

# **River Dell Regional School District**

**River Dell Regional School District  
Board of Education  
River Edge, New Jersey**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2011**

**Comprehensive Annual**

**Financial Report**

**of the**

**River Dell Regional School District  
Board of Education**

**River Edge, New Jersey**

**For the Fiscal Year Ended June 30, 2011**

**Prepared by**

**River Dell Regional School District  
Board of Education  
Business Department**

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# **INTRODUCTORY SECTION**

***RIVER DELL REGIONAL BOARD OF EDUCATION***

**230 WOODLAND AVENUE**

**RIVER EDGE, NEW JERSEY 07661**

**Tel (201) 599-7201 Fax (201) 261-3809**

**MR. THOMAS L. BONFIGLIO  
BUSINESS ADMINISTRATOR/BOARD SECRETARY**

**REGIONAL SCHOOL DISTRICT  
FOR RIVER EDGE AND ORADELL**

November 28, 2011

Honorable President and Members of the Board of Education  
River Dell Regional School District  
County of Bergen  
River Edge, New Jersey

Dear Board Members:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the River Dell Regional School District (District) for the fiscal year ended June 30, 2011. This CAFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. This report will provide the taxpayers of the River Dell Regional School District with comprehensive financial data in a format enabling them to gain an understanding of the District's financial affairs.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains a Table of Contents, Letter of Transmittal, List of Principal Officials and an Organizational Chart of the District;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the District's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the District, generally presented on a multi-year basis;

- The Single Audit Section - The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, as amended, the U.S. Office Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organization and the New Jersey OMB's Circular 04-04 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, is included in the single audit section of this report.

**School District Organization**

The District provides education to 1,621 students (as of June 30, 2011) in grades seven through twelve. Geographically, the District is comprised of the Boroughs of River Edge and Oradell.

An elected nine-member Board of Education (the "Board") serves as the policy maker for the District. The Board adopts an annual budget and directly approves all expenditures, which serve as the basis for control over, and authorization for, all expenditures of District tax money.

The Superintendent is the chief executive officer of the District, responsible to the Board for total educational and support operations. The Business Administrator/Board Secretary is the chief financial officer of the District, responsible to the Board for maintaining all financial records, making payments of liabilities incurred by the District, acting as custodian of all District funds, and investing funds as permitted by New Jersey law.

**Reporting Entity**

The River Dell Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board's (GASB) as established by Statement No. 14. All funds of the District are included in this report. The River Dell Regional School District Board of Education and its two schools constitute the District's reporting entity.

**Economic Condition and Outlook**

All new construction is closely monitored. The constituent communities continue to have population growth. The two communities within the District have worked to build additional school facilities and have completed their respective referendums.

The District completed the 2010-2011 fiscal year with an enrollment of 1,621 students, which is 1 student less than the previous year's enrollment. The following details the changes in the student average daily enrollment of the District over the last five years.

**AVERAGE DAILY ENROLLMENT**

<b>Fiscal Year</b>	<b>Student Enrollment</b>	<b>Percent change</b>
2010 - 11	1,619.0	.002%
2009 - 10	1,616.0	5.3%
2008 - 09	1,535.5	.06%
2007 - 08	1,525.5	2.2%
2006 - 07	1492.0	.01%

The District, along with many other public school systems in the State, still faces some difficult economic situations in the future since the primary funding source is property tax revenue. The proposed budget was passed by 676 votes in April 2011. Overall total revenue for 2011-2012 was increased by .58%, while the expenditures only increased by .49%. The District's administration is closely monitoring the cost of operations and continues to look for new funding sources in order to maintain the quality educational services that the District has been accustomed to providing.

The District attributes much of its past education success to the community's demand for, and support of, both a traditional and quality school system. Our District will remain accountable to the residents and taxpayers who make the District their school system of choice.

### **Educational Program**

The Mission Statement of the River Dell Regional School District is stated as follows:

1. To provide a safe, student-centered environment in which each student is valued and respected;
2. To challenge each student to reach his/her potential;
3. To nurture every student's intellectual, social, physical and emotional growth;
4. To promote a healthy work ethic, a passion for learning and a respect for one's self and others;
5. To develop responsible citizens for our diverse community and an ever-changing world;
6. To continue to involve our community in an active partnership.
7. To provide all students the opportunity to achieve and exceed the New Jersey Core Curriculum Content Standards.

The River Dell Regional School District offers College preparatory, honors and Advanced Placement courses. These include regular, gifted and talented, as well as special education for disabled students. Students are offered an extensive extracurricular and athletic program including opportunities for students to participate in student government, academic, service, National Honor Society, Foreign Language honor societies, drama, musical performances and female/male sports teams.

Of the Class of 2011 student body, 78% are attending four-year colleges and 16% are attending two-year colleges, among them the most prestigious in the nation. The Middle States Association of College and Secondary Schools and the New Jersey Department of Education accredit River Dell. Parents, students, staff and administration all have a strong commitment to maintain high academic and ethical standards. River Dell has won several Best Practices awards from the New Jersey Department of Education, for our innovative programs including Gifted and Talented, Self Advocacy for Special Students, Sweet Tooth Enterprises (Business), Junior MBA and Production Design. We are also a United States Department of Education Blue Ribbon School of Excellence.

River Dell offers its students a variety of rigorous academic courses, which stress writing, computer and research skills in all disciplines. Most of our students far exceed minimum graduation requirements. As previously noted, 94% of the Class of 2011 pursued higher education, with 78% of students attending a four-year college/university. Noteworthy programs/requirements include:

All students are required to take four years of English, which includes a choice of senior Language Arts courses. In addition, approximately 25% of seniors also take AP English or Syracuse University Project Advance English. Electives include Media/TV Production, which links English and Technology. In addition to required World Cultures and US History, social studies electives include Psychology, Sociology and European History. Our laboratory-based Chemistry, Physics and Biology are offered at levels ranging from College Prep to AP. Science electives include Forensic Science and Human Physiology. Mathematics courses range from Sequential Math I to AP Calculus. World languages are offered at various levels. Languages include Mandarin Chinese, Italian and Spanish. Each year students participate in a statewide Foreign Language Competition, sponsored by Rider University. The Related Arts Department has a wide selection of electives culminating in AP Studio Art, which requires a professional portfolio.

The District has highly competent teaching, supervisory and administrative staff with approximately 37.5% of our 149 certified staff (75.8% hold Masters Degrees) engaging in postgraduate studies beyond the masters level, while 2.7% hold earned doctoral degrees. This staff continues to refine its expertise and competency through ongoing staff development at local seminars, conferences and educational institutions.

### **Financial Information**

Internal Accounting and Budgetary Control - Management of the District is responsible for establishing and maintaining an internal control system 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 accounting principles generally accepted in the United States of America (GAAP). The internal control system 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 controls 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 awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control system is also subject to periodic evaluation by the District management.

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

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 boroughs. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as committed or assigned fund balance at fiscal year end.

### **Cash Management**

The investment policy of the District is guided in large part by state statutes as detailed in "Notes to Basic Financial Statements". 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"). GUDPA 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.

### **Risk Management**

The District 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. A schedule of insurance coverage is found in Exhibit J-20.

### **Independent Audit**

State statutes require an annual audit by independent certified public accountants. The accounting firm of McKinley, White & Co., L.L.P. was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act, OMB Circular A-133, and New Jersey OMB's Circular 04-04. The auditors' report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

**Acknowledgements**

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

Respectfully submitted,



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Patrick J. Fletcher  
Superintendent of Schools

