total Revenues	5,264,110	5,147,016	54,777	50,104	5,318,887	5,197,120
Expenses:						
Governmental Activities:						
Instruction	2,221,499	1,966,739			2,221,499	1,966,739
Tuition	1,061,015	1,085,070			1,061,015	1,085,070
Related Services	670,947	461,401			670,947	461,401
Administrative Services	391,269	331,645			391,269	331,645
Operations and Maintenance	378,883	351,201			378,883	351,201
Transportation	106,684	91,112			106,684	91,112
Unallocated employee Benefits	277,047	786,892			277,047	786,892
Interest on long-term Debt	35,997	40,454			35,997	40,454
Other	5,813	3,345			5,813	3,345
Business-Type Activities:						
Food Service Operations			42,335	58,641	42,335	58,641
Total Expenses	5,149,154	5,117,859	42,335	58,641	5,191,489	5,176,500
Increase (Decrease) in Net Assets Before transfers	114,956	29,157	12,442	(8,537)	127,398	20,620
Transfers						
Changes in net assets	114,956	29,157	12,442	(8,537)	127,398	20,620
Net assets, July 1,	244,209	215,052	20,261	28,798	264,470	243,850
Net assets, June 30,	$ 359,165	$ 244,209	$ 32,703	$ 20,261	$ 391,868	$ 264,470

Financial Analysis of the Governmental Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the School 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 School District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of $429,880, an increase of $12,536 in comparison with the prior year.

The School District has an unreserved fund balance for the General Fund of $215,750. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed, as follows: 1) $1,998 reserved for encumbrances, 2) $21,413 reserved for future tuition costs, 3) $102,327 reserved for future maintenance costs, 4) $33,892 reserved for future capital projects and 5) $54,500 reserved for future budget appropriation in accordance with state statutes.

The general fund is the chief operating fund of the School District. The balance in the unreserved fund balance is limited primarily, due to the accounting treatment of the last 2 state aid payments and state statutes that prohibit New Jersey school districts from maintaining more than 2% of its adopted budget as unreserved fund balance.

Revenue in the special revenue fund is generally recognized at the time that the outlays are identified; therefore no fund balances are normally generated.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was $3,432, and represents prior year encumbrances carried over to the current year.

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was $250,000, while total fund balance (budgetary basis) was $464,131. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to $4,912,172. Unreserved fund balance (budgetary basis) represents 5.08% of expenditures while total fund balance (budgetary basis) represents 9.44% of that same amount.

Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental activities as of June 30, 2010, totaled $890,499 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings and equipment. The total decrease in the District's investment in capital assets for the current fiscal year was $12,765, or a 1.41% decrease.

Major capital assets events during the current fiscal year included the following:

- Depreciation expense for the current fiscal year was $34,538.

Capital Asset (net of accumulated depreciation)
June 30, 2010 and 2009

	Governmental Activities		District-Wide	
	2010	2009	2010	2009
Land	$ 649,600	$ 649,600	$ 649,600	$ 649,600
Buildings and Building Improvements	76,829	86,858	76,829	86,858
Site Improvements	15,648	16,808	15,648	16,808
Equipment	148,422	149,998	148,422	149,998
Net assets	$ 890,499	$ 903,264	$ 890,499	$ 903,264

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Long-term debt – During the fiscal year ended June 30, 2010, the School District had total bonded debt outstanding of $745,000 backed by the full faith and credit of the School District. General obligation bonds for the School District decreased during the current fiscal year according to the normal schedule of payments.

The 2010-11 adopted budget has an appropriation of $115,000 representing the payment of the annual principal. The bonds final maturity date is April 1, 2016.

The School District continues to maintain its AA rating from Standard & Poor's Corporation for its general obligation bond issues.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was $8,469,170 and the legal debt margin was $7,724,170.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 8) of this report.

Economic Factors and Next Year's Budgets and Rates

For the 2010-2011 school year, the School District was able to sustain its budget through the tax levy, federal aid, state aid, and miscellaneous revenue sources. One of the most important factors affecting the School District's budget is the amount of state aid it will receive in comparison to its enrollment. The 2010-2011 budget was adopted based on a 40% decrease in aid from the State of New Jersey and a 9.3 cent increase in school property taxes. The School District continues to examine its costs in an effort to prevent additional burden on the taxpayers of the municipality.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Riverton School District Business Administrator, 600 Fifth Street, Riverton, New Jersey, 08077, telephone number (856) 829-0974.

Basic Financial Statements

District-Wide Financial Statements

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Elimination's have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business type activities of the District.

RIVERTON SCHOOL DISTRICT
Statement of Net Assets
June 30, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and cash equivalents	$ 452,216	$ 31,750	$ 483,966
Receivables, net	2,557	953	3,510
Deferred bond issuance costs - net	14,148		14,148
Capital assets, net	890,499		890,499
Total Assets	1,359,420	32,703	1,392,123
LIABILITIES:			
Accounts payable	15,479		15,479
Intergovernmental payable	9,389		9,389
Deferred revenue	25		25
Accrued interest payable	8,102		8,102
Noncurrent liabilities (Note 6):			
Due within one year	115,000		115,000
Due beyond one year	852,260		852,260
Total Liabilities	1,000,255		1,000,255
NET ASSETS:			
Invested in capital assets, net of related debt (Deficit)	145,499		145,499
Restricted for:			
Other purposes	214,130		214,130
Unrestricted	(464)	32,703	32,239
Total Net Assets (Deficit)	$ 359,165	$ 32,703	$ 391,868

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

RIVERTON SCHOOL DISTRICT
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	$ 1,687,246		$ 149,982		$ (1,537,264)		$ (1,537,264)
Special education	413,805				(413,805)		(413,805)
Other instruction	120,448				(120,448)		(120,448)
Support Services:							
Tuition	1,061,015				(1,061,015)		(1,061,015)
Student & instruction related services	670,947		20,228		(650,719)		(650,719)
General administrative services	391,269				(391,269)		(391,269)
Plant operations and maintenance	378,883		10,971		(367,912)		(367,912)
Pupil transportation	106,684				(106,684)		(106,684)
Unallocated employee benefits	277,047		276,642		(405)		(405)
Interest on long-term debt	35,997				(35,997)		(35,997)
Unallocated depreciation and amortization	5,813				(5,813)		(5,813)
Total Governmental Activities	5,149,154		457,823		(4,691,331)		(4,691,331)
Business-Type Activities:							
Food service	42,335	$ 40,090	14,687			$ 12,442	12,442
Total Business-Type Activities	42,335	40,090	14,687			12,442	12,442
Total Primary Government	$ 5,191,489	$ 40,090	$ 472,510	$ -	(4,691,331)	12,442	(4,678,889)
General revenues:							
Taxes:							
Property taxes levied for general purposes, net					4,035,363		4,035,363
Taxes levied for debt service					147,193		147,193
Federal and State aid not restricted					609,285		609,285
Miscellaneous income					14,446		14,446
Transfers							
Total general revenues, special items, extraordinary items and transfers					4,806,287		4,806,287
Change in Net Assets					114,956	12,442	127,398
Net Assets - July 1, 2009					244,209	20,261	264,470
Net Assets - June 30, 2010					$ 359,165	$ 32,703	$ 391,868

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

Fund Financial Statements

The Individual Fund statements and schedules present more detailed information for the Individual Fund in a format that segregates information by fund type.

RIVERTON SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2010

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	$ 443,335	$ 8,881			$ 452,216
Receivables, net	2,020	537			2,557
Total Assets	445,355	9,418	-	-	454,773
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	15,475	$ 4			15,479
Intergovernmental payable					
State		9,389			9,389
Deferred revenue		25			25
Total Liabilities	15,475	9,418			24,893
Fund Balances:					
Reserved for:					
Encumbrances	1,998				1,998
Future tuition payments	21,413				21,413
Capital reserve	33,892				33,892
Maintenance	102,327				102,327
Unreserved	215,750				215,750
Unreserved - designated for subsequent year's expenditures	54,500				54,500
Total Fund Balances	429,880				429,880
Total Liabilities and Fund Balances	$ 445,355	$ 9,418	---	---	

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 $2,308,374 and the accumulated depreciation is $1,417,875.		890,499
Bond issuance costs are amortized over the life of the bonds on the statement of net assets.		14,148
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:		
General Obligation Bonds	$ (745,000)	
Accrued Interest Payable	(8,102)	
Compensated Absences Payable	(222,260)	
		(975,362)
Net Assets of Governmental Activities		$ 359,165

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

RIVERTON SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
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 tax levy	$ 4,035,363			$ 147,193	$ 4,182,556
Miscellaneous	14,446				14,446
Total local sources	4,049,809			147,193	4,197,002
State sources	832,955	$ 3,170			836,125
Federal sources	52,972	178,011			230,983
Total Revenues	4,935,736	181,181		147,193	5,264,110
EXPENDITURES:					
Current expense:					
Regular instruction	1,519,434	149,982			1,669,416
Special education instruction	413,805				413,805
Other instruction	120,448				120,448
Support services and undistributed costs:					
Tuition	1,061,015				1,061,015
Student & instruction related services	650,720	20,228			670,948
General administrative services	387,815				387,815
Plant operations and maintenance	375,430				375,430
Pupil transportation	106,684				106,684
Unallocated employee benefits	277,047				277,047
Capital outlay	10,802	10,971			21,773
Debt service:					
Principal				110,000	110,000
Interest and other charges				37,193	37,193
Total Expenditures	4,923,200	181,181		147,193	5,251,574
Excess (deficiency) of revenues over (under) expenditures	12,536				12,536
Other Financing Sources (Uses):					
Transfers out					
Total other financing sources (uses)					
Net Change in Fund Balance	12,536				12,536
Fund Balances - July 1, 2009	417,344				417,344
Fund Balances - June 30, 2010	$ 429,880	$ -	$ -	$ -	$ 429,880

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

RIVERTON SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2010

Total net change in fund balances - governmental funds (from B-2)		$ 12,536
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in the governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.		
Depreciation expense	$ (34,538)	
Fixed assets additions	21,773	(12,765)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
General Obligation Bonds		110,000
Bond issuance costs are reported in the governmental fund as expenditures in year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds.		(2,358)
Some expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Change in Accrued Interest	1,196	
Change in Compensated Absences	6,347	
		7,543
Change in Net Assets of Governmental Activities		$ 114,956

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

RIVERTON SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2010

	Business-Type Activities Enterprise Funds Food Service Fund
ASSETS:	
Current Assets:	
Cash and cash equivalents	$ 31,750
Intergovernmental receivables:	
State	59
Federal	894
Total Current Assets	32,703
Noncurrent Assets:	
Machinery and equipment (net of accumulated depreciation)	
Total Noncurrent Assets	
Total Assets	32,703
LIABILITIES:	
Current Liabilities:	
Total Current Liabilities	
NET ASSETS:	
Invested in Capital Assets	
Unrestricted	32,703
Total Net Assets	$ 32,703