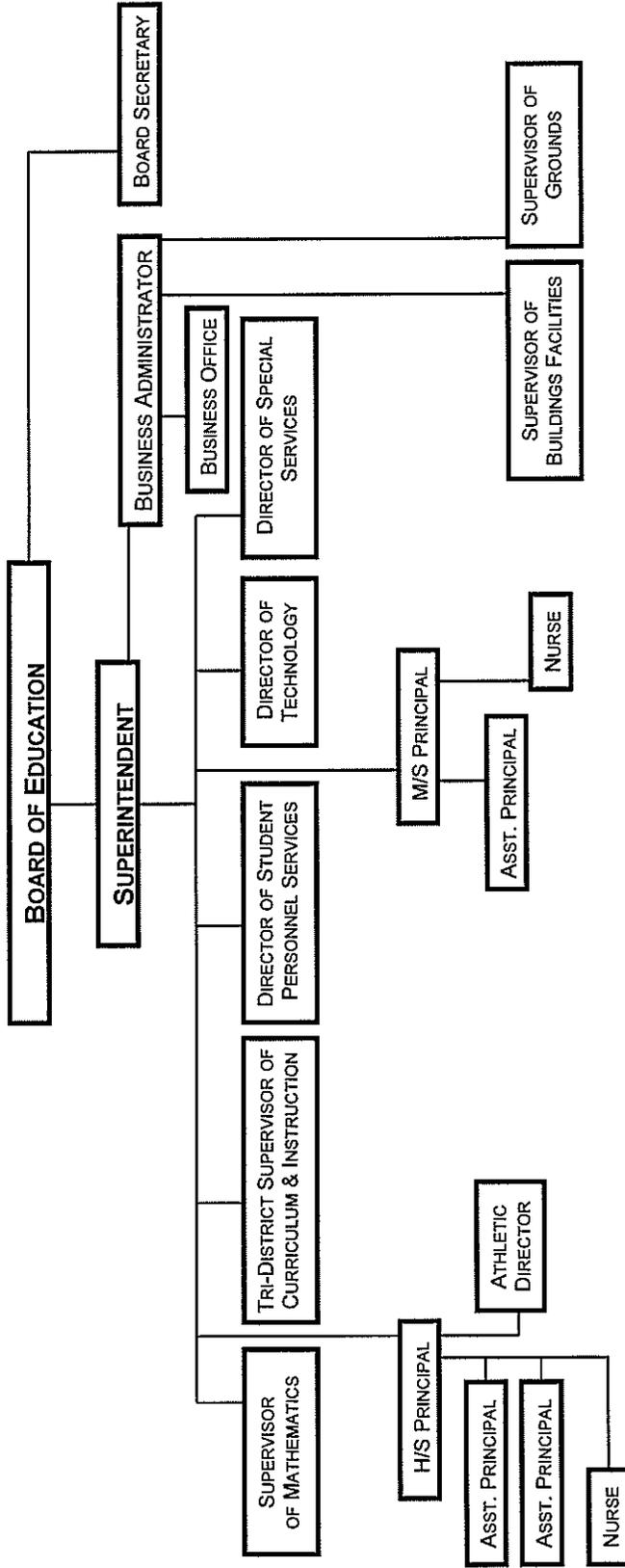


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Thomas L. Bonfiglio  
Business Administrator/Board Secretary

**RIVER DELL REGIONAL BOARD OF EDUCATION**  
 River Edge, NJ 07661

LINE OF RESPONSIBILITY



Approved: November 26, 2007  
 Revised: November 24, 2008  
 Revised: November 18, 2010

RIVER DELL REGIONAL SCHOOL DISTRICT  
BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2011

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Vito Acquafredda, Vice President (River Edge)	2014
Patricia Almberg (River Edge)	2014
Paul Barnes (Oradell)	2014
Dorothea Durand (Oradell)	2013
Michael Chakansky (Oradell)	2013
Stephanie Hartman (River Edge)	2013
Joseph Manzelli, Jr., President (River Edge)	2012
Claudia O'Neill (River Edge)	2012
Roger Tashjian (Oradell)	2012

OTHER OFFICIALS

Patrick J. Fletcher, Superintendent of Schools

Thomas L. Bonfiglio, Business Administrator/Board Secretary

Irwin S. Cohen, Treasurer of School Moneys

Rodney T. Hara, Esq., Legal Counsel

RIVER DELL REGIONAL SCHOOL DISTRICT  
BOARD OF EDUCATION

Consultants and Advisors

Audit Firm

McKinley, White & Co., L.L.P.  
One Woodland Avenue  
Paramus, New Jersey 07652

Attorney

Fogarty & Hara  
16-00 Route 208 South  
Fair Lawn, NJ 07410

Official Depository

TD Banknorth  
126 North Washington Avenue  
Bergenfield, New Jersey 07621

## **FINANCIAL SECTION**

**MCKINLEY, WHITE & CO., L.L.P.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**Independent Auditors' Report**

Honorable President and Members  
of the Board of Education  
River Dell Regional School District  
County of Bergen  
River Edge, 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 Board of Education of the River Dell Regional School District (the District), in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board of Education of the River Dell Regional 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 and Regulatory Compliance, 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 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the River Dell Regional School District, in the County of Bergen, State of New Jersey, as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2011 on our consideration of the Board of Education of the River Dell Regional School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying Management's Discussion and Analysis on pages 12 through 21, and Budgetary Comparison Information on pages 56 through 70, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of the River Dell Regional School District's basic financial statements. The accompanying introductory section, other supplementary information such as the combining and individual fund financial statements, financial schedules and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. The combining and individual fund financial statements, financial schedules and schedules of expenditures of federal awards and state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section 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.

*McKinley White & Co. LLP*

McKINLEY, WHITE & CO., L.L.P.  
Certified Public Accountants

*Thomas W. McKinley*

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Thomas W. McKinley, CPA  
Licensed Public School Accountant  
License #20CS0044200

Paramus, New Jersey  
November 30, 2011

**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

**RIVER DELL REGIONAL SCHOOL DISTRICT  
RIVER EDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED**

The discussion and analysis of River Dell Regional School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2011 are as follows:

- In total, net assets increased by \$1,813,357, which represents an 11.8% increase from 2010.
- General revenues accounted for \$27,663,180 of revenue or 88.44% of the total revenue.
- Program specific revenues in the form of charges for services, capital grants and operating grants and contributions accounted for \$3,616,706 or 11.56% of total revenues of \$31,279,886.
- Total assets of governmental activities increased by \$124,154 as cash increased by \$1,014,274; receivables increased by \$231,060; deferred costs decreased by \$8,983, and capital assets decreased by \$1,112,197.
- The District had \$29,466,529 in expenses; only \$3,616,706 of these expenses was offset by program specific charges for services, grants, or contributions. General revenues (primarily taxes) of \$27,663,180 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$27,627,098 in revenues and \$26,744,492 in expenditures. The General Fund's fund balance increased by \$847,412 over 2009-2010, now totaling \$1,625,398.
- In December 2010, the District infused \$21,610 and \$10,703, respectively for tuition from the General Fund Balance.

**Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the River Dell Regional School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements look at all the District's funds. In the case of River Dell Regional School District, the General Fund is by far the most significant Fund.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
RIVER EDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (CONTINUED)**

**Reporting the School District as a Whole**

**Statement of Net Assets and the Statement of Activities**

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District, as a whole looks at all financial transactions and asks the question, "How did we do financially during 2010-2011?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors; some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs, and other factors.

In the Statement of Net Assets and the Statement of Activities, the District is divided into two distinct kinds of activities:

- **Governmental Activities** - All of the District's programs and services are reported here including instruction, support services, operation, and maintenance of plant facilities, pupil transportation, and extracurricular activities.
- **Business-Type Activities** - These services are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Services enterprise fund is reported as a business activity.

**Reporting the School District's Most Significant Funds**

**Fund Financial Statements**

Fund financial statements provide detailed information about the District's funds. The District uses many funds to account for a multitude of financial transactions. The District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
RIVER EDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (CONTINUED)**

**Governmental Funds**

The district's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future years. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental funds information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements

**Proprietary Funds**

The District maintains an Enterprise Fund which is used to report the activity of the Food Service and an Internal Service Fund which reports the governmental activities of the Tri-District Coordinated Curriculum Program. The Enterprise Fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

**The School District as a Whole**

The Statement of Net Assets provides the perspective of the School District as a whole.

Table 1 provides a summary of the District's net assets at June 30.

TABLE 1  
NET ASSETS

	Governmental Activities		Business-type Activities		Total		Amount Change	% Change
	2011	2010	2011	2010	2011	2010		
<b>Assets:</b>								
Current and								
Other Assets	\$ 2,765,506	\$ 1,529,155	\$ 67,042	\$ 59,091	\$ 2,832,548	\$ 1,588,246	\$ 1,244,302	78.34%
Capital Assets	32,531,242	33,643,439	25,528	19,251	32,556,770	33,662,690	(1,105,920)	-3.29%
<b>Total Assets</b>	<b>35,296,748</b>	<b>35,172,594</b>	<b>92,570</b>	<b>78,342</b>	<b>35,389,318</b>	<b>35,250,936</b>	<b>138,382</b>	<b>0.39%</b>
<b>Liabilities:</b>								
Long-term Liabilities	16,929,058	18,995,657			16,929,058	18,995,657	(2,066,599)	-10.88%
Other Liabilities	1,251,831	843,981		16,226	1,251,831	860,207	391,624	45.53%
<b>Total Liabilities</b>	<b>18,180,889</b>	<b>19,839,638</b>	<b>0</b>	<b>16,226</b>	<b>18,180,889</b>	<b>19,855,864</b>	<b>(1,674,975)</b>	<b>-8.44%</b>
<b>Net Assets:</b>								
Invested in Capital								
Assets, Net of Debt	15,953,743	14,999,328	25,528	19,251	15,979,271	15,018,579	960,692	6.40%
Restricted	1,378,744	669,271			1,378,744	669,271	709,473	106.01%
Unrestricted	(216,628)	(335,643)	67,042	42,865	(149,586)	(292,778)	143,192	-48.91%
<b>Total Net Assets</b>	<b>\$ 17,115,859</b>	<b>\$ 15,332,956</b>	<b>\$ 92,570</b>	<b>\$ 62,116</b>	<b>\$ 17,208,429</b>	<b>\$ 15,395,072</b>	<b>\$ 1,813,357</b>	<b>11.78%</b>

**RIVER DELL REGIONAL SCHOOL DISTRICT  
RIVER EDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (CONTINUED)**

**The School District as a Whole (Continued)**

The District's combined net assets were \$17,208,429. This was an increase of 11.78 percent from 2010.

Table 2 shows changes in net assets for fiscal years 2011 and 2010.

Table 2 Changes in Net Assets				
	2011	2010	Amount Change	% Change
Revenues:				
Program Revenues:				
Charges for Services	\$ 441,894	\$ 482,185	\$ (40,291)	-8.36%
Operating Grants and Contributions	3,077,733	2,772,957	304,776	10.99%
Capital Grants and Contributions	97,079			
General Revenues:				
Property Taxes	27,046,741	25,673,913	1,372,828	5.35%
Grants and Entitlements		1,287,742	(1,287,742)	-100.00%
Other	616,439	683,402	(66,963)	-9.80%
<b>Total Revenues</b>	<b>31,279,886</b>	<b>30,900,199</b>	<b>282,608</b>	<b>0.91%</b>
Program Expenses:				
Instruction	14,592,918	15,089,879	(496,961)	-3.29%
Support Services:				
Tuition	1,963,326	1,912,308	51,018	2.67%
Pupils and Instructional Staff	3,854,724	4,034,820	(180,096)	-4.46%
General Administration, School Administration, Central Services, Information Technology and Maintenance of Facilities	6,044,897	5,954,611	90,286	1.52%
Pupil Transportation	537,118	598,699	(61,581)	-10.29%
Interest on Debt	658,515	714,554	(56,039)	-7.84%
Unallocated Depreciation and Loss on Disposal of Assets	1,530,856	1,461,850	69,006	4.72%
Enterprise Fund	284,175	295,687	(11,512)	-3.89%
<b>Total Expenses</b>	<b>29,466,529</b>	<b>30,062,408</b>	<b>(595,879)</b>	<b>-1.98%</b>
<b>Increase in Net Assets</b>	<b>\$ 1,813,357</b>	<b>\$ 837,791</b>	<b>\$ 878,487</b>	<b>104.86%</b>

**Governmental Activities**

The District's total governmental activities revenues were \$30,965,257 for the year ended June 30, 2011. The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for District operations. Property taxes made up 87.35 percent of revenues for governmental activities for the River Dell Regional School District for fiscal year 2011. Federal and state grants accounted for another 10.25 percent of governmental activities revenues.

The total cost of all governmental activities programs and services was \$29,182,354. Instruction comprises 50.01 percent of District expenses.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
RIVER EDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (CONTINUED)**

**Business - Type Activities**

Revenues for the District's business - type activities (food service program) were comprised of charges for services.

- Food service - had an operating profit of \$2,282 reported by the management company, which was offset by year-end depreciation, inventory, and other adjustments.

**Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	<u>Total Cost of Services 2011</u>	<u>Net Cost of Services 2011</u>	<u>Total Cost of Services 2010</u>	<u>Net Cost of Services 2010</u>	<u>Amount Change Total Cost of Services</u>	<u>Amount Change Net Cost of Services</u>
Instruction	\$ 14,592,918	\$ 12,628,738	\$ 15,089,879	\$ 13,266,547	\$ (496,961)	\$ (637,809)
Support Services:						
Tuition	1,963,326	1,829,482	1,912,308	1,781,536	51,018	47,946
Pupils and Instructional Staff	3,854,724	2,918,891	4,034,820	3,214,187	(180,096)	(295,296)
General Administration, School Administration, Central Services, Administrative Information Technology and Maintenance of Facilities	6,044,897	5,838,551	5,954,611	5,764,465	90,286	74,086
Pupil Transportation	537,118	537,118	598,699	598,699	(61,581)	(61,581)
Capital Outlay		(97,079)				
Interest on Debt	658,515	658,515	714,554	714,554	(56,039)	(56,039)
Depreciation and Disposal Equipment Loss	1,530,856	1,530,856	1,461,850	1,461,850	69,006	69,006
<b>Total Expenses</b>	<b>\$ 29,182,354</b>	<b>\$ 25,845,072</b>	<b>\$ 29,766,721</b>	<b>\$ 26,801,838</b>	<b>\$ (584,367)</b>	<b>\$ (859,687)</b>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities involve keeping the school grounds, buildings and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school as well as to and from school activities, as provided by State law.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
RIVER EDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (CONTINUED)**

**Governmental Activities (Continued)**

Interest on debt involves the transactions associated with the payment of interest and other related charges on debt of the District.

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$30,837,992 and expenditures were \$29,984,094. The net increase in fund balance for the year, \$818,693, was most significant in the General Fund, an increase of \$847,412.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following table presents a summary of the revenues of the governmental funds for the general fund, special revenue fund and debt service fund for the fiscal year ended June 30, 2011, and the amount and percentage of increases and decreases in relation to prior year revenues. The capital projects fund has been excluded, as these revenues vary substantially from year to year.

<u>Revenue</u>	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2009-10</u>	<u>Percent Of Increase (Decrease)</u>
Local Sources	\$ 27,663,169	89.70 %	\$ 1,285,993	4.88 %
State Sources	2,329,263	7.55	(831,496)	(26.31) %
Federal Sources	845,549	2.75	(34,391)	(3.91) %
<b>Total</b>	<b>\$ 30,837,981</b>	<b>100.00 %</b>	<b>\$ 420,106</b>	<b>1.38 %</b>

The increase in revenue from local sources of \$1,285,993 is primarily due to an increase in local tax levy. The increase in local revenue was needed to fund the additional expenditures associated with higher operating costs and the minimal increases in state aid.

Revenues from state sources decreased by \$831,496. On-Behalf TPAF pension contributions, post-retirement medical and reimbursed TPAF social security contributions decreased by a total amount of \$2,739, (which is off-set by an equal decrease in expenditures). The other state aid recorded in the general fund and special revenue fund decreased by \$828,757 is the result of state aid reductions compared to the prior year.

Federal revenues decreased by \$34,391, primarily due to the decreased funding for the E.S.E.A grant of \$46,740.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
RIVER EDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (CONTINUED)**

**The School District's Funds (Continued)**

The following table presents a summary of the general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2011 and the amount of increases and decreases in relation to prior year expenditures. The capital projects fund has been excluded, as these expenditures vary substantially from year to year.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2009-10</u>	<u>Percent of Increase (Decrease)</u>
Current Expense:				
Instruction	\$ 11,669,760	38.95% %	\$ (261,591)	(2.19) %
Undistributed Expenditures	14,781,871	49.35%	(280,854)	(1.86) %
Capital Outlay	292,861	0.98%	221,636	311.18 %
Special Revenue	1,027,560	3.43%	(47,884)	(4.45) %
Debt Service	<u>2,183,323</u>	<u>7.29%</u>	<u>(10,475)</u>	<u>(0.48) %</u>
Total	<u>\$ 29,955,375</u>	<u>100.00% %</u>	<u>\$ (379,168)</u>	<u>(1.25) %</u>

Changes in expenditures were the results of varying factors. Current expense decreased due to decreases in salaries, employee benefits and utility costs. Additionally, on-behalf TPAF pension contributions, post-retirement medical and reimbursed TPAF social security contributions decreased by a total amount of \$2,739, (which is off-set by an equal decrease in revenues). The decrease in instruction and undistributed expenditures of \$542,445 is primarily the result of a reduction of salaries and benefits costs of teachers and staff, due to unanticipated retirements of seasoned staff and reductions in force of other staff. Capital outlay increased as a result of equipment purchases in the current year. Debt service decreased due to the change in current year principal and interest charges.

The decrease in special revenue fund expenditures is primarily due to the decreased funding for the E.S.E.A grant of \$46,740.

**General Fund Budgeting Highlights**

The District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
RIVER EDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (CONTINUED)**

**General Fund Budgeting Highlights (Continued)**

The District had numerous budget transfers during the 2010-2011 school year. Key highlights include:

- Regular Programs Salary of Teachers - Approximately \$157,443 was transferred from grades 9-12 and \$105,545 of that was transferred to grades 6-8 due to personnel changes.
- Regular Programs Undistributed Instruction - Approximately \$199,196 was transferred to the 610 account for additional technology purchases.
- Special Education Other Salaries - \$76,055 was transferred from this account to regular programs due to fewer students needing aides.
- Resource Room/Resource Center Salary of Teacher - \$103,751 was transferred to this account due to more coverage needed.
- Basic Skills/Remedial Instruction - \$63,869 was transferred out of the salary account due to fewer students needing these services.
- Undistributed Expenditures/Tuition - funds were transferred to/from these accounts due to classifications changing.
- Guidance - \$58,015 was transferred to salaries due to personnel changes.
- Support Services Administrative Information Technology - \$66,912 was transferred out of supplies, due to fewer needs.
- Required Maintenance for School Facilities - \$310,951 was transferred into this account to fund various maintenance projects.
- Operations and Maintenance - Energy - \$86,872 was transferred from electricity and natural gas due to cost savings from better pricing.
- Student Transportation Services - \$213,683 was transferred from these accounts due to fewer transported students. The funds were used for additional facility repairs and additional technology.
- Unallocated Benefits - Health Benefits - \$453,237 was transferred out due to cost reductions from employee co-pay. The funds were used to replenish the unemployment fund and capital projects.
- Facilities Acquisition and Construction Services - \$340,224 was transferred in and used for the refurbishment of the Middle School science labs.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
RIVER EDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (CONTINUED)**

**Capital Assets**

At June 30, 2011, the District had \$32,556,770 invested in land, building, improvements and machinery and equipment. Table 4 shows fiscal year 2011 balances compared to 2010.