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

RIVERTON SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2010

	Business-Type Activities Enterprise Funds
	Food Service Fund
Operating Revenues:	
Charges for Services:	
Daily sales:	
Reimbursable programs	$ 32,480
Non-reimbursable programs	7,610
Total Operating Revenue	40,090
Operating Expenses:	
Supplies and materials	1,962
Cost of sales	39,962
Direct expenses	411
Total Operating Expenses	42,335
Operating Income (Loss)	(2,245)
Non-Operating Revenues (Expenses):	
State sources:	
State school lunch program	929
Federal sources:	
National school lunch program	13,758
Total Non-Operating Revenues	14,687
Income (Loss) before Contributions and Transfers	12,442
Operating Transfer In	
Changes in Net Assets	12,442
Net Assets - July 1, 2009	20,261
Net Assets - June 30, 2010	$ 32,703

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

RIVERTON SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2010

	Business-Type Activities Enterprise Fund
	Food Service Fund
Cash Flows from Operating Activities:	
Cash receipts from customers	$ 40,090
Cash payments to suppliers for goods and services	(42,335)
Net Cash Used by Operating Activities	(2,245)
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	920
Cash received from federal sources	13,506
Cash received from operating transfer	
Net Cash Provided by Noncapital Financing Activities	14,426
Cash Flows Used by Capital and Related Financing Activities	
Purchase of equipment	
Cash Flow Provided by Investing Activities:	
Interest on cash equivalents	
Net increase (decrease) in cash and cash equivalents	12,181
Cash and cash equivalents - July 1, 2009	19,569
Cash and cash equivalents - June 30, 2010	$ 31,750
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Operating Income (Loss)	$ (2,245)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (Used for) Operating Activities:	
Change in Assets and Liabilities:	
(Increase) decrease in inventories	
Increase (decrease) in accounts payable	
Net Cash Provided by (Used for) Operating Activities	$ (2,245)

Noncash Noncapital Financing Activities:
During the year the District did not receive any food commodities from the U.S. Department of Agriculture.

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

RIVERTON SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	Trust Funds: Unemployment Compensation Trust	Agency Funds
ASSETS:		
Cash and cash equivalents	$ 89,095	$ 43,037
Total Assets	89,095	43,037
LIABILITIES:		
Payroll deductions and withholdings		18
Due to student groups		43,019
Total Liabilities		$ 43,037
NET ASSETS:		
Held in trust for unemployment claims	$ 89,095	

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

RIVERTON SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2010

	Unemployment Compensation Trust
ADDITIONS:	
Contributions:	
Employee	$ 3,994
Total Contributions	3,994
Investment earnings:	
Interest	642
Total Additions	4,636
DEDUCTIONS:	
Unemployment claims	
Total Deductions	
Change in Net Assets	4,636
Net Assets - July 1, 2009	84,459
Net Assets - June 30, 2010	$ 89,095

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

1. DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

Description of Reporting Entity

The Borough of Riverton School District (School District) is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, it functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to provide educational services for resident students in grades K through 8. Student in grades 9 through 12 attend, on a tuition basis, the Palmyra High School District. The Riverton School District has an approximate enrollment at June 30, 2010 of 265 students.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No. 14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Components Units*. There are no organizations that are considered to be component units.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989 to its governmental and business-type activities and to its proprietary funds, provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

The School District's basic financial statements consists of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

District-wide Statements - The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net assets presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Fund Accounting

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

General Fund - The general fund is the general operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities states that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenues from the state and federal governments, other than major capital projects, debt service, or the enterprise funds, and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by Proprietary Funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of, general-long-term debt principal, interest and related costs.

Proprietary Funds - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those in the private sector.

Enterprise Funds – The enterprise funds are used to account for operations that are financed in a manner similar to private business enterprises, where the intent of the School District is that all costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the School District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The School District's enterprise funds are:

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net assets) is segregated into investment in capital assets, net of related debt, and unrestricted net assets, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

Fiduciary Funds - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has three fiduciary funds; an unemployment compensation trust fund, a student activity fund, and a payroll fund.

Measurement Focus

District-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the Statement of Net Assets.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e. revenues) and decreases (i.e. expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within thirty days of fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. There were no restricted formula aids.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end; tuition, grants, fees, and rentals.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year, if any, is reported in the operating statement as an expense. Unused donated commodities are reported as deferred revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts 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. 6:23-2.2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2.11.

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

The accounting records of the special revenue fund are maintained on the budgetary basis. The budgetary basis differs from GAAP in that the 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 budget, as detailed on Exhibit C-1, Exhibit C-2 and Exhibit I-3, includes all amendments to the adopted budget, if any.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets/Budgetary Control (Continued)

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances – governmental funds. Note that the School District does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the one or more June state aid payments.

Encumbrance Accounting

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.

Open encumbrances in the special revenue fund, for which the School District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institution collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Tuition Receivable

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2010 and 2009 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed, and is not recorded since any amounts are considered immaterial to the basic financial statements.

The School District has contracted with the Cinnaminson School District to receive and store Federal commodities. The Riverton School District is not required to make payments on these commodities since the cost is calculated with the meal purchase price. Accordingly, there is no beginning or ending inventory and the difference between the market value and the cost of commodities at the date of purchase has not been included as an item of non-operating revenue in the financial statements.

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2010.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required. This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Deferred Expenditures

Deferred expenditures are disbursements that are made in one period, but are more accurately reflected as an expenditure/expenses in the next fiscal period. Unlike prepaid expenses, deferred expenditures are not regularly recurring cost of operations.

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and/or interfunds payable.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. There are no capital assets utilized by the proprietary funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are valued at their estimated fair market value as of the date received. The School District maintains a capitalization threshold of $2,000.00. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal repairs and maintenance that do not add to the value of the asset or materially extend asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

Asset Class	Governmental Activities Estimated Lives
School Buildings	50 years
Building Improvements	50 years
Site Improvements	20 years
Machinery and Equipment	5-20 years

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Salaries and Wages

Certain School District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2010, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability, if any.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance Reserves

The School District reserves portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation for expenditures. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Fund balance reserves are established for encumbrances, legally restricted appropriations, tuition, excess surplus, capital reserve, maintenance reserve and emergency reserves.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating and Non-Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for food service. Non-operating revenues principally consist of interest income earned on various interest bearing accounts and federal and state subsidy reimbursements for the food service program. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

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

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

3. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. The School District's formal policy regarding custodial credit risk is in compliance with N.J.S.A. 17:9-41.et seq. which requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. Of the School District's bank balance of $698,315.20 as of June 30, 2010, $317,510.20 was insured by the Federal Deposit Insurance Corporation and $380,805.00 was collateralized under the Governmental Unit Deposit Protection Act.

4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District for the accumulation of funds for use as 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 School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the New Jersey Department of Education, a school 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 fiscal year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school 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.

4. CAPITAL RESERVE ACCOUNT (Continued)

The activity of the capital reserve for the July 1, 2009 to June 30, 2010 fiscal year is as follows:

Balance – July 1, 2009		$ 33,587
Increased by:		
Interest earned	$305	
Board resolution		
		305
		33,892
Decreased by:		
Budget withdrawal		
Balance – June 30, 2010		$ 33,892

The June 30, 2010 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

5. CAPITAL ASSETS

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

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	$ 649,600			$ 649,600
Construction in progress				
Total capital assets, not being Depreciated	649,600			649,600
Capital Assets, being depreciated:				
Site Improvements	36,632			36,632
Building and Building Improvements	1,143,065			1,143,065
Equipment	462,004	$ 21,773	$ (4,700)	479,077
Totals at historical cost	1,641,701	21,773	(4,700)	1,658,774
Less Accumulated Depreciation:				
Site Improvements	(19,825)	(1,159)		(20,984)
Building and Building Improvements	(1,056,207)	(10,029)		(1,066,236)
Equipment	(312,005)	(23,350)	4,700	(330,655)
Totals accumulated depreciation	(1,388,037)	(34,538)	4,700	(1,417,875)
Total Capital Assets, being depreciated, net	253,664	(12,765)		240,899
Governmental Activities Capital Assets, Net	$ 903,264	$ (12,765)		$ 890,499

Depreciation expense in the amount of $32,891 was charged to governmental functions as follows:

Function	Amount
Regular Instruction	$ 24,177
Plant Operations and Maintenance	3,454
Administration	3,453
Unallocated	3,454
Total depreciation expense	$ 34,538

6. ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2010 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Accounts receivable as of fiscal year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Proprietary Funds	Total
Intergovernmental	$ 2,020	$ 537	$ 953	$ 3,510
Total	$ 2,020	$ 537	$ 953	$ 3,510

7. INVENTORY

The School District has contracted with the Cinnaminson School District to receive and store Federal commodities. The School District is not required to make payments on these commodities since the cost is calculated with the price of a purchased meal. Accordingly, there is no beginning or ending inventory and the difference between the market value and the cost of commodities at the date of purchase has not been included as an item of non-operating revenue in the financial statements.

8. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2010, the following changes occurred in long-term obligations:

Governmental Activities:	Principal Outstanding July 1, 2009	Additions	Reductions	Principal Outstanding June 30, 2010	Due Within One Year
Compensated Absences	$ 228,608		$ 6,348	$ 222,260	
General Obligation Bonds	855,000		110,000	745,000	$ 115,000
	$ 1,083,608	$ 0	$ 116,348	$ 967,260	$ 115,000

Bonds Payable - Bonds and loans are authorized in accordance with State law by the voters of the School District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the School District are as follows:

2001 General Obligation Bonds dated April 1, 2001 in the amount of $745,000 due in annual installments through April 1, 2016, bearing interest rate of 4.35%

8. LONG-TERM OBLIGATIONS (Continued)

Principal and interest due on bonds outstanding is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2011	$ 115,000	$ 32,408	$ 147,408
2012	120,000	27,405	147,405
2013	125,000	22,185	147,185
2014	125,000	16,747	141,747
2015	130,000	11,310	141,310
2016	130,000	5,655	135,655
	$ 745,000	$ 115,710	$ 860,710

As of June 30, 2010 the School District had no authorizations to issue additional bonded debt.

Compensated Absences

Compensated absences will be paid from the fund from which the employees' salaries are paid.

Capital Leases Payable

As of June 30, 2010 the School District had no capital leases.

9. OPERATING LEASES

At June 30, 2010, the School District had operating lease agreements in effect for copy machines. Rental payments under operating leases for the fiscal year ended June 30, 2010 were $16,178.

Future minimum rental payments under operating lease agreements are as follows:

Fiscal Year Ending June 30,	Amount
2011	$ 14,762
2012	10,516
Total future minimum lease payments	$ 25,278

10. PENSION PLANS

Description of Plans - Substantially all of the School District's employees participate in one of the following defined benefit pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits: the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS). In addition, several School District employees participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits. P.O. Box 295, Trenton, New Jersey, 08625-0295.

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund is a cost-sharing contributory defined benefit pension plan which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007 however, in accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over the several preceding fiscal years.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the PERS were required to contribute 5% of their annual covered salary. Effective July 1, 2007 however, in accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

The School District is billed annually for its normal contribution plus any accrued liability.