**Table 4  
Capital Assets (Net of Depreciation) at June 30,**

	2011	2010
Land	\$ 216,520	\$ 216,520
Site Improvements	1,507,032	1,619,947
Building and Improvements	29,147,020	29,583,444
Machinery and Equipment	1,686,198	2,242,779
Total	\$ 32,556,770	\$ 33,662,690

Overall capital assets decreased \$1,105,920 from fiscal year 2010 to fiscal year 2011. The decrease in capital assets is due primarily to depreciation being more than additions to equipment.

**Debt Administration**

At June 30, 2011, the District had \$16,929,058 of outstanding debt. Of this amount, \$351,559 is for compensated absences; \$554,499 for various capital leases; and \$16,023,000 of serial bonds for school construction projects.

**Table 5  
Outstanding Serial Bonds at June 30,**

	2011	2010
1991 General Obligation Bonds	\$ 241,000	\$ 491,000
2003 General Obligation Bonds		265,000
2004 General Obligation Bonds	15,782,000	16,782,000
	\$ 16,023,000	\$ 17,538,000

At June 30, 2011, the School District's available borrowing margin was \$111,440,501.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
RIVER EDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (CONTINUED)**

**For the Future**

The River Dell Regional School District is in good financial condition presently. The District is proud of its community support of the public schools. A major concern is the projected enrollment growth of the District with the increased reliance on local property taxes. However, future finances are not without challenges as the community continues to grow and State funding is not increasing.

The River Dell Regional School District's budget for 2011-2012 was approved by the voters.

In conclusion, the River Dell Regional School District has committed itself to financial excellence for many years. In addition, the District's system for financial planning, budgeting and internal financial controls are well regarded. The District plans to continue its sound fiscal management to meet the challenge of the future.

**Contacting the School District's Financial Management**

The financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the District's Business Administrator, Mr. Thomas L. Bonfiglio, at 230 Woodland Avenue, River Edge, NJ 07661.

## **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. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

RIVER DELL REGIONAL SCHOOL DISTRICT  
Statement of Net Assets  
June 30, 2011

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 2,027,454	\$ 66,203	\$ 2,093,657
Receivables, net	293,339		293,339
Inventories		839	839
Restricted assets:			
Cash	52,942		52,942
Capital reserve account - cash	351,530		351,530
Deferred bond issuance costs, net	40,241		40,241
Capital assets, net	<u>32,531,242</u>	<u>25,528</u>	<u>32,556,770</u>
Total assets	<u>35,296,748</u>	<u>92,570</u>	<u>35,389,318</u>
<b>LIABILITIES</b>			
Accounts payable	1,024,788		1,024,788
Payable to state government	22,137		22,137
Accrued interest	204,906		204,906
Noncurrent liabilities:			
Due within one year	2,120,819		2,120,819
Due beyond one year	<u>14,808,239</u>		<u>14,808,239</u>
Total liabilities	<u>18,180,889</u>		<u>18,180,889</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	15,953,743	25,528	15,979,271
Restricted for:			
Capital reserve	351,530		351,530
Capital projects	52,942		52,942
Other purposes	974,272		974,272
Unrestricted (deficit)	<u>(216,628)</u>	<u>67,042</u>	<u>(149,586)</u>
Total net assets	<u>\$ 17,115,859</u>	<u>\$ 92,570</u>	<u>\$ 17,208,429</u>

The accompanying notes to basic financial statements are an integral part of this statement.

RIVER DELL REGIONAL SCHOOL DISTRICT  
Statement of Activities  
For the Fiscal Year Ended June 30, 2011

<u>Function/Programs</u>	<u>Expenses</u>	<u>Indirect Expenses Allocation</u>	<u>Program Charge for Services</u>
Government activities:			
Instruction:			
Regular	\$ 8,712,661	\$ 2,478,359	\$
Special education	1,536,714	478,665	
Other special instruction	247,746	76,314	
Other instruction	872,315	190,144	
Support services:			
Tuition	1,963,326		
Student and instruction related services	3,161,042	693,682	162,470
School administrative services	1,127,404	387,026	
General administration services	470,436	114,592	
Central services	400,541	135,006	
Administrative information technology services	390,894	104,078	
Plant operations and maintenance	2,422,542	492,378	
Pupil transportation	523,961	13,157	
Capital outlay			
Interest on long-term debt	658,515		
Unallocated depreciation	1,530,856		
Total governmental activities	<u>24,018,953</u>	<u>5,163,401</u>	<u>162,470</u>
Business-type activities			
Food services	<u>284,175</u>		<u>279,424</u>
Total business-type activities	<u>284,175</u>		<u>279,424</u>
Total primary government	<u>\$ 24,303,128</u>		<u>\$ 441,894</u>

## **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.

Revenues		Net (Expense) Revenue and Changes in Net Assets		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ 1,302,140	\$	\$ (9,888,880)	\$	\$ (9,888,880)
549,512		(1,465,867)		(1,465,867)
32,228		(291,832)		(291,832)
80,300		(982,159)		(982,159)
133,844		(1,829,482)		(1,829,482)
773,363		(2,918,891)		(2,918,891)
117,178		(1,397,252)		(1,397,252)
25,384		(559,644)		(559,644)
19,831		(515,716)		(515,716)
43,953		(451,019)		(451,019)
		(2,914,920)		(2,914,920)
		(537,118)		(537,118)
	97,079	97,079		97,079
		(658,515)		(658,515)
		(1,530,856)		(1,530,856)
<u>3,077,733</u>	<u>97,079</u>	<u>(25,845,072)</u>		<u>(25,845,072)</u>
			(4,751)	(4,751)
			(4,751)	(4,751)
<u>\$ 3,077,733</u>	<u>\$ 97,079</u>	<u>\$ (25,845,072)</u>	<u>\$ (4,751)</u>	<u>\$ (25,849,823)</u>
General revenues:				
Property taxes levied for:				
General purposes		\$ 24,863,418	\$	\$ 24,863,418
Debt service		2,183,323		2,183,323
Tuition received		376,858		376,858
Investment earnings		30,066		30,066
Miscellaneous income		209,515		209,515
Transfers		(35,205)	35,205	
Total general revenues		<u>27,627,975</u>	<u>35,205</u>	<u>27,663,180</u>
Change in net assets		1,782,903	30,454	1,813,357
Net assets - beginning		<u>15,332,956</u>	<u>62,116</u>	<u>15,395,072</u>
Net assets - ending		<u>\$ 17,115,859</u>	<u>\$ 92,570</u>	<u>\$ 17,208,429</u>

The accompanying notes to basic financial statements are an integral part of this statement.

RIVER DELL REGIONAL SCHOOL DISTRICT  
Balance Sheet  
Governmental Funds  
June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash	\$ 2,001,236	\$	\$ 52,942	\$	\$ 2,054,178
Cash - capital reserve	351,530				351,530
Accounts receivable:					
State	46,368	6,527			52,895
Federal		240,444			240,444
Interfund	140,683				140,683
<b>Total assets</b>	<b>\$ 2,539,817</b>	<b>\$ 246,971</b>	<b>\$ 52,942</b>	<b>\$</b>	<b>\$ 2,839,730</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 914,419	\$ 84,151	\$	\$	\$ 998,570
Intergovernmental payable:					
State		22,137			22,137
Interfund payables		140,683			140,683
<b>Total liabilities</b>	<b>914,419</b>	<b>246,971</b>	<b></b>	<b></b>	<b>1,161,390</b>
<b>Fund balances:</b>					
<b>Restricted for:</b>					
Capital projects			52,942		52,942
Capital reserve	351,530				351,530
Reserved for excess surplus	455,650				455,650
Reserved excess surplus - designated for subsequent year's expenditures	118,887				118,887
<b>Committed:</b>					
Year-end Encumbrances	226,899				226,899
<b>Assigned:</b>					
Year-end Encumbrances	172,836				172,836
Unassigned	299,596				299,596
<b>Total fund balances</b>	<b>1,625,398</b>	<b></b>	<b>52,942</b>	<b></b>	<b>1,678,340</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,539,817</b>	<b>\$ 246,971</b>	<b>\$ 52,942</b>	<b>\$</b>	<b>\$</b>

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

The costs associated with the issues of the various bonds are expensed in the governmental funds in the year the bonds are issued, but are capitalized on the statement of net assets. The bond issuance costs are \$105,135 and the accumulated amortization is \$64,894.	40,241
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. The costs of the assets are \$43,540,382 and the accumulated depreciation is \$11,009,140.	32,531,242
Accrued interest is not due and payable in the current period, and therefore, is not reported as a liability in the funds.	(204,906)
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. (See Note 8)	<u>(16,929,058)</u>
<b>Net assets of governmental activities</b>	<b>\$ <u>17,115,859</u></b>

The accompanying notes to basic financial statements are an integral part of this statement.

RIVER DELL REGIONAL SCHOOL DISTRICT  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2011

	\$ General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 24,863,418		\$	\$ 2,183,323	\$ 27,046,741
Tuition	376,858				376,858
Interest earned on investments	30,055		11		30,066
Miscellaneous	209,515				209,515
Total revenues - local sources	25,479,846		11	2,183,323	27,663,180
State sources	2,147,252	182,011			2,329,263
Federal sources		845,549			845,549
Total revenues	27,627,098	1,027,560	11	2,183,323	30,837,992
<b>EXPENDITURES:</b>					
Current expense:					
Regular instruction	9,012,985	251,288			9,264,273
Special education instruction	1,536,714				1,536,714
Other special instruction	247,746				247,746
Other instruction	872,315				872,315
Support services and undistributed costs:					
Tuition	1,829,482	133,844			1,963,326
Student and instruction related services	2,460,507	538,065			2,998,572
School administration services	1,127,404				1,127,404
General administration services	470,436				470,436
Central services	400,541				400,541
Administrative information technology services	390,894				390,894
Plant operations and maintenance	2,422,542				2,422,542
Pupil transportation	523,961				523,961
Employee benefits	5,156,104	7,284			5,163,388
Capital outlay	292,861	97,079	28,719		418,659
Debt service:					
Principal				1,515,000	1,515,000
Interest				668,323	668,323
Total expenditures	26,744,492	1,027,560	28,719	2,183,323	29,984,094
Excess (deficiency) of revenues over (under) expenditures	882,606		(28,708)		853,898
Other financing sources (uses):					
Transfers out	(35,205)		(11)		(35,216)
Transfers in	11				11
Total other financing sources (uses)	(35,194)		(11)		(35,205)
Net change in fund balances	847,412		(28,719)		818,693
Fund balances - July 1,	777,986		81,661		859,647
Fund balances - June 30	\$ 1,625,398	\$	\$ 52,942	\$	\$ 1,678,340

The accompanying notes to basic financial statements are an integral part of this statement.

RIVER DELL REGIONAL 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, 2011

Total net change in fund balances - governmental funds (from B-2)	\$	818,693
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in 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 period.</p>		
Depreciation	\$ (1,530,856)	
Capital outlays	<u>418,659</u>	(1,112,197)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		1,515,000
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		551,612
In the statement of activities, interest on long-term debt in the statement of activities is accrued regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an increase in the reconciliation.		<u>18,791</u>
Sub-total		<u>1,791,899</u>

The accompanying notes to basic financial statements are an integral part of this statement.

RIVER DELL REGIONAL 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, 2011

	Balance forward	\$ 1,791,899
<p>Debt issuance costs are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as amortization expense. This is the amount by which amortization exceeded capital outlay in the period.</p>		
Amortization expense	\$ <u>(8,983)</u>	(8,983)
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and sick days) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the amount earned, the difference is an addition to the reconciliation.</p>		
		<u>(13)</u>
Change in net assets of governmental activities		\$ <u><u>1,782,903</u></u>

The accompanying notes to basic financial statements are an integral part of this statement.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Statement of Net Assets  
 Proprietary Funds  
 June 30, 2011

	<u>Business-type Activities - Enterprise Funds Food Services</u>	<u>Governmental Activities - Internal Service Fund Tri-District Coordinated Curriculum Services</u>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 66,203	\$ 26,218
Inventories	839	
Total current assets	<u>67,042</u>	<u>26,218</u>
Noncurrent assets:		
Furniture, machinery and equipment	204,969	
Less: accumulated depreciation	<u>179,441</u>	
Total noncurrent assets	<u>25,528</u>	
Total assets	<u>92,570</u>	<u>26,218</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable		<u>26,218</u>
Total current liabilities		<u>26,218</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	25,528	
Unrestricted	<u>67,042</u>	
Total net assets	<u>\$ 92,570</u>	<u>\$</u>

The accompanying notes to basic financial statements are an integral part of this statement.

RIVER DELL REGIONAL SCHOOL DISTRICT  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2011

	<u>Business-type Activities - Enterprise Funds</u>	<u>Governmental Activities - Internal Service Fund Tri-District Coordinated Curriculum Services</u>
	<u>Food Services</u>	
<b>OPERATING REVENUES:</b>		
Charges for services:		
Daily sales - non-reimbursable programs	\$ 279,424	\$
Service fees		<u>162,470</u>
Total operating revenue	<u>279,424</u>	<u>162,470</u>
<b>OPERATING EXPENSES:</b>		
Salaries	97,630	117,439
Payroll taxes	12,495	
Employee benefits	14,237	27,013
Management and administrative fees	41,067	
Insurance	14,731	
Supplies	1,221	8,637
Rent	3,012	
Repairs	1,623	
Outside services	979	9,381
Miscellaneous	440	
Depreciation	3,928	
Cost of sales - food and general supplies	<u>92,812</u>	
Total operating expenses	<u>284,175</u>	<u>162,470</u>
Operating loss	<u>(4,751)</u>	
Loss before operating transfers	(4,751)	
Operating transfer in - General Fund	<u>35,205</u>	
Change in net assets	30,454	
Total net assets - July 1	<u>62,116</u>	
Total net assets - June 30	<u>\$ 92,570</u>	<u>\$</u>

The accompanying notes to basic financial statements are an integral part of this statement.

RIVER DELL REGIONAL SCHOOL DISTRICT  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund Tri-District Coordinated Curriculum Services
	Food Services	
Cash flows from operating activities:		
Receipts from customers	\$ 279,424	\$ 162,470
Payments to employees	(97,630)	(117,439)
Payment for payroll taxes and employee benefits	(26,732)	(27,013)
Payments to suppliers	(172,587)	(13,436)
Net cash provided (used) by operating activities	(17,525)	4,582
Cash flows from noncapital financing activities:		
Operating subsidies and transfers from other funds	35,205	
Net cash provided by noncapital financing activities	35,205	
Cash flows from capital and related financing activities:		
Additions to leasehold improvements and equipment	(10,205)	
Net cash used by capital and related financing activities	(10,205)	
Net increase in cash	7,475	4,582
Cash - July 1	58,728	21,636
Cash - June 30	\$ 66,203	\$ 26,218
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating loss	\$ (4,751)	\$
Adjustments not affecting cash:		
Depreciation	3,928	
Change in assets and liabilities:		
Increase in inventories	(476)	
Increase (decrease) in accounts payable	(16,226)	4,582
Total adjustments	(12,774)	4,582
Net cash provided (used) by operating activities	\$ (17,525)	\$ 4,582

The accompanying notes to basic financial statements are an integral part of this statement.

RIVER DELL REGIONAL SCHOOL DISTRICT  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2011

	Private Purpose Scholarship Funds	Unemployment Compensation Insurance Trust Fund	Agency Funds
<b>ASSETS</b>			
Cash	\$ 125,096	\$ 164,555	\$ 308,916
Interfund receivable		4,564	
Total assets	125,096	169,119	\$ 308,916
<b>LIABILITIES</b>			
Accounts payable		22,288	\$
Intergovernmental:			
Interfund payable			4,564
Payroll deductions and withholdings			97,062
Due to student groups			207,290
Total liabilities		22,288	\$ 308,916
<b>NET ASSETS</b>			
Held in trust for unemployment claims and other purposes		\$ 146,831	
Reserved for scholarships	\$ 125,096		

The accompanying notes to basic financial statements are an integral part of this statement.

RIVER DELL REGIONAL SCHOOL DISTRICT  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2011

	<u>Private Purpose Scholarship Funds</u>	<u>Unemployment Compensation Insurance Trust Fund</u>
ADDITIONS:		
Contributions:		
Other	\$ 26,290	\$
Employer		125,000
Plan member		24,336
	<u>26,290</u>	<u>149,336</u>
Total contributions		
	<u>26,290</u>	<u>149,336</u>
Investment earnings:		
Interest	62	
	<u>62</u>	
Net investment earnings	<u>62</u>	
Total additions	<u>26,352</u>	<u>149,336</u>
DEDUCTIONS:		
Scholarship/award payments	31,250	
Unemployment compensation insurance claims and fees		112,396
	<u>31,250</u>	<u>112,396</u>
Total deductions	<u>31,250</u>	<u>112,396</u>
Change in net assets	(4,898)	36,940
Net assets - July 1	<u>129,994</u>	<u>109,891</u>
Net assets - June 30	<u>\$ 125,096</u>	<u>\$ 146,831</u>

The accompanying notes to basic financial statements are an integral part of this statement.

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education of the River Dell Regional School District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**A. Reporting Entity:**

The River Dell Regional School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of nine members elected to three-year terms and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The purpose of the District is to educate students in grades 7 - 12.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

**B. Basis of Presentation:**

The District's basic financial statements consist of District-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 District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued):

The statement of net assets presents the financial condition of the governmental and business-type activities of the District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

*Fund Financial Statements:* During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental, proprietary, and fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund - The general fund is the general operating fund of the District. It is used to account for all expendable 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, which are classified in the capital outlay sub fund.

As required by the New Jersey State Department of Education, the 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 that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings and the purchase of built-in equipment. These resources cannot be transferred from and to current expense without board resolution and NJDOE approval.

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenue from 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.

**RIVER DELL REGIONAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued):

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 temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election and from state aid through economic development grants.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for and the payment of, principal and interest on bonds issued to finance major property acquisition, construction, and improvement programs.

The District reports the following proprietary funds:

Enterprise Fund: The enterprise fund accounts for all revenues and expenses pertaining to the District's food service (cafeteria) operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges.

Governmental Activities - Internal Service Fund: The internal service fund includes the revenues and expenses for Tri-District Coordinated Curriculum Services Program. The District shares the costs of the program with the Borough of Oradell and Borough of River Edge Boards of Education. The programs revenues are equal to the expenses incurred in the program.