The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

Fiscal Year	Normal Contribution	Accrued Liability	Non Contributory Life	Total Liability	Funded by Excess Pension Asset Credit	Paid by School District
2010	$ 10,095	$ 12,971	$ 3,199	$ 26,265		$ 26,265
2009	10,018	11,587	2,686	24,291		24,291
2008	12,277	9,461		21,738	$ 4,348	17,390

11. POST-RETIREMENT BENEFITS

Plan Description – The School District contributes to the New Jersey State Health Benefits Program (SHBP), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP provides medical, prescription-drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in the New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625.

Funding Policy – P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2009 there were 84,590 retirees eligible for postemployment medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State's contribution rate is based on the annual required contribution (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 is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and Alternate Benefit Program who retired from a board of education or county college 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.

12. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2010, the School District has recognized as revenues and expenditures on-behalf payments made by the State of New Jersey for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement medical costs were $6,539.00 and $122,817.00, respectively. In addition, the State of New Jersey reimbursed the School District $147,286 during the fiscal 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 has also been included as a revenue and expenditure in the basic financial statements, and the combining and individual fund statements and schedules in accordance with GASB 24.

13. DEFERRED COMPENSATION

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by an outside organization, approved by the School District, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The School District has very little administrative involvement, performs no investing function, and has no fiduciary responsibility for these plans. All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, are solely the property and rights of the participants and are not subject to claims of the School District's creditors. Accordingly, the plan assets are not reported as a part of these financial statements.

14. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters.

Property and Liability Insurance - The School District maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Joint Insurance Pool - The School District is a member of the School Alliance Insurance Pool Joint Insurance Fund, a public entity risk pool currently operating as a common risk management and insurance program. Insurance coverage as provided by the Fund can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

The Fund publishes its own financial report which can be obtained by writing to: School Alliance Insurance Fund, 51 Everett Drive, Suite B-40, West Windsor, New Jersey, 08550.

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School 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 School District is billed quarterly for amounts due to the State.

The following is a summary of School District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two fiscal years:

Fiscal Year Ended June 30,	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2009-2010	$ 642	$ 3,994	$ 0	$ 89,095
2008-2009	785	3,606	0	84,459
2007-2008	2,247	3,711	0	80,068

15. COMPENSATED ABSENCES

The School District accounts for compensated absences (e.g. unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

School District employees are granted vacation and sick leave in varying amounts in accordance with the School District's personnel policies. Unused sick leave may be accumulated carried forward to the subsequent years. Employees who retire from the School District shall be paid for unused sick leave in accordance with the School District's agreement or personnel policy.

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2010, the liability for compensated absences in the governmental fund was $222,260.

16. INTERFUND BALANCES AND TRANSFERS

The following interfund balances were recorded on the various balance sheets as of June 30, 2010:

Fund	Interfund Receivable	Interfund Payable
General	$ 2,020	
Fiduciary		$ 2,020
	$ 2,020	$ 2,020

All interfund balances are expected to be paid or collected within the subsequent year.

17. CONTINGENCIES

The School District participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Management believes that the amount from future audits, if any, would not be material.

18. ECONOMIC DEPENDENCY

The School District receives a substantial portion of its operating support from the federal and state governments. A significant reduction in the level of support, if this were to occur, would have an effect on the School District's programs and activities.

19. DEFICIT UNRESTRICTED NET ASSETS

As reflected on Exhibit A-1, Statement of Net Assets, a deficit in unrestricted net assets of $464 existed as of June 30, 2010 for governmental activities. The primary causes of this deficit are the School District not recognizing the receivable for the last two state aid payments and the recording of the long-term liability for compensated absences and accrued interest payable. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net Assets, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the School District in the formulation of their annual budget (see Note 1), compensated absences and accrued interest payable that relate to future services, or that are contingent on a specific event outside the control of the School District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net assets for governmental activities does not indicate that the School District is facing financial difficulties.

20. FUND BALANCES

Reserved

Reservations of fund balances of governmental funds are established to either (1) satisfy legal covenants that require a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures. Specific reservations of fund balance are summarized below:

Encumbrances – The reserve for encumbrances was created to represent encumbrances outstanding at the end of the fiscal year based on purchase orders and contracts signed by the School District but not completed as of the close of the fiscal year. At June 30, 2010 $1,998 has been assigned for this purpose in the General Fund.

Capital Reserve – As of June 30, 2010, the balance in the capital reserve account is $33,892. These funds are assigned for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan.

Maintenance Reserve Account – As of June 30, 2010, the balance in the maintenance reserve account is $102,327. These funds are assigned for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

Tuition Reserve – In accordance with N.J.A.C. 6A:23-3.1(f)(8), the School District has assigned fund balance at June 30, 2010 in the amount of $21,413 in a legal reserve for tuition adjustments. This amount represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated tuition cost of the respective contract year. As of June 30, 2010, $21,413 has been assigned for the year ending June 30, 2008 and has been appropriated in the 2010/2011 fiscal year budget.

Reserved for Excess Surplus – The designation of Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve general fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2010 is $55,049.

Unreserved

General Fund – Of the $304,500 unreserved General Fund, fund balance at June 30, 2010, $54,500 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2011 and $250,000 is undesignated.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local Tax Levy	$ 4,035,363		$ 4,035,363	$ 4,035,363	
Tuition	13,200		13,200	7,475	$ (5,725)
Unrestricted misc. revenues	10,800		10,800	6,971	(3,829)
Total local sources	4,059,363		4,059,363	4,049,809	(9,554)
State sources:					
Categorical special education aid	166,001		166,001	166,001	
Equalization aid	291,945	$ (52,972)	238,973	238,973	
Categorical security aid	27,316		27,316	27,316	
Adjustment aid	110,407		110,407	78,613	(31,794)
Categorical transportation aid	40,484		40,484	40,484	
On-behalf TPAF pension contrib.. (non-budgeted)				129,356	129,356
Reimbursed TPAF social security contribution (non-budgeted)				147,286	147,286
Total state sources	636,153	(52,972)	583,181	828,029	244,848
Federal sources:					
American Recovery & Reinvestment Act:					
Government services fund		1,974	1,974	1,974	
Education stabliization fund		50,998	50,998	50,998	
Total federal sources		52,972	52,972	52,972	
TOTAL REVENUES	4,695,516		4,695,516	4,930,810	235,294
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Preschool	36,106	(21,302)	14,804	11,222	3,582
Kindergarten	128,446		128,446	126,919	1,527
Grades 1-5	735,055	6,150	741,205	732,817	8,388
Grades 6-8	339,016	(17,750)	321,266	313,150	8,116
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	9,301	(9,301)			
Purchased professional - educational services	17,846	(1,855)	15,991	14,950	1,041
Purchased technical services	2,600	525	3,125	2,985	140
Other purchased services	7,893	1,330	9,223	8,261	962
General supplies	39,000	34,290	73,290	72,956	334
Textbooks	23,000	(15,959)	7,041	7,041	
Other objects	3,000	(2,123)	877	876	1
Total - Regular Programs - Instruction	1,341,263	(25,995)	1,315,268	1,291,177	24,091

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education Instruction:					
Resource room/resource center:					
Salaries of teachers	$ 201,001	$ 3,250	$ 204,251	$ 204,233	$ 18
Other salaries for instruction	52,836	15,741	68,577	67,572	1,005
General supplies	3,700	8,169	11,869	11,857	12
Textbooks	300	(300)			
Total resource room/resource center	257,837	26,860	284,697	283,662	1,035
Autism:					
Purchased Professional-Educational Services	2,430	(1,950)	480	403	77
Total autsim	2,430	(1,950)	480	403	77
Preschool disabilities - Part time:					
Salaries of teachers	7,770	6,400	14,170	14,091	79
Other salaries for instruction	1,478	5,681	7,159	6,925	234
General supplies	1,500	(827)	673	673	
Total preschool disabilities - part time	10,748	11,254	22,002	21,689	313
Home Instruction:					
Salaries of teachers		7,400	7,400	7,080	320
Purchased professional-educational services	2,000	1,046	3,046	2,915	131
Total home instruction	2,000	8,446	10,446	9,995	451
Total Special Education - Instruction	273,015	44,610	317,625	315,749	1,876
Basic Skills/Remedial - Instruction					
Salaries of teachers	59,336		59,336	59,336	
General supplies	800	(800)			
Total basic skills/remedial - instruction	60,136	(800)	59,336	59,336	
School-Sponsored Cocurricular Act - Instruction:					
Salaries	47,210	3,300	50,510	48,594	1,916
Purchased services	1,600		1,600	1,450	150
Supplies and materials	4,000		4,000	2,511	1,489
Total school-sponsored cocurr. act. - instruct.	52,810	3,300	56,110	52,555	3,555
Summer School - Instruction:					
Salaries	3,000	420	3,420	3,420	
Purchased professional-technical services	1,150		1,150	1,150	
Total summer school - instruction	4,150	420	4,570	4,570	
Total Instruction	1,731,374	21,535	1,752,909	1,723,387	29,522

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - reg.	$ 494,781	$ (15,154)	$ 479,627	$ 474,936	$ 4,691
Tuition to other LEAs within the state - spec	225,380	(34,604)	190,776	190,576	200
Tuition to county vocational school - reg	11,550	2,310	13,860	13,860	
Tuition to county vocational school - special	2,310		2,310	2,310	
Tuition to CSSD & Reg. Day schools	263,219	(78,642)	184,577	184,577	
Tuition to priv. sch. for the disabled in state	147,969	48,270	196,239	194,756	1,483
Total undistributed expenditures - instruction	1,145,209	(77,820)	1,067,389	1,061,015	6,374
Attendance and Social Work Services:					
Salaries	5,097		5,097	5,097	
Purchased professional and technical services	300		300	300	
Supplies and materials	850	(27)	823	823	
Total Attendance and Social Work Services	6,247	(27)	6,220	6,220	
Health Services:					
Salaries	66,097	2,050	68,147	68,147	
Purchased professional and technical services	500	75	575	575	
Other purchased services	300	(107)	193	184	9
Supplies and materials	300	400	700	666	34
Total health services	67,197	2,418	69,615	69,572	43
Speech, OT, PT & Related Services					
Salaries	84,116		84,116	82,468	1,648
Purchased professional - educational services	21,700		21,700	21,508	192
Supplies and materials	650		650	403	247
Total speech, ot, pt, & related services	106,466		106,466	104,379	2,087
Other Support Services Student - Extraordinary:					
Salaries	55,219	(17,664)	37,555	36,604	951
Total other support services student - extra	55,219	(17,664)	37,555	36,604	951
Guidance:					
Other Objects	2,925	43	2,968	2,967	1
Total guidance	2,925	43	2,968	2,967	1
Child Study Teams:					
Salaries of other professional staff	188,837	11,529	200,366	200,366	
Salaries of secretarial and clerical assistants	31,587		31,587	31,586	1
Purchased professional - educational services	8,000	7,981	15,981	15,430	551
Misc. purchased services	2,800	1,380	4,180	4,176	4
Supplies and materials	2,700	88	2,788	2,783	5
Total child study teams	233,924	20,978	254,902	254,341	561

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Improvement of Instructional Services:					
Salaries of other professional staff	$ 4,000	$ 10,490	$ 14,490	$ 14,250	$ 240
Salaries of secretarial and clerical assistants	540	(50)	490		490
Purchased professional - educational services		2,500	2,500	2,500	
Total improvement of instructional services	4,540	12,940	17,480	16,750	730
Educational Media Services/School Library:					
Salaries	32,954	-	32,954	32,879	75
Purchased professional and technical services	2,000	(343)	1,657	1,657	
Other purchased services (400-500 series)	1,000	(171)	829	829	
Supplies and materials	3,300	790	4,090	4,059	31
Total educational media services/school library	39,254	276	39,530	39,424	106
Instructional Staff Training Services:					
Purchased professional - educational services	5,500	2,205	7,705	7,705	
Other purchased services	2,000	(317)	1,683	1,637	46
Supplies and materials		525	525	522	3
Total instructional staff training services	7,500	2,413	9,913	9,864	49
Support Services - General Administration:					
Salaries	185,625	6,220	191,845	191,840	5
Legal services	12,000	(5,304)	6,696	5,144	1,552
Audit Fees	18,000		18,000	18,000	
Other purchased professional services	1,745	205	1,950	1,950	
Communications / telephone	13,620	95	13,715	12,025	1,690
Miscellaneous purchased services	9,100	233	9,333	9,006	327
General supplies	4,000	1,000	5,000	2,983	2,017
Miscellaneous expenditures	11,310	2,000	13,310	11,342	1,968
Total support services - general administration	255,400	4,449	259,849	252,290	7,559
Central Services					
Salaries	79,383		79,383	75,632	3,751
Purchased professional services	9,215	755	9,970	9,756	214
Miscellaneous purchased services	1,575	(300)	1,275	613	662
General supplies	1,300	1,400	2,700	1,662	1,038
Miscellaneous expenditures	790		790	787	3
Total Central Services	92,263	1,855	94,118	88,450	5,668
Interest earned on maintenance reserve	800		800		800
Required Maintenance School Facilities:					
Cleaning, repair and maintenance services	57,300	(600)	56,700	48,565	8,135
General supplies	1,000		1,000	781	219
Total required maintenance school facilities	58,300	(600)	57,700	49,346	8,354

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Custodial Services:					
Salaries	$ 108,785	$ 2,782	$ 111,567	$ 111,520	$ 47
Purchased prof. and technical services	33,615	(4,000)	29,615	28,895	720
Cleaning, repair and maintenance services	1,500		1,500	1,001	499
Rental of land & bldg. other than lease purch.	1,320		1,320	1,320	
Other purchased property services	2,500		2,500	2,116	384
Insurance	40,300	(11)	40,289	39,671	618
Misc. purchased services	200		200		200
General Supplies	17,000	4,231	21,231	20,965	266
Energy (Electricity)	76,000	(53,220)	22,780	20,807	1,973
Energy (Heat)	19,000	56,218	75,218	67,578	7,640
Total custodial services	300,220	6,000	306,220	293,873	12,347
Total operation & maint. of plant services	358,520	5,400	363,920	343,219	20,701
Student Transportation Services:					
Contr. serv. (between home & sch) - Joint	11,420	2,800	14,220	9,121	5,099
Contr. Serv. (Spl. Ed. Students) - joint agree.	73,329	25,900	99,229	97,563	1,666
Total student transportation services	84,749	28,700	113,449	106,684	6,765
Allocated Benefits - Employee Benefits:					
Regular Programs - Instruction:					
Social security contributions	6,370	330	6,700	6,521	179
Other retirement contri. - regular	2,244	(2,244)			
Health benefits	236,372	(14,555)	221,817	218,406	3,411
Tuition reimbursement	6,000		6,000	3,330	2,670
Total regular programs - instruction	250,986	(16,469)	234,517	228,257	6,260
Special Programs - Instruction:					
Social security contributions	7,814	(750)	7,064	7,062	2
Other retirement contri. - regular	8,895	(1,278)	7,617	7,617	
Health benefits	101,550	(13,200)	88,350	83,377	4,973
Total special programs - instruction	118,259	(15,228)	103,031	98,056	4,975
Other Instructional Programs - Instruction:					
Social security contributions	3,841	262	4,103	3,987	116
Total other instructional programs - instruction	3,841	262	4,103	3,987	116
Attendance & Social Work Services:					
Social security contributions	390	15	405	402	3
Other retirement contri. - regular	412	113	525	525	
Health benefits	752	61	813	811	2
Total attendance & social work services	1,554	189	1,743	1,738	5
Health Services:					
Social security contributions	100	158	258	254	4
Health benefits	7,519	(251)	7,268	7,267	1
Total health services	7,619	(93)	7,526	7,521	5

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Allocated Benefits - Employee Benefits:					
Speech, OT, PT, & Related Services:					
Social security contributions	$ 302		$ 302	$ 232	$ 70
Health benefits	2,037		2,037	2,036	1
Total speech, ot, pt, & related services	2,339		2,339	2,268	71
Other Support Services Student - Extraordinary:					
Social security contributions		$ 2,900	2,900	2,833	67
Other retirement contri. - regular		2,364	2,364	2,364	
Health benefits		23,300	23,300	21,252	2,048
Total other support serv. Student - extra.		28,564	28,564	26,449	2,115
Child Study Teams:					
Social security contributions	3,981		3,981	3,949	32
Other retirement contri. - regular	2,553	(189)	2,364	2,364	
Health benefits	58,266	172	58,438	58,437	1
Total child study teams	64,800	(17)	64,783	64,750	33
Improvement of Instruction Services					
Social security contributions	347	775	1,122	1,098	24
Total improvement of instruction serv.	347	775	1,122	1,098	24
Educational Media Services/School Library:					
Social security contributions	75	2	77	77	
Health benefits	7,519	(278)	7,241	6,698	543
Total educ. media serv./school library	7,594	(276)	7,318	6,775	543
General Administration:					
Social security contributions	4,326	400	4,726	4,688	38
Other retirement contri. - regular	4,324		4,324	4,202	122
Health benefits	32,418	(420)	31,998	31,769	229
Other employee benefits	2,120	(100)	2,020	1,538	482
Total general administration	43,188	(120)	43,068	42,197	871
Central Services:					
Social security contributions	1,478		1,478	1,192	286
Other retirement contri. - regular	1,370	(55)	1,315	1,313	2
Health benefits	2,037		2,037	2,037	
Other employee benefits	336		336	336	
Total central services	5,221	(55)	5,166	4,878	288
Operation and Maint. of Plant Services:					
Social security contributions	8,434	300	8,734	8,625	109
Other retirement contri. - regular	8,259	(300)	7,959	7,880	79
Health benefits	15,038	(1)	15,037	14,556	481
Other employee benefits	1,150		1,150	1,150	
Total operation & maint. of plant services	32,881	(1)	32,880	32,211	669
Total Allocated Benefits	538,629	(2,469)	536,160	520,185	15,975

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unallocated Benefits - Employee Benefits:					
Tuition reimbursement		$ 405	$ 405	$ 405	
On-behalf TPAF pension contr. (non-budgeted)				129,356	$ (129,356)
Reimbursed TPAF social security contr. (non-budgeted)				147,286	(147,286)
Total Undistributed Expenditures	$ 2,998,842	(18,103)	2,980,739	3,189,011	(208,272)
Total General Current Expense	4,730,216	3,432	4,733,648	4,912,398	(178,750)
CAPITAL OUTLAY:					
Equipment:					
Grades 1-5		2,493	2,493	2,493	
Undist. expend. - instruction	16,800	(2,493)	14,307	8,309	5,998
Undist. expend. - custodial services	3,000		3,000		3,000
Total Equipment	19,800		19,800	10,802	8,998
Total Capital Outlay	19,800		19,800	10,802	8,998
TOTAL EXPENDITURES	4,750,016	3,432	4,753,448	4,923,200	(169,752)
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(54,500)	(3,432)	(57,932)	7,610	65,542
Other Financing Sources:					
Operating transfers out					
Total other financing sources	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	(54,500)	(3,432)	(57,932)	7,610	65,542
Fund Balance - July 1, 2009	456,520		456,520	456,520	
Fund Balance - June 30, 2010	$ 402,020	$ (3,432)	$ 398,588	$ 464,130	$ 65,542

Recapitulation:	
Reserved for:	
Encumbrances	$ 1,998
Capital Reserve	33,892
Tuition Reserve - Year 3	21,413
Maintenance Reserve	102,327
Unreserved:	
Designated to subsequent year's expenditures	54,500
Undesignated	250,000
	464,130
Reconciliation to Governmental Funds Statement (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis	(34,250)
Fund Balance per Governmental Funds (GAAP)	$ 429,880

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
American Recovery & Reinvestment Act
General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources:					
Education Stabilization Funds		$ 50,998	$ 50,998	$ 50,998	
Total Revenues		50,998	50,998	50,998	
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Kindergarten		7,405	7,405	7,405	
Grades 1-5		43,593	43,593	43,593	
Total - Regular Programs - Instruction		50,998	50,998	50,998	
Total Expenditures		50,998	50,998	50,998	
Excess of revenues over expenditures	$ -	$ -	$ -	$ -	$ -

RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
American Recovery & Reinvestment Act
General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources:					
Government Services Funds		$ 1,974	$ 1,974	$ 1,974	
Total Revenues		1,974	1,974	1,974	
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Kindergarten		1,974	1,974	1,974	
Total - Regular Programs - Instruction		1,974	1,974	1,974	
Total Expenditures		1,974	1,974	1,974	
Excess of revenues over expenditures	$ -	$ -	$ -	$ -	$ -

RIVERTON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources					
State sources	$ 3,170		$ 3,170	$ 3,170	
Federal sources	178,036		178,036	178,011	$ 25
Total Revenues	181,206		181,206	181,181	25
EXPENDITURES:					
Instruction:					
Salaries of teachers	13,510		13,510	13,510	
Other purchased services	109,413		109,413	109,413	
General supplies	27,059		27,059	27,059	
Total instruction	149,982		149,982	149,982	
Support services:					
Personal services - employee benefits	1,856		1,856	1,856	
Purchased professional - educ. services	3,305		3,305	3,305	
Purchased professional - tech. services	3,315		3,315	3,290	25
Other purchased services	11,777		11,777	11,777	
Total support services	20,253		20,253	20,228	25
Facilities acquisition and construction services:					
Instructional equipment	10,971		10,971	10,971	
Total facilities acq. and const. services	10,971		10,971	10,971	
Total Expenditures	181,206		181,206	181,181	25
Total outflows	181,206		181,206	181,181	25
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	---	---	---	---	---

RIVERTON SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended June 30, 2010

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	$ 4,930,810	$ 181,181
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	39,176	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(34,250)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 4,935,736	$ 181,181
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	$ 4,923,200	$ 181,181
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 4,923,200	$ 181,181

Other Supplementary Information

Special Revenue Fund
Detail Statements

The Special Revenue Fund is used to account for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted for specific purposes.

RIVERTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2010

	Title I	Title II A	Title II D	Title IV	IDEA Basic	IDEA Preschool	Forward Exh. E-1a	Total
REVENUES:								
State sources							$ 3,170	$ 3,170
Federal sources	$ 13,277	$ 11,138	$ 135	$ 513	$ 75,934	$ 2,607	74,407	178,011
Total Revenues	13,277	11,138	135	513	75,934	2,607	77,577	181,181
EXPENDITURES:								
Instruction:								
Salaries of teachers		9,282					4,228	13,510
Other purchased services					73,692	2,607	33,114	109,413
General Supplies	1,500			513			25,046	27,059
Total instruction	1,500	9,282		513	73,692	2,607	62,388	149,982
Support Services:								
Personal services-employee benefits		1,856						1,856
Purchased prof. educ. services			135				3,170	3,305
Purchased prof. tech. services					2,242		1,048	3,290
Other purchased services	11,777							11,777
Total support services	11,777	1,856	135		2,242		4,218	20,228
Facilities acquisition and const. serv.:								
Instructional equipment							10,971	10,971
Total facilities acq. and const. serv.							10,971	10,971
Total Expenditures	13,277	11,138	135	513	75,934	2,607	77,577	181,181
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	---	---	---	---	---	---	---	---

RIVERTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2010

	Nonpublic Supplemental Instruction	IDEA Basic Carryover	Nonpublic Exam/ Classification	ARRA IDEA Basic	ARRA IDEA Preschool	ARRA Title I	Total
REVENUES:							
State sources	$ 2,071		$ 1,099				$ 3,170
Federal sources		$ 730		$ 66,811	$ 2,415	$ 4,451	74,407
Total Revenues	2,071	730	1,099	66,811	2,415	4,451	77,577
EXPENDITURES:							
Instruction:							
Salaries						4,228	4,228
Other purchased services				33,114			33,114
Supplies and materials				25,046			25,046
Total instruction				58,160		4,228	62,388
Support services:							
Purchased prof. educ. services	2,071		1,099				3,170
Purchased prof. tech. services		730		95		223	1,048
Total support services	2,071	730	1,099	95		223	4,218
Facilities acquisition and const. serv.:							
Instructional equipment				8,556	2,415		10,971
Total facilities acq. and const. serv.				8,556	2,415		10,971
Total Expenditures	2,071	730	1,099	66,811	2,415	4,451	77,577
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	---	---	---	---	---	---	---

Capital Projects Fund
Detail Statements

The Capital Projects Fund is used to account for the acquisition, construction and/or renovation of major facilities and equipment purchases other than those financed by Proprietary Funds.

The District does not maintain any Capital Projects Fund.

Proprietary Funds
Detail Statements

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District's Board is that the costs of providing goods or services be financed through user fees.

Food Service Fund - This fund provides for the operation of food services in all all schools within the school district.

RIVERTON SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Net Assets
June 30, 2010

	Food Service Fund
ASSETS:	
Current Assets:	
Cash and cash equivalents	$ 31,750
Accounts receivable:	
State	59
Federal	894
Total current assets	32,703
Noncurrent Assets:	
Equipment	
Accumulated depreciation	
Total noncurrent assets	
Total Assets	32,703
LIABILITIES:	
Current liabilities:	
Total current liabilities	
NET ASSETS:	
Invested in capital assets	
Unrestricted	32,703
Total Net Assets	$ 32,703

RIVERTON SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
For the Fiscal Year Ended June 30, 2010

	Food Service Fund
OPERATING REVENUES:	
Charges for services:	
Daily sales reimbursable programs	$ 32,480
Daily sales non-reimbursable programs:	
Adult and alacarte sales	7,610
Total Operating Revenue	40,090
OPERATING EXPENSES:	
Supplies and materials	1,962
Cost of sales	39,962
Direct Expense	411
Total Operating Expenses	42,335
Operating Income (Loss)	(2,245)
Non-Operating Revenues:	
State sources:	
State school lunch program	929
Federal sources:	
National school lunch program	13,758
Total Non-Operating Revenues	14,687
Income (Loss) before Contributions and Transfers	12,442
Operating Transfer In	
Changes in Net Assets	12,442
Net Assets - July 1, 2009	20,261
Net Assets - June 30, 2010	$ 32,703

RIVERTON SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2010

	Food Service Fund
Cash Flows from Operating Activities:	
Cash receipts from customers	$ 40,090
Cash payments to suppliers for goods and services	(42,335)
Net cash used by operating activities	(2,245)
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	920
Cash received from federal sources	13,506
Cash received from operating transfer	
Net cash provided by noncapital financing activities	14,426
Cash Flows Used by Capital and Related Financing Activities:	
Purchase of equipment	
Cash Flow Provided by Investing Activities:	
Interest on cash equivalents	
Net increase (decrease) in cash and cash equivalents	12,181
Cash and cash equivalents - July 1, 2009	19,569
Cash and cash equivalents - June 30, 2010	$ 31,750
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	$ (2,245)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:	
Change in Assets and Liabilities:	
(Increase) decrease in inventories	
Increase (decrease) in accounts payable	
Net cash provided by (used for) operating activities	$ (2,245)

Noncash Noncapital Financing Activities:
During the year the District did not receive any food commodities from the U.S. Department of Agriculture.

Fiduciary Funds
Detail Statements

Fiduciary Funds are used to account for funds received by the district for a specific purpose.

Unemployment Compensation Insurance Fund - This fiduciary fund is used to pay unemployment compensation claims.

Agency Funds are used to account for assets held by the district as an agent for individuals, private organizations, or other governments and/or other funds.

Payroll Fund - This agency fund is used to account for the payroll transactions of the district.

Student Activity Fund - This agency fund is used to account for the funds held by the district to be used for student related projects.

RIVERTON SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
June 30, 2010

	Trust Funds	Agency Funds		
	Unemployment Compensation	Student Activity	Payroll	Totals
ASSETS:				
Cash and cash equivalents	$ 89,095	$ 43,019	$ 18	$ 132,132
Total Assets	89,095	$ 43,019	$ 18	132,132
LIABILITIES:				
Payroll deductions payable			$ 18	18
Due to student groups		$ 43,019		43,019
Total Liabilities		$ 43,019	$ 18	43,037
NET ASSETS:				
Held in Trust for Unemployment Claims	89,095			89,095
Total Net Assets	$ 89,095			$ 89,095

RIVERTON SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended June 30, 2010

	Unemployment Compensation Insurance Trust Fund
ADDITIONS:	
Contributions:	
Employee	$ 3,994
Total Contributions	3,994
Investment earnings:	
Interest earned	642
Total Additions	4,636
DEDUCTIONS:	
Unemployment claims	
Total Deductions	
Change in Net Assets	4,636
Net Assets - July 1, 2009	84,459
Net Assets - June 30, 2010	$ 89,095

RIVERTON SCHOOL DISTRICT
Fiduciary Funds
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	Interfund Payable	Balance June 30, 2010
Elementary / Junior High	$ 20,635	$ 28,639	$ 26,863		$ 22,411
Friends of Riverton	20,454	154			20,608
	$ 41,089	$ 28,793	$ 26,863	$ -	$ 43,019

RIVERTON SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2010

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
ASSETS:				
Cash and cash equivalents	$ 5	$ 2,678,362	$ 2,678,349	$ 18
Total Assets	$ 5	$ 2,678,362	$ 2,678,349	$ 18
LIABILITIES:				
Net payroll		$ 1,580,312	$ 1,580,312	
Payroll deductions and withholdings	$ 5	1,098,050	1,098,037	$ 18
Total Liabilities	$ 5	$ 2,678,362	$ 2,678,349	$ 18

Long-Term Debt Schedules

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

RIVERTON SCHOOL DISTRICT
Statement 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	Issued	Retired	Balance June 30, 2010
School Renovations	04/01/00	$ 1,500,000	04/01/11	$115,000	4.35%	$ 855,000		$ 110,000	$ 745,000
			04/01/12	120,000					
			04/01/13	125,000					
			04/01/14	125,000					
			4/01/15 - 16	130,000					
						$ 855,000	$ -	$ 110,000	$ 745,000

RIVERTON SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	$ 147,193		$ 147,193	$ 147,193	
Total Revenues	147,193		147,193	147,193	
EXPENDITURES:					
Regular debt service:					
Interest	37,193		37,193	37,193	
Redemption of principal	110,000		110,000	110,000	
Total Expenditures	147,193		147,193	147,193	
Excess (Deficiency) of revenues over (under) expenditures					
Fund Balance - July 1, 2009					
Fund Balance - June 30, 2010	---	---	---	---	---
Recapitulation of Excess (Deficiency) or revenues over (under) expenditures					
Budgeted Fund Balance	---	---	---	---	---

Statistical Section

Riverton School District
Net Assets by Component,
Last Seven Fiscal Years
(accrual basis of accounting)

J-1

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
Governmental activities:							
Invested in capital assets, net of related debt	$ (428,671)	$ (367,949)	$ (265,491)	$ (118,798)	$ (51,197)	$ 48,264	$ 145,499
Restricted for:							
Other purposes	118,374	251,311	87,845	144,090	166,906	206,250	214,130
Unrestricted	(58,929)	35,314	(81,431)	110,691	99,343	(10,575)	(464)
Total governmental activities net assets	$ (369,226)	$ (81,324)	$ (259,077)	$ 135,983	$ 215,052	$ 243,939	$ 359,165
Business-type activities:							
Invested in capital assets, net of related debt	-	-	-	-	-	-	-
Unrestricted	$ 1,443	$ 2,612	$ 2,236	$ 19,475	$ 28,798	$ 20,261	$ 32,703
Total business-type activities net assets	$ 1,443	$ 2,612	$ 2,236	$ 19,475	$ 28,798	$ 20,261	$ 32,703
District-wide:							
Invested in capital assets, net of related debt	$ (428,671)	$ (367,949)	$ (265,491)	$ (118,798)	$ (51,197)	$ 48,264	$ 145,499
Restricted:							
Other purposes	118,374	251,311	87,845	144,090	166,906	206,250	214,130
Unrestricted	(57,486)	37,926	(79,195)	130,166	128,141	9,686	32,239
Total district net assets	$ (367,783)	$ (78,712)	$ (256,841)	$ 155,458	$ 243,850	$ 264,200	$ 391,868

Note - District was not required to follow GASB 34 reporting format until fiscal year 2004.