The District reports the following fiduciary funds:

Agency Funds: The agency funds are used to account for assets held by the District in a trustee capacity or as an agent for outside parties including other governments on behalf of other funds within the District. Agency funds include payroll, payroll agency and student activity funds.

Private Purpose Scholarship Funds: The District maintains funds from donations to provide scholarship awards.

Unemployment Compensation Insurance Trust Fund: The District maintains a fund to pay for employees' unemployment claims.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting:**

Measurement focus and basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

*District-wide, Proprietary, and Fiduciary Fund Financial Statements:* The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise funds and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its District the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The 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 District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements:* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business-type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

**D. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval 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, except for the special revenue fund. 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. 6A:23-2.2(f) 1.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets/Budgetary Control (Continued):

All budget amendments/transfers must be approved by School Board resolution and may be made at any time during the fiscal year, as long as the "transfer from" does not exceed 10% of the original line item budget, is not going to an administrative account, and is not going to or from capital outlay construction of facilities. If a transfer is anticipated to exceed 10%, the District must obtain NJDOE approval prior to making the transfer. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining capital project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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, extraordinary special education costs aid, and additional nonpublic school transportation aid, 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 grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

E. 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. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund for which the 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.

**RIVER DELL REGIONAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Assets, Liabilities and Net Assets or Equity:**

**Cash:**

Cash includes cash in banks and money market accounts.

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

**Receivables and Allowance for Uncollectible Accounts:**

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

**Inventories:**

Inventories in the proprietary funds are valued at cost, which approximates market, using the first-in first-out (FIFO) method.

**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 District and that are due within one year.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities and Net Assets or Equity (Continued):

Capital Assets:

The District has an established formal system of accounting for its capital assets. Purchased or constructed capital assets, including assets acquired under capital leases, are reported at cost or estimated historical cost through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The District does not possess any infrastructure.

All reported capital assets, except for land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Site improvements	20
School buildings	45-50
Building improvements	45-50
Vehicles	8
Office & computer equipment	5-10
Instructional equipment	5-15
Grounds equipment	15

Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the District-wide 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, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Compensated Absences:**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave as directed by GASB Statement No. 16 *Accounting for Compensated Absences*.

A liability for compensated absences that is attributable to services already rendered, and that is not contingent on a specific event that is outside the control of the 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 District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments. For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**Fund Equity:**

Beginning with fiscal year 2011, the District implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

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

**Reserved Excess Surplus - Designated for Subsequent Year's Expenditures** - This restriction was created in accordance with N.J.S.A. 18A:7F-7 to represent the June 30, 2010 audited excess surplus that was appropriated in the 2011/2012 original budget certified for taxes.

**RIVER DELL REGIONAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Fund Equity (Continued):**

Reserved Excess Surplus - This restriction was created in accordance with N.J.S.A. 18A:7F-7 to represent the June 30, 2011 audited excess surplus that is required to be appropriated in the 2012/2013 original budget certified for taxes.

Capital Reserve - This restriction was created by the District in accordance with N.J.A.C. 6A:23A-14.1 to fund future capital expenditures (See Note 13).

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

Debt Service - Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

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

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

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

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

Unassigned Fund Balance - Represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund.

**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 borrowing 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 District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities and Net Assets or Equity (Continued):

Revenues - Exchange and Nonexchange 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 the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. 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 District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. 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 year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes, interest, and tuition.

Interfund Transactions:

Transfers between governmental and business-type activities on the District-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 the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Tuition:

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

Tuition Expenditures - Tuition charges for the fiscal year 2010-2011 were based on rates established by the receiving district or private school for the disabled. These rates are subject to change when the actual costs have been certified by the state.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities and Net Assets or Equity (Continued):

Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activities of the proprietary funds. For the District, these revenues are sales for food service and fees for Tri-District Coordinated Curriculum Services. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the proprietary funds.

G. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, pension, workers compensation, compensated absences, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

H. Extraordinary and Special Items:

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

I. Management Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 2. CASH**

As of June 30, 2011, cash of the District consisted of \$2,498,129 in checking and money market accounts.

The District has no bank deposits that are uninsured, unregistered or uncollateralized, including any deposits that are collateralized with securities held by the pledging public depository or by its trust department or agent but not in the District's name.

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a deposit policy for custodial credit risk. As of June 30, 2011, the District's bank balance of \$3,630,408 was not exposed to custodial credit risk, as the District's deposits are primarily in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. See Note 1.

**NOTE 3. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The following interfund balances remained on the fund financial statements at June 30, 2011:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 140,683	\$
Special Revenue Fund		140,683
	<u>\$ 140,683</u>	<u>\$ 140,683</u>

The receivable/payable between the general fund and the special revenue resulted from the loans made to special revenue to fund grants, until the special revenue fund receives moneys due from federal grants.

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

**Interfund transfers**

	<u>Transfers From General Fund</u>	<u>Transfers From Capital Projects Fund</u>	<u>Total</u>
Transfers to:			
General Fund	\$	\$ 11	\$ 11
Enterprise Fund	35,205		35,205
	<u>\$ 35,205</u>	<u>\$ 11</u>	<u>\$ 35,216</u>

Additionally, transfers are used to move receipts, primarily from interest collected in the capital projects fund to the general fund and General Fund transfer to Enterprise Fund for equipment purchases and operating expenses.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 4. RECEIVABLES**

Receivables at June 30, 2011, consisted of intergovernmental Federal and State activities. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Amount
Governmental activities	
General fund:	
State	\$ 46,368
Speical revenue fund:	
Federal	240,444
State	6,527
Total governmental activities	293,339
Total receivables	\$ 293,339

**NOTE 5. INVENTORIES**

Inventories in the food service fund at June 30, 2011, consisted of the following:

Food	\$ 839
	\$ 839

**NOTE 6. DEFERRED BOND ISSUANCE COSTS**

The costs associated with the issues of the various bonds amounted to \$105,135, amortized on a straight-line basis over the life of the specific bonds (7 to 20 years). The amortization expense for the fiscal year ended June 30, 2011, amounted to \$8,983 and the accumulated amortization is \$64,894.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 7. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers/ Retirements</u>	<u>Ending Balance</u>
Governmental activities: <i>Capital assets not being depreciated:</i>				
Land	\$ 216,520	\$	\$	\$ 216,520
Total capital assets not being depreciated	<u>216,520</u>	<u></u>	<u></u>	<u>216,520</u>
<i>Capital assets being depreciated:</i>				
Site improvements	2,555,190			2,555,190
Building and building improvements	35,552,601	223,991		35,776,592
Machinery and equipment	<u>4,797,412</u>	<u>194,668</u>	<u></u>	<u>4,992,080</u>
Totals at historical cost	<u>42,905,203</u>	<u>418,659</u>	<u></u>	<u>43,323,862</u>
Less accumulated depreciation for:				
Building and improvements	6,904,400	773,330		7,677,730
Equipment	<u>2,573,884</u>	<u>757,526</u>	<u></u>	<u>3,331,410</u>
Total accumulated depreciation	<u>9,478,284</u>	<u>1,530,856</u>	<u></u>	<u>11,009,140</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>33,426,919</u>	<u>(1,112,197)</u>	<u></u>	<u>32,314,722</u>
Government activity capital assets, net	<u>\$ 33,643,439</u>	<u>\$ (1,112,197)</u>	<u>\$</u>	<u>\$ 32,531,242</u>
Business-type activities:				
Equipment	\$ 194,764	\$ 10,205	\$	\$ 204,969
Less accumulated depreciation	<u>175,513</u>	<u>3,928</u>	<u></u>	<u>179,441</u>
Business-type activities capital assets, net	<u>\$ 19,251</u>	<u>\$ 6,277</u>	<u>\$</u>	<u>\$ 25,528</u>

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 7. CAPITAL ASSETS (CONTINUED)**

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives.

Depreciation expense was charged to functions as follows:

Governmental Activities:		
Unallocated	\$	1,530,856
Business Type Activities:		
Food Services		<u>3,928</u>
Total	\$	<u><u>1,534,784</u></u>

**NOTE 8. LONG-TERM OBLIGATIONS**

During the fiscal year ended June 30, 2011, the following changes occurred in long-term obligations:

	Balance, June 30, 2010	Increases	Decreases	Balance June 30, 2011	Amounts due within one year
Bonds payable	\$ 17,538,000	\$	\$ (1,515,000)	\$ 16,023,000	\$ 1,261,000
Compensated absences payable	351,546	3,747	(3,734)	351,559	305,320
Obligations under lease agreements	<u>1,106,111</u>		<u>(551,612)</u>	<u>554,499</u>	<u>554,499</u>
	<u>\$ 18,995,657</u>	<u>\$ 3,747</u>	<u>\$ (2,070,346)</u>	<u>\$ 16,929,058</u>	<u>\$ 2,120,819</u>

Compensated absences and capital leases have been liquidated in the general fund.