Riverton School District
Changes in Net Assets, Last Seven Fiscal Years
(accrual basis of accounting)

J-2

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
Expenses:							
Governmental activities:							
Instruction:							
Regular	$ 1,483,478	$ 1,378,190	$ 1,565,315	$ 1,240,434	$ 1,392,211	$ 1,567,239	$ 1,687,246
Special education	283,080	287,708	224,255	290,553	286,610	285,487	413,805
Other instruction	68,149	85,134	65,654	75,806	92,949	114,013	120,448
Support Services:							
Tuition	928,623	1,176,266	1,116,718	969,709	1,100,107	1,085,070	1,061,015
Student & instruction related services	408,096	448,386	400,668	417,704	459,221	461,401	670,947
General and business administrative services	295,758	255,860	223,514	217,994	334,008	331,645	391,269
Plant operations and maintenance	317,426	315,135	485,709	366,757	367,043	351,201	378,883
Pupil transportation	73,465	61,213	61,847	59,767	84,746	91,112	106,684
Business and other support services	144,396	95,560	87,733	74,601	775		
Unallocated employee benefits			652,116	822,037	914,395	786,892	277,047
Interest on long-term debt	59,595	69,872	48,231	52,744	44,642	40,454	35,997
Unallocated depreciation	2,579	2,579	2,579	2,577	3,298	3,345	5,813
Total governmental activities expenses	4,064,645	4,175,903	4,934,339	4,590,683	5,080,005	5,117,859	5,149,154
Business-type activities:							
Food service	37,708	22,186	22,201	25,885	30,601	58,641	42,335
Total business-type activities expense	37,708	22,186	22,201	25,885	30,601	58,641	42,335
Total district expenses	$ 4,102,353	$ 4,198,089	$4,956,540.00	$4,616,568.00	$ 5,110,606.00	$ 5,176,500.00	$5,191,489.00
Program Revenues:							
Governmental activities:							
Operating grants and contributions	$ 396,506	$ 352,445	$ 138,194	$ 114,864	$ 123,059	$ 225,177	$ 457,823
Total governmental activities program revenues	396,506	352,445	138,194	114,864	123,059	225,177	457,823

(Continued)

Riverton School District J-2
Changes in Net Assets, Last Seven Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
Business-type activities:							
Charges for services:							
Food service	$ 19,459	$ 14,622	$ 17,435	$ 28,337	$ 30,914	$ 38,123	$ 40,090
Operating grants and contributions	9,253	4,733	4,390	6,787	9,010	11,981	14,687
Capital grants and contributions							
Total business type activities program revenues	28,712	19,355	21,825	35,124	39,924	50,104	54,777
Total district program revenues	$ 425,218	$ 371,800	$ 160,019	$ 149,988	$ 162,983	$ 275,281	$ 512,600
Net (Expense)/Revenue:							
Governmental activities	$ (3,668,139)	$ (3,823,458)	$ (4,796,145)	$ (4,475,819)	$ (4,956,946)	$ (4,892,682)	$ (4,691,331)
Business-type activities	(8,996)	(2,831)	(376)	9,239	9,323	(8,537)	12,442
Total district-wide net expense	$ (3,677,135)	$ (3,826,289)	$ (4,796,521)	$ (4,466,580)	$ (4,947,623)	$ (4,901,219)	$ (4,678,889)
General Revenues and Other Changes in Net Assets:							
Governmental activities:							
Property taxes levied for general purposes, net	$ 3,024,035	$ 3,355,015	$ 3,557,982	$ 3,666,729	$ 3,794,184	$ 3,949,811	$ 4,035,363
Taxes levied for debt service	129,595	98,138	138,288	139,590	140,675	141,543	147,193
Unrestricted grants and contributions	614,236	606,190	871,199	1,001,172	1,033,025	765,278	609,285
Miscellaneous income	3,266	56,017	50,923	71,388	68,131	65,207	14,446
Transfers	(14,700)	(4,000)		(8,000)			
Total governmental activities	3,756,432	4,111,360	4,618,392	4,870,879	5,036,015	4,921,839	4,806,287
Business-type activities:							
Investment earnings	-	-	-	-	-	-	-
Transfers	14,700	4,000	-	8,000			
Total business-type activities	14,700	4,000	-	8,000	-	-	-
Total district-wide	$ 3,771,132	$ 4,115,360	$ 4,618,392	$ 4,878,879	$ 5,036,015	$ 4,921,839	$ 4,806,287
Change in Net Assets:							
Governmental activities	$ 88,293	$ 287,902	$ (177,753)	$ 395,060	$ 79,069	$ 29,157	$ 114,956
Business-type activities	5,704	1,169	(376)	17,239	9,323	(8,537)	12,442
Total district-wide	$ 93,997	$ 289,071	$ (178,129)	$ 412,299	$ 88,392	$ 20,620	$ 127,398

Note - District was not required to follow GASB 34 reporting format until fiscal year 2004.

Riverton School District
Fund Balances, Governmental Funds,
Last Seven Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
General Fund:							
Reserved for:							
Encumbrances	$ 84,962	$ 224,419	$ 66,409	$ 123,290	$ 31,493	$ 3,432	$ 1,998
Future tuition payments		26,892			21,413	21,413	21,413
Maintenance					60,000	93,588	102,327
Capital reserve						33,587	33,892
Excess surplus			20,800				
Unreserved - Designated for subsequent year's expenditures				20,800	54,000	54,500	54,500
Unreserved	(15,644)	71,052	71,970	233,161	231,272	210,824	215,750
Total general fund	$ 69,318	$ 322,363	$ 159,179	$ 377,251	$ 398,178	$ 417,344	$ 429,880
All Other Governmental Funds							
Reserved:							
Encumbrances			$ 636				
Unreserved, reported in:							
Special revenue fund	$ (478)	$ (478)	(478)	$ (478)	$ (478)		
Debt service fund	33,412						
Total all other governmental funds	$ 32,934	$ (478)	$ 158	$ (478)	$ (478)	$ -	$ -

Note - District was not required to follow GASB 34 reporting format until fiscal year 2004.

Riverton School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Tax levy	$ 2,725,229	$ 2,896,480	$ 2,954,597	$ 3,153,630	$ 3,453,153	$ 3,696,270	$ 3,806,319	$ 3,934,859	$ 4,091,354	$ 4,182,556
Tuition charges	16,685	37,111								
Miscellaneous	116,320	29,391	3,989	3,266	56,017	50,923	71,388	68,131	65,207	14,446
State sources	698,707	666,850	849,878	888,340	835,214	884,757	1,010,730	1,053,704	887,767	836,125
Federal sources	91,537	106,577	116,645	122,402	123,421	124,636	105,306	102,380	102,688	230,983
Total revenue	3,648,478	3,736,409	3,925,109	4,167,638	4,467,805	4,756,586	4,993,743	5,159,074	5,147,016	5,264,110
Expenditures										
Instruction										
Regular Instruction	998,625	1,117,201	1,072,503	1,130,226	1,069,098	1,435,713	1,267,761	1,358,094	1,451,261	1,669,416
Special education instruction	185,477	173,125	178,773	215,313	223,868	224,255	290,553	286,610	285,487	413,805
Other special instruction	87,081	99,944	92,938	51,900	66,475	65,654	75,806	92,949	114,013	120,448
Other instruction	21,528	28,424	33,612							
Support Services:										
Tuition	869,034	796,999	930,889	928,623	1,176,266	1,116,718	969,709	1,100,107	1,085,070	1,061,015
Student & instruction related services	293,923	337,564	318,685	326,646	362,118	400,668	417,704	459,221	461,401	670,948
General and business admin.services	316,538	369,630	341,597	356,619	290,044	310,362	291,716	332,592	329,343	387,815
Plant operations and maintenance	231,313	273,145	252,892	266,765	266,356	332,535	313,221	328,948	344,993	375,430
Pupil transportation	59,118	50,635	77,253	73,465	58,518	61,847	59,767	84,746	91,112	106,684
Other support services	404,550	371,322	613,945	599,988	566,089	652,116	822,037	914,395	786,892	277,047
Capital outlay	2,399,308	223,606	86,330	83,242	33,790	180,978	120,443	39,810	36,257	21,773
Debt service:										
Principal		65,000	65,000	70,000	75,000	85,000	90,000	95,000	100,000	110,000
Interest and other charges		65,250	62,422	59,595	58,550	53,288	49,590	45,675	41,543	37,193
Total expenditures	5,866,493	3,971,845	4,126,839	4,162,382	4,244,172	4,919,134	4,768,307	5,138,147	5,127,372	5,251,574
Excess (Deficiency) of revenues over (under) expenditures	(2,218,015)	(235,436)	(201,730)	5,256	223,633	(162,548)	225,436	20,927	19,644	12,536
Other Financing sources (uses)										
Proceeds from borrowing	2,500,000									
Transfers out	(5,000)	(16,000)		(14,700)	(4,000)		(8,000)			
Total other financing sources (uses)	2,495,000	(16,000)	-	(14,700)	(4,000)	-	(8,000)	-	-	-
Net change in fund balances	$ 276,985	$ (251,436)	$ (201,730)	$ (9,444)	$ 219,633	$ (162,548)	$ 217,436	$ 20,927	$ 19,644	$ 12,536
Debt service as a percentage of noncapital expenditures	0.00%	3.47%	3.15%	3.18%	3.12%	2.92%	3.00%	2.76%	2.78%	2.81%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Riverton School District J-5
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Donations	Prior Year Refunds	Miscellaneous	Total
2001	$ 42,478	$ 16,685	$ 7,500	$ 64,474	$ 1,868	$ 133,005
2002	16,195	37,111	9,000		4,196	66,502
2003	3,217				772	3,989
2004	2,443			132	691	3,266
2005	7,891			48,126		56,017
2006	27,147			23,776		50,923
2007	26,786			44,528	74	71,388
2008	17,402	6,700		44,029		68,131
2009	7,187	13,500		44,520		65,207
2010	5,072	7,475		1,790	109	14,446
	$ 155,818	$ 81,471	$ 16,500	$ 271,375	$ 7,710	$ 532,874

Source: District records

Riverton School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

Fiscal Year Ended June 30,		Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2001		$ 984,800	$ 117,680,000	$ 7,810,100	$ 932,000	$ 3,373,800	$ 130,760,700	$ 228,631	$ 130,989,331	$ 18,140,400	$ 2.211	$ 145,517,786
2002		874,000	117,718,600	7,666,700	932,000	3,373,800	130,565,100	206,830	130,771,930	18,229,700	2.259	152,871,490
2003		940,400	117,909,700	7,669,800	932,000	3,373,800	130,825,700	184,621	131,010,321	18,229,700	2.407	164,280,734
2004		940,400	118,101,600	7,597,100	932,000	3,373,800	130,944,900	163,548	131,108,448	18,358,400	2.634	182,370,176
2005		855,300	118,077,400	7,728,000	932,000	3,373,800	130,966,500	139,926	131,106,426	18,493,400	2.820	200,714,647
2006		753,300	118,543,400	7,728,000	932,000	3,373,800	131,330,500	108,637	131,439,137	18,604,700	2.896	233,698,872
2007		2,007,000	118,569,400	6,448,900	932,000	3,373,800	131,331,100	107,991	131,439,091	18,604,700	2.994	253,354,380
2008		1,460,700	119,219,500	7,885,900	932,000	3,373,800	132,871,900	110,236	132,982,136	18,534,900	3.077	275,092,506
2009	R	1,659,600	255,357,300	17,030,700	1,600,300	7,261,100	282,909,000	248,007	283,157,007	30,144,600	1.477	278,840,930
2010		978,200	256,017,200	17,879,900	1,600,300	7,261,100	283,736,700	231,522	283,968,222	29,600,100	1.570	N/A

Source:
Municipal Tax Assessor

Note:
Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per $100 of assessed valuation.