**A. General Obligation Bonds:**

Bonds are authorized in accordance with State law by the voters of the municipality through referendums, to provide funds for the acquisition and construction of major capital facilities. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 8. LONG-TERM OBLIGATIONS (CONTINUED)**

**A. General Obligation Bonds (Continued):**

Bonds payable at June 30, 2011 are comprised of the following issues:

	Governmental Activities			
	Issue Dates	Interest Rates	Date of Maturity	Balance June 30, 2011
Bonds Payable	8/1/1991	6.60%	8/1/2011	\$ 241,000
	3/1/2004	3.25% - 4.25%	3/1/2024	15,782,000
Total Bonds				\$ 16,023,000

**B. Bonds Authorized But Not Issued:**

The District has no authorized but not issued bonds at June 30, 2011.

**C. Debt Service Requirements:**

Debt service requirements on serial bonds payable at June 30, 2011 are as follows:

Year Ended June 30,	Principal	Interest	Total
2012	\$ 1,261,000	\$ 611,338	\$ 1,872,338
2013	1,040,000	570,235	1,610,235
2014	1,080,000	536,435	1,616,435
2015	1,120,000	500,795	1,620,795
2016	1,150,000	461,595	1,611,595
2017-2021	6,410,000	1,614,975	8,024,975
2022-2024	3,962,000	333,885	4,295,885
	\$ 16,023,000	\$ 4,629,258	\$ 20,652,258

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 8. LONG-TERM OBLIGATION (CONTINUED)**

**D. Capital Leases Payable:**

The District is leasing computers totaling approximately \$2,202,676, under capital leases. The capital leases are for terms of four years. The following is a schedule of the future minimum lease payments under the capital leases, and the present value of the net minimum lease payments at June 30, 2011.

<u>Year Ending June 30,</u>	
2012	<u>\$ 557,400</u>
Total minimum lease payments	557,400
Less: Amounts representing interest	<u>2,901</u>
Present value of net minimum lease payments	<u><u>\$ 554,499</u></u>

**NOTE 9. EMPLOYEE RETIREMENT SYSTEMS**

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

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

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

The Public Employees' Retirement System was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability, and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey of any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**RIVER DELL REGIONAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

NOTE 9. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

*Defined Contribution Retirement Program (DCRP):*

The DCRP was established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

Description of Plans:

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

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625.

Significant Legislation:

P.L. 2010, c. 1, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension and employer contributions to the retirement system.

This new legislation changed the membership eligibility criteria for new members of TPAF and PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of TPAF and PERS to 1/60 from 1/55, and it provided that new members of TPAF and PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of TPAF and PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time five years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in Fiscal Year 2012.

P.L. 2010, c.3, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the TPAF and PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011**

NOTE 9. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Contribution Requirement

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF, PERS and DCRP provide employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Non- Contributory Group Insurance</u>	<u>Total Pension and NCGI</u>
2011	\$ 262,780	\$ 19,958	\$ 282,738
2010	176,781	24,515	201,296
2009	148,990	18,520	167,510

During the fiscal year ended June 30, 2011, the District contributed \$262,780 to the PERS for pension costs and \$19,958 for non-contributory group insurance premiums.

Three-Year Trend Information for TPAF  
(Paid on Behalf of the District)

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Non- Contributory Group Insurance</u>	<u>Post-Retirement Medical Contributions</u>	<u>Total Pension and NCGI</u>
2011	\$ -0-	\$ 40,151	\$ 852,802	\$ 892,953
2010	-0-	42,907	805,859	848,766
2009	-0-	40,585	774,263	814,848

During the fiscal year ended June 30, 2011, the State of New Jersey contributed to the TPAF on behalf of the District, \$852,802 for post-retirement benefits, and \$40,151 for other pension costs. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$906,934 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. These amounts have been included in the district-wide financial statements, and the fund based statements as a revenue and expenditure in accordance with GASB 24.

**RIVER DELL REGIONAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2011**

**NOTE 10. POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 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. Chapter 103 of Public Laws 2007 amended the law to eliminate the funding of post-retirement medical benefits through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement 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 prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in Fiscal Year 2010.

**NOTE 11. COMPENSATED ABSENCES**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB Statement No. 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.

District employees who are employed under a ten month contract are entitled to ten paid sick leave days per fiscal school year. District employees who are employed under a twelve month contract are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. For employees who have not less than ten (10) years of service in the District, the District shall pay, with certain limitations, the employee for unused sick leave in accordance with the District's agreements with the various employee unions. Vacation days not used during the year may only be carried forward with approval from the Superintendent. See Note 1(F) for additional information.

The liability for vested compensated absences of the governmental fund types is recorded in the current and long-term liabilities.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2011, a liability did not exist for compensated absences in the enterprise funds.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 12. DEFERRED COMPENSATION**

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits 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 plan administrators are as follows:

AXA Equitable  
Oppenheimer Funds

Lincoln Investments  
403(B) ASP

**NOTE 13. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Board of Education on September 25, 2000, 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 will be included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23-2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2010 to June 30, 2011 fiscal year is as follows:

Beginning balance, July 1, 2010	\$ 151,530
Additions	<u>200,000</u>
Ending balance, June 30, 2011	<u>\$ 351,530</u>

The June 30, 2011 LRFP balance of local support costs of uncompleted capital projects is approximately \$5,500,000.

**NOTE 14. TRANSFERS FOR CAPITAL OUTLAY AND GENERAL FUND**

The District transferred \$252,723 to capital outlay facilities acquisition and construction services for the improvement to the Middle School science labs and an additional \$115,352 was transferred to capital outlay equipment to cover additional costs for instructional equipment. The transfers were approved by the County Superintendent.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 15. NET ASSETS – UNRESTRICTED (DEFICIT)**

The District has a deficit in unrestricted net assets of the governmental activities in the Statement of Net Assets of \$216,628. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e. if one government recognizes an asset; the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district can not recognize the June state aid payment(s) on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the governmental activities deficit in unrestricted net assets does not alone indicate that the district is facing financial difficulties.

The deficit is a result of the following:

Unassigned fund balance (Exhibit C-1)	\$	547,063
Unrecognized state aid payments for 2010-2011		(247,467)
Compensated absences payable		(351,559)
Accrued interest payable		(204,906)
Bond issuance costs		<u>40,241</u>
 Unrestricted net assets (Exhibit A-1)	 \$	 <u><u>(216,628)</u></u>

**NOTE 16. FUND BALANCE APPROPRIATED**

General Fund - Of the \$1,625,398 general fund balance in the fund financial statements at June 30, 2011, \$399,735 is reserved for encumbrances; \$574,537 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$118,887 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2012); \$351,530 has been reserved in the Capital Reserve Account; and \$299,596 is unassigned. During the fiscal year ending June 30, 2011, authorized and approved appropriations of \$21,610 and \$10,703 from General fund balance were made on December 13, 2010 from 2010 additional state aid for extraordinary special education costs aid and additional nonpublic school transportation aid.

Debt Service Fund – There is no balance at June 30, 2011

**NOTE 17. CALCULATION OF EXCESS SURPLUS**

The designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve general 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, 2011 is \$455,650.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 18. CONTINGENCIES**

The District is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material effect on the financial position of the District or will be covered under the District's insurance policies.

The District is a participant, together with other school districts, in a joint insurance workers' compensation trust. In the event that claims against the trust exceed annual revenues, the District would be obligated to contribute its ratable share of the losses to pay the liability.

**NOTE 19. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Property, Liability and Workers' Compensation Insurance**

The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. The District also participates, together with other school districts, in a joint insurance workers compensation trust (See Note 18). A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**New Jersey Unemployment Compensation Insurance**

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010-2011	\$ 125,000	\$ 24,336	\$ 112,396	\$ 146,831
2009-2010	121,000	20,994	42,581	109,891
2008-2009	13,500	22,086	57,494	10,460

**NOTE 20. OTHER MATTERS**

The District participates in federal and state financial assistance grant programs. Expenditures financed by such assistance are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2011, significant amounts of grant expenditures have not been audited, but the District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the District. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

## **BUDGETARY COMPARISON SCHEDULES**

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 24,863,418	\$	\$ 24,863,418	\$ 24,863,418	\$
Tuition	385,000		385,000	376,858	(8,142)
Interest - capital reserve funds	30		30		(30)
Interest on investments				30,055	30,055
Miscellaneous	230,000		230,000	209,515	(20,485)
<b>Total - local sources</b>	<u>25,478,448</u>		<u>25,478,448</u>	<u>25,479,846</u>	<u>1,398</u>
State sources:					
Extraordinary aid	200,000		200,000	236,391	36,391
Other state aids				11,076	11,076
On-behalf TPAF pension-post retirement medical contributions (non-budgeted)				852,802	852,802
On-behalf TPAF pension - non-contributory insurance (non-budgeted)				40,151	40,151
Reimbursed TPAF social security contributions (non-budgeted)				906,934	906,934
<b>Total - state sources</b>	<u>200,000</u>		<u>200,000</u>	<u>2,047,354</u>	<u>1,847,354</u>
<b>Total revenues</b>	<u>25,678,448</u>		<u>25,678,448</u>	<u>27,527,200</u>	<u>1,848,752</u>