R Revaluation

Riverton School District J-7
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per $100 of assessed value)

Fiscal Year Ended June 30,	Riverton School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Borough of Riverton	Burlington County	
2001	$ 2.211		$ 2.211	$ 0.887	$ 0.621	$ 3.719
2002	2.160	$ 0.099	2.259	0.974	0.628	3.861
2003	2.310	0.097	2.407	1.068	0.639	4.114
2004	2.536	0.098	2.634	1.199	0.653	4.486
2005	2.745	0.075	2.820	1.280	0.700	4.800
2006	2.885	0.011	2.896	1.337	0.786	5.019
2007	2.983	0.011	2.994	1.385	0.811	5.190
2008	2.971	0.106	3.077	1.345	0.804	5.226
2009	1.427	0.050	1.477	0.599	0.375	2.451
2010	1.520	0.050	1.570	0.598	0.404	2.572

Source: Municipal Tax Collector

Riverton School District
Principal Property Tax Payers,
Current Year and Nine Years Ago

Taxpayer	2009-2010 Taxable Assessed Value (1)	2009-2010 % of Total District Net Assessed Value	Taxpayer	2000-2001 Taxable Assessed Value	2000-2001 % of Total District Net Assessed Value
The Shops at Riverton, LLC	$ 3,740,600	1.32%	SSJ Holding, LP Shopping Center	$ 1,214,100	0.93%
National Casein	1,778,900	0.63%	Chas. Cook, Glue Factory	1,007,900	0.77%
Cedar Lane Manor	1,656,000	0.58%	NJ Properties	947,700	0.72%
Moccia Properties	1,449,300	0.51%	D & P Goffredo	935,200	0.71%
Riverton Country Club	1,381,600	0.49%	Moccia Properties	867,350	0.66%
Goffredo, Phyllis	1,374,000	0.48%	Cedar Lane Manor, Apt. Complex	740,000	0.56%
DiLeo, Mark and Paula	1,279,300	0.45%	Thomas Dolecky	621,300	0.47%
Dolecky, Thomas	1,270,000	0.45%	Riverton Country Club	647,000	0.49%
Goffredo, Daniel	1,198,000	0.42%	Wayne Bromley	488,800	0.37%
Riverton Square, LLC	1,074,100	0.38%	Lawrence & Lisa Antonucci	488,580	0.37%
Total	$ 16,201,800	5.71%		$ 7,957,930	6.08%

Source: Municipal Tax Assessor

(1) Revaluation

Riverton School District
Property Tax Levies and Collections,
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy [a]		Collections in Subsequent Years
		Amount	Percentage of Levy	
2001	$ 2,725,229	$ 2,725,229	100.00%	-
2002	2,896,480	2,896,480	100.00%	-
2003	2,954,597	2,954,597	100.00%	-
2004	3,153,630	3,153,630	100.00%	-
2005	3,453,153	3,453,153	100.00%	-
2006	3,696,270	3,696,270	100.00%	-
2007	3,806,319	3,806,319	100.00%	-
2008	3,934,859	3,934,859	100.00%	-
2009	4,091,354	4,091,354	100.00%	-
2010	4,182,556	4,182,556	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

a School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statutes, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Riverton School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities			
	General Obligation Bonda [a]	Capital Leases	Capital Leases	Total District	Percentage of Personal Income [b]	Per Capita [c]
2001	$ 1,500,000	$ -	$ -	$ 1,500,000	1.54%	$ 547
2002	1,435,000	-	-	1,435,000	1.42%	522
2003	1,370,000	-	-	1,370,000	1.34%	499
2004	1,300,000	-	-	1,300,000	1.25%	475
2005	1,225,000	-	-	1,225,000	1.13%	451
2006	1,140,000	-	-	1,140,000	1.03%	422
2007	1,050,000	-	-	1,050,000	0.89%	395
2008	955,000	-	-	955,000	0.79%	362
2009	855,000	-	-	855,000	0.70%	324
2010	745,000	-	-	745,000	Unavailable	283

Sources:

a District Records
b Personal Income has been estimated based upon the municipal population and per capita personal income.
c Per Capita Personal Inome Data provided by the NJ Dept. of Labor and Workforce.

Riverton School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding [a]	Percentage of Net Assessed Valuation Taxable [b]	Per Capita [c]
2001	$ 1,500,000	$ -	1,500,000	1.15%	$ 547
2002	1,435,000	-	1,435,000	1.10%	522
2003	1,370,000	-	1,370,000	1.05%	499
2004	1,300,000	-	1,300,000	0.99%	475
2005	1,225,000	-	1,225,000	0.93%	451
2006	1,140,000	-	1,140,000	0.87%	422
2007	1,050,000	-	1,050,000	0.80%	395
2008	955,000	-	955,000	0.72%	362
2009	855,000	-	855,000	0.30%	324
2010	745,000	-	745,000	0.26%	283

Sources:

a District Records
b Net Assessed Valuation provided by Anstract of Ratables, County Board of Taxation
c Per Capita Personal Inome Data provided by the NJ Dept. of Labor and Workforce.

Riverton School District
Ratios of Overlapping Governmental Activities Debt
As of December 31, 2009

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable		Estimated Share of Overlapping Debt
Debt repaid with property taxes:				
Borough of Riverton (1)	$ 1,635,552	100.000%		$ 1,635,552
Burlington County General Obligation Debt (1)	385,986,680	0.728%	(2)	2,809,983
Subtotal, overlapping debt				4,445,535
Riverton School District Direct Debt				745,000
Total direct and overlapping debt				$ 5,190,535

Sources:

(1) Entity's Audit Report

(2) The County percentage is based upon a calculation reflecting the Borough's share of the 2009 Equalized Valuation. The source for this computation was the 2009 County Abstract of Ratables, provided by the County Board of Taxation.

Riverton School District
Legal Debt Margin Information,
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2009

Equalized valuation basis	
2008	$ 299,787,009
2007	275,896,802
2006	271,233,168
	$ 846,916,979
Average equalized valuation of taxable property	$ 282,305,660
Debt limit (3% of average equalized valuation) (2)	8,469,170
Net bonded school debt	745,000
Legal debt margin	$ 7,724,170

Fiscal Year

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	$ 4,273,881	$ 4,387,169	$ 4,605,314	$ 4,973,220	$ 5,449,533	$ 6,141,023	$ 6,852,304	$ 7,563,950	$ 7,998,344	$ 8,469,170
Total net debt applicable to limit (3)	1,500,000	1,435,000	1,370,000	1,300,000	1,225,000	1,140,000	1,050,000	955,000	855,000	745,000
Legal debt margin	$ 2,773,881	$ 2,952,169	$ 3,235,314	$ 3,673,220	$ 4,224,533	$ 5,001,023	$ 5,802,304	$ 6,608,950	$ 7,143,344	$ 7,724,170
Total net debt applicable to the limit as a percentage of debt limit	35.10%	32.71%	29.75%	26.14%	22.48%	18.56%	15.32%	12.63%	10.69%	8.80%

Sources:

(1) Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
(2) Limit set by NJSA 18A:24-19 for a K through 8 district.
(3) District Records

Riverton School District
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population [a]	Personal Income (thousands of dollars) [b]	Per Capita Personal Income [c]	Unemployment Rate [d]
2000	2,755	$ 97,193,645	$ 35,279	1.2%
2001	2,742	101,212,704	36,912	1.2%
2002	2,748	102,497,652	37,299	1.8%
2003	2,744	104,222,608	37,982	1.8%
2004	2,738	108,441,228	39,606	1.7%
2005	2,718	110,880,810	40,795	2.2%
2006	2,700	117,587,700	43,551	2.4%
2007	2,657	120,795,191	45,463	2.1%
2008	2,636	122,742,704	46,564	2.9%
2009	2,629	e	e	5.2%

Source:

[a] Population information provided by the NJ Dept of Labor and Workforce Development

[b] Personal income has been established based upon the municipal population and per capita personal income presented.

[c] Per Capita personal income provided by the NJ Dept. of Labor and Workforce Development.

[d] Unemployment data provided by the NJ Dept of Labor and Workforce Development

[e] Information not available

Riverton School District J-16
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Instruction										
Regular	20	20	19	19	18	17	19	20	20	20
Special education	3	3	3	3	3	3	3	3	3	3
Support Services:										
Student & instruction related services	5	5	4	4	5	4	3	3	3	3
General and business administrative services	3	3	3	3	3	3	3	3	3	3
Plant operations and maintenance	3	3	3	3	3	3	2	2	2	2
Business and other support services	2	2	2	2	2	2	2	2	2	2
Total	34	34	33	34	34	32	32	33	33	33

Source:
District Personnel Records

Riverton School District
Operating Statistics,
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures [a]	Cost Per Pupil	Percentage Change	Teaching Staff [b]	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	% Change in Average Daily Enrollment	Student Attendance Percentage
2001	257	$ 3,467,187	$ 13,491.00	6.39%	22	1:09	254.0	242.0	0.00%	95.28%
2002	265	3,617,989	13,652.79	1.20%	22	1:10	259.0	249.0	1.97%	96.14%
2003	265	3,913,087	14,766.37	8.16%	20	1:10	255.0	243.0	-1.57%	95.29%
2004	245	3,949,545	16,120.59	9.17%	22	1:10	249.0	238.0	-2.35%	95.58%
2005	225	4,078,832	18,128.14	12.45%	21	1:10	222.0	213.0	-10.84%	95.95%
2006	229	4,599,868	20,086.76	10.80%	20	1:11	229.0	221.0	-8.03%	96.51%
2007	241	4,508,274	18,706.53	3.19%	22	1:11	243.5	234.5	9.68%	96.30%
2008	253	4,957,662	19,595.50	-2.45%	23	1:11	255.7	246.8	11.66%	96.52%
2009	263	4,949,572	18,819.67	0.60%	23	1:11	260.2	249.8	6.86%	96.00%
2010	265	5,082,608	19,179.65	-2.12%	23	1:11	269.4	258.9	5.36%	96.10%

Sources: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.
b Teaching staff includes only full-time equivalents of certificated staff.
c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Riverton School District
School Building Information
Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
District Building										
Elementary										
Riverton Elementary (1910)										
Square Feet	42,240	42,240	42,240	42,240	42,240	42,240	42,240	42,240	42,240	42,240
Capacity (students)	322	322	322	322	322	322	322	322	322	322
Enrollment	257	265	265	245	225	229	241	253	263	265

Number of Schools at June 30, 2010
Elementary = 1
Middle School = 0
Senior High School = 0
Other = 0

Source: District Facilities Office

Riverton School District
Schedule of Required Maintenance
Last Nine Fiscal Years

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-xxx

* School Facilities	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
Riverton Public School	$ -	$ 7,417	$ 34,015	$ 23,735	$ 67,993	$ 39,222	$ 55,543	$ 55,543	$ 49,345	$ 332,813
Project # (s)										
Total School Facilities	$ -	$ 7,417	$ 34,015	$ 23,735	$ 67,993	$ 39,222	$ 55,543	$ 55,543	$ 49,345	$ 332,813

* School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

Riverton School District **J-20**
Insurance Schedule
June 30, 2010

	Coverage	Self-insured Retention	Deductible
School Package Policy (1)			
Building and Contents, Boiler & Machinery, Extra Expense, Valuable Papers, EDP Equipment Limits of liability per occurrence	$ 250,000,000		
General liability	5,000,000		
Automobile liability	5,000,000		
Aggregate Excess Liability	5,000,000	$ 100,000	
Environmental liability	1,000,000		$ 10,000
Workers' compensation	Statutory		
Crime and fidelity	100,000		1,000
Errors and Omissions (2)	1,000,000		5,000
Excess School Leaders Errors and Omissions (2)	5,000,000	$ 10,000	
Surety Bonds (3)			
Treasurer	175,000		
Board Secretary	80,000		

(1) School Alliance Insurance Fund
(2) New Jersey School Boards Insurance Group
(3) Selective Insurance Company

Source: District records

Single Audit Section

INVERSO & STEWART, LLC

Certified Public Accountants
Registered Municipal Accountants

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American Institute of CPAs
New Jersey Society of CPAs

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

The Honorable President and Members
of the Board of Education
Riverton School District
County of Burlington
Riverton, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Riverton School District (School District), in the County of Burlington, State of New Jersey, with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that are applicable to each of its major state programs for the fiscal year ended June 30, 2010. The School District'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 requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District'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; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the School District'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 the School District's compliance with those requirements.

In our opinion, the Board of Education of the Riverton School District, in the County of Burlington, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the fiscal year ended June 30, 2010.

Internal Control Over Compliance

Management of the Riverton School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the School District's internal control over compliance with the requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with New Jersey 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 School District's internal control over compliance.

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

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 management, the Board of Education of the Riverton School District, 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.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants

Robert A. Stewart
Public School Accountant

Marlton, New Jersey
July 31, 2010

RIVERTON SCHOOL DISTRICT
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 or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2009 (Accounts Receivable)	Balance June 30, 2009 Deferred Revenue	Balance June 30, 2009 Due to Grantor	Carryover (Walkover)	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2010 (Accounts 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:														
General Fund:														
American Recovery and Reinvestment Act:														
Government Services	84.397	N/A	$ 1,974	9/1/09 - 6/30/10					$ 1,974	$ (1,974)				
Education Stabilization	84.394	N/A	50,998	9/1/09 - 6/30/10					50,998	(50,998)				
Special Revenue Fund:														
Title I:														
Fiscal Year 2009	84.010A	NCLB446009	12,694	9/1/08 - 8/31/09	$ (1,100)				$ 1,100					
Fiscal Year 2010	84.010A	NCLB446010	13,277	9/1/09 - 8/31/10					13,277	(13,277)				
ARRA	84.389	ARRA446010	4,451	9/1/09 - 8/31/10					4,451	(4,451)				
Title II A:														
Fiscal Year 2009	84.367A	NCLB446009	10,917	9/1/08 - 8/31/09	(3,354)				3,354					
Fiscal Year 2010	84.367A	NCLB446010	11,138	9/1/09 - 8/31/10					11,138	(11,138)				
Title II D:														
Fiscal Year 2009	84.318X	NCLB446009	106	9/1/08 - 8/31/09	(6)				6					
Fiscal Year 2010	84.318X	NCLB446010	135	9/1/09 - 8/31/10					135	(135)				
Title IV:														
Fiscal Year 2009	84.186A	NCLB446009	546	9/1/08 - 8/31/09	(29)				29					
Fiscal Year 2010	84.186A	NCLB446010	513	9/1/09 - 8/31/10					513	(513)				
I.D.E.A. Part B - Basic:														
Fiscal Year 2009	84.027	IDEA446009	76,542	9/1/08 - 8/31/09	(1,137)			$ (730)	1,867					
Fiscal Year 2009 - Carryover	84.027	IDEA446009	76,542	9/1/08 - 8/31/09				730		(730)				
Fiscal Year 2010	84.027	IDEA446010	76,689	9/1/09 - 8/31/10					75,503	(75,934)		$ (456)	$ 25	
ARRA	84.391	ARRA446010	66,811	9/1/09 - 8/31/10					66,811	(66,811)				
I.D.E.A. Part B - Preschool:														
Fiscal Year 2010	84.173	IDEA446010	2,607	9/1/09 - 8/31/10					2,607	(2,607)				
ARRA	84.392	ARRA446010	2,415	9/1/09 - 8/31/10					2,415	(2,415)				
Total U.S. Department of Education					(5,626)				236,178	(230,983)		(456)	25	
U.S. Department of Agriculture														
Passed-through State Department of Education:														
Enterprise Fund														
National School Lunch Program														
Fiscal Year 2009	10.555	N/A	11,144	7/1/08 - 6/30/09	(643)				643					
Fiscal Year 2010	10.555	N/A	13,758	7/1/09 - 6/30/10					12,864	(13,758)		(894)		
Total U.S. Department of Agriculture					(643)				13,507	(13,758)		(894)		
Total Federal Awards					$ (6,269)				$249,685	$ (244,741)		$ (1,350)	$25	

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

RIVERTON SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2010

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2009 (Accounts Receivable)	Balance June 30, 2009 Deferred Revenue	Balance June 30, 2009 Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2010 (Accounts Receivable)	Balance June 30, 2010 Deferred Revenue	Balance June 30, 2010 Due to Grantor
State Department of Education												
General Fund:												
Equalization Aid	09-495-034-5120-078	$ 111,920	7/1/08- 6/30/09	$ (39,176)			$ 39,176					
Equalization Aid	10-495-034-5120-078	291,945	7/1/09- 6/30/10				204,723	$ (238,973)		$ (34,250)		
Special Education Categorical Aid	10-495-034-5120-089	166,001	7/1/09- 6/30/10				166,001	(166,001)				
Security Aid	10-495-034-5120-084	27,316	7/1/09- 6/30/10				27,316	(27,316)				
Adjustment Aid	10-495-034-5120-085	110,407	7/1/09- 6/30/10				78,613	(78,613)				
Transportation Aid	10-495-034-5120-014	40,484	7/1/09- 6/30/10				40,484	(40,484)				
Extraordinary Special Education Aid	09-100-034-5120-473	17,877	7/1/08- 6/30/09	(8,345)			8,345					
Extraordinary Special Education Aid	08-100-034-5120-473	2,301	7/1/07- 6/30/08									
On behalf TPAF Pension Contribution	10-495-034-5095-001	129,356	7/1/09- 6/30/10				129,356	(129,356)				
Reimbursed TPAF Social Security Contr.	10-495-034-5095-002	147,286	7/1/09- 6/30/10				147,286	(147,286)				
Total General Fund				(47,521)			841,300	(828,029)		(34,250)		
Special Revenue Fund:												
Nonpublic:												
Handicapped Services:												
Supplemental Instruction	10-100-034-5120-066	3,982	7/1/09- 6/30/10				3,982	(2,071)				$ 1,911
Supplemental Instruction	09-100-034-5120-066	5,782	7/1/08- 6/30/09			$ 4,460			$ (4,460)			
Examination & Classification	10-100-034-5120-066	7,680	7/1/09- 6/30/10				7,680	(1,099)				6,581
Examination & Classification	09-100-034-5120-066	4,932	7/1/08- 6/30/09			3,792			(3,792)			
Corrective Speech	09-100-034-5120-066	930	7/1/08- 6/30/09			930			(930)			
Corrective Speech	10-100-034-5120-066	897	7/1/09- 6/30/10				897					897
Total Special Revenue Fund						9,182	12,559	(3,170)	(9,182)			9,389
State Department of Agriculture												
National School Lunch Program (State Share)												
Fiscal Year 2009	09-100-010-3350-023	837	7/1/08- 6/30/09	(49)			49					
Fiscal Year 2010	10-100-010-3360-067	929	7/1/09- 6/30/10				870	(929)		(59)		
Total Enterprise Fund				(49)			919	(929)		(59)		
Total State Financial Assistance				$ (47,570)	$ -	$ 9,182	$ 854,778	$ (832,128)	$ (9,182)	$ (34,309)	$ -	$ 9,389

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

Riverton School District
Notes to Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2010

I. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Riverton School District. The Board of Education is defined in Note I to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on 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 Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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 the expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is $4,926 for the general fund and $0 for the special revenue fund. See Exhibit C-3, 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 follows:

	Federal	State	Total
General Fund	$ 52,972	$ 832,955	$ 885,927
Special Revenue Fund	178,011	3,170	181,181
Capital Projects Fund			0
Debt Service Fund			0
Food Service Fund	13,758	929	14,687
Total Awards & Financial Assistance	$ 244,741	$ 837,054	$ 1,081,795

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2010. TPAF Social Security Contributions 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.

6. MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

RIVERTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Section 1 -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: UNQUALIFIED

Internal control over financial reporting:

1) Material weakness(es) identified? ____ yes __X__ no

2) Significant deficiencies identified that are not considered to be a material weakness? ____ yes __X__ none reported

Noncompliance material to general purpose financial statements noted? ____ yes __X__ no

Federal Awards **NOT APPLICABLE**

Internal Control over major programs:

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

2) Significant deficiencies identified that are not considered to be a material weakness? ____ yes ____ none reported

Type of auditor's report 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 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

RIVERTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Section 1 -- Summary of Auditor's Results (Continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs:			$300,000	
Auditee qualified as low-risk auditee?	X	yes		no
Internal Control over major programs:				
1) Material weakness(es) identified?		yes	X	no
2) Significant deficiencies identified that are not considered to be a material weakness?		yes	X	none reported
Type of auditor's report on compliance for major programs:	UNQUALIFIED			
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:

State Grant/Project Number(s)	Name of State Program
10-495-034-5120-078	Equalization Aid
10-495-034-5095-002	TPAF Rimbursed Social Security
10-100-010-3350-023	National School Lunch Program (State Share)

RIVERTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Section 2 -- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraph 5.18 through 5.20 of *Government Auditing Standards* and with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

No findings identified.

RIVERTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Section 3 -- Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identifies the audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular 04-04.

FEDERAL AWARDS

A Federal single audit was not required.

STATE AWARDS

No findings and/or questioned costs identified.

RIVERTON SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENED 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*, USOMB Circular A-133 and State of NJOMB Circular 04-04.

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings.

FEDERAL AWARDS

A Federal single audit was not required.

STATE AWARDS

There were no prior year audit findings.