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Regular programs - instruction:					
Salaries of teachers:					
Grades 6-8	\$ 2,739,929	\$ 105,545	\$ 2,845,474	\$ 2,840,785	\$ 4,689
Grades 9-12	5,145,706	(157,443)	4,988,263	4,983,485	4,778
Home instruction - regular programs:					
Salaries of teachers	16,000	8,738	24,738	24,738	
Purchased professional - educational services	12,500	10,847	23,347	23,347	
Regular programs - undistributed instruction:					
Other salaries for instruction	45,894	7,175	53,069	50,212	2,857
Purchased professional - educational services	2,743	(1,100)	1,643	850	793
Other purchased services	584,056	(87,593)	496,463	489,164	7,299
General supplies	299,802	199,196	498,998	482,821	16,177
Textbooks	114,944	2,575	117,519	117,373	146
Other objects	4,028	(89)	3,939	210	3,729
<b>Total regular programs - instruction</b>	<b>8,965,602</b>	<b>87,851</b>	<b>9,053,453</b>	<b>9,012,985</b>	<b>40,468</b>
<b>Special education - instruction:</b>					
Learning and/or language disabilities:					
Salaries of teachers	250,692	(44,320)	206,372	206,304	68
Other salaries for instruction	163,617	(76,055)	87,562	25,221	62,341
General supplies	1,371		1,371	1,073	298
Textbooks	2,490	(2,160)	330	322	8
<b>Total learning and/or language disabilities</b>	<b>418,170</b>	<b>(122,535)</b>	<b>295,635</b>	<b>232,920</b>	<b>62,715</b>

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource room/resource center:					
Salaries of teachers	\$ 1,175,828	\$ 103,751	\$ 1,279,579	\$ 1,279,578	\$ 1
Other salaries for instruction	67,132	(43,949)	23,183	19,034	4,149
General supplies	8,348		8,348	3,461	4,887
Textbooks	2,104	(375)	1,729	1,721	8
Total resource room/resource center	1,253,412	59,427	1,312,839	1,303,794	9,045
Total special education - instruction	1,671,582	(63,108)	1,608,474	1,536,714	71,760
Basic skills/remedial - instruction:					
Salaries of teachers	172,517	(63,869)	108,648	107,750	898
General supplies	759	(759)			
Total basic skills/remedial - instruction	173,276	(64,628)	108,648	107,750	898
Bilingual education - instruction:					
Salaries of teachers	139,674	400	140,074	136,201	3,873
General supplies	3,928	110	4,038	2,555	1,483
Textbooks	1,875	(510)	1,365	1,240	125
Total bilingual education - instruction	145,477		145,477	139,996	5,481

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School sponsored cocurricular activities - instruction:					
Salaries	\$ 167,790	\$	167,790	150,772	\$ 17,018
Purchased services	11,284	(157)	11,127	4,973	6,154
Supplies and materials	32,170	(950)	31,220	21,356	9,864
Other objects	16,408		16,408	5,590	10,818
Transfers to cover deficit (agency funds)	5,000		5,000	5,000	
<b>Total school sponsored cocurricular activities - instruction</b>	<b>232,652</b>	<b>(1,107)</b>	<b>231,545</b>	<b>187,691</b>	<b>43,854</b>
School sponsored athletics - instruction					
Salaries	499,455	(15,908)	483,547	457,057	26,490
Purchased services	26,350	2,314	28,664	27,808	856
Supplies and materials	71,393	3,836	75,229	74,866	363
Other objects	51,725	2,600	54,325	54,284	41
Transfers to cover deficit	72,520	2,660	75,180	69,649	5,531
<b>Total school sponsored athletics - instruction</b>	<b>721,443</b>	<b>(4,498)</b>	<b>716,945</b>	<b>683,664</b>	<b>33,281</b>
Other instructional programs - instruction:					
Purchased services		1,457	1,457	960	497
<b>Total other instructional programs - instruction</b>		<b>1,457</b>	<b>1,457</b>	<b>960</b>	<b>497</b>
<b>Total - instruction</b>	<b>11,910,032</b>	<b>(44,033)</b>	<b>11,865,999</b>	<b>11,669,760</b>	<b>196,239</b>

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state-special	\$ 380,809	\$ (27,359)	\$ 353,450	\$ 353,450	\$
Tuition to county vocational school-regular	280,000	114,540	394,540	394,540	
Tuition to county vocational school districts-special	25,500	(25,499)	1	1	1
Tuition to county special services school districts and regional day schools	146,020	172,478	318,498	312,668	5,830
Tuition to private schools for the handicapped within the state	1,076,671	(269,473)	807,198	768,824	38,374
Total undistributed expenditures - instruction	1,909,000	(35,313)	1,873,687	1,829,482	44,205
Attendance and social work services:					
Salaries	32,583		32,583	32,583	
Total attendance and social work services	32,583		32,583	32,583	
Health services:					
Salaries	160,213	542	160,755	160,213	542
Purchased professional and technical services	15,000	(229)	14,771	14,500	271
Other purchased services	275	(195)	80	36	44
Supplies and materials	3,342	1,593	4,935	4,800	135
Total health services	178,830	1,711	180,541	179,549	992
Speech, OT, PT & related services:					
Salaries	76,862	1,277	78,139	78,138	1
Purchased professional - educational services		5,786	5,786	5,786	
Supplies and materials	455		455	386	69
Total speech, OT, PT & related services	77,317	7,063	84,380	84,310	70

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other support services - students - extraordinary:					
Salaries	\$ 98,774	\$	\$ 98,774	\$ 48,104	\$ 50,670
Total support services - students- extraordinary	98,774		98,774	48,104	50,670
Guidance:					
Salaries of other professional staff	654,873	58,015	712,888	712,801	87
Salaries of secretarial and clerical assistants	129,260	13,379	142,639	139,491	3,148
Purchased professional - educational services	4,964	425	5,389		5,389
Other purchased services	12,167		12,167	7,468	4,699
Supplies and materials	31,448	(1,691)	29,757	15,686	14,071
Other objects	713	161	874	724	150
Total guidance	833,425	70,289	903,714	876,170	27,544
Child study teams:					
Salaries of other professional staff	554,047	(3,694)	550,353	537,638	12,715
Salaries of secretarial and clerical assistants	55,200		55,200	55,200	
Purchased professional - educational services	97,759	(1,294)	96,465	40,952	55,513
Other purchased professional and technical services	32,500		32,500	29,428	3,072
Other purchased services	4,207	594	4,801	1,930	2,871
Supplies and materials	4,060	1,279	5,339	3,774	1,565
Other objects	1,181		1,181	90	1,091
Total child study teams	748,954	(3,115)	745,839	669,012	76,827

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Improvement of instruction services/ other support services - instructional staff:					
Salaries of supervisors of instruction	\$ 74,702	\$ 58,366	\$ 133,068	\$ 133,068	\$
Purchased professional - educational services	83,147	(73,557)	9,590	9,337	253
Other purchased services	57,228	(3,230)	53,998	53,996	2
Supplies and materials	39,220	42,040	81,260	81,031	229
Other objects	1,500	(1,500)			
Total improvement of instruction services/ other support services-instructional staff	255,797	22,119	277,916	277,432	484
Educational media services/school library:					
Salaries	159,212		159,212	159,212	
Purchased professional and technical services	2,165	(675)	1,490	1,490	
Other purchased services	29,310	(1,069)	28,241	27,083	1,158
Supplies and materials	29,166	913	30,079	29,610	469
Other objects	263	(213)	50	50	
Total educational media services/school library	220,116	(1,044)	219,072	217,445	1,627
Instructional staff training services:					
Salaries of supervisors of instruction					
Other salaries	13,440	(916)	12,524	12,523	1
Purchased professional - educational services	32,060	7,388	39,448	39,448	
Other purchased services	10,340	(807)	9,533	9,383	150
Supplies and materials	4,450	11,744	16,194	13,599	2,595
Other objects	4,060	(3,011)	1,049	949	100
Total instructional staff training services	64,350	14,398	78,748	75,902	2,846

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support services general administration:					
Salaries	\$ 315,646	\$	\$ 315,646	\$ 307,044	\$ 8,602
Legal services	65,000	(18,349)	46,651	40,569	6,082
Audit fees	32,000	27,036	59,036	29,035	30,001
Other purchased professional services		33,859	33,859	33,858	1
Communications/telephone	31,000	(11,936)	19,064	19,064	
Other purchased services	14,000	(9,145)	4,855	4,835	20
General Supplies	19,000	1,163	20,163	20,160	3
Judgment against the school district	6,500	(6,500)			
Miscellaneous expenditures		15,872	15,872	15,871	1
<b>Total support services general administration</b>	<b>483,146</b>	<b>32,000</b>	<b>515,146</b>	<b>470,436</b>	<b>44,710</b>
Support services school administration:					
Salaries of principals/assistant principals	651,778	8,467	660,245	655,751	4,494
Salaries of other professional staff	229,026	2,248	231,274	231,221	53
Salaries of secretarial and clerical assistants	206,034	30,981	237,015	231,045	5,970
Other purchased services	12,031	(8,200)	3,831	1,865	1,966
Supplies and materials	6,272	(300)	5,972	3,406	2,566
Other objects	4,530		4,530	4,116	414
<b>Total support services school administration</b>	<b>1,109,671</b>	<b>33,196</b>	<b>1,142,867</b>	<b>1,127,404</b>	<b>15,463</b>
Support services central services:					
Salaries	348,162		348,162	335,792	12,370
Purchased professional services	20,000	(10,825)	9,175	7,442	1,733
Miscellaneous purchased services	51,100	(22,395)	28,705	18,765	9,940
Supplies and materials	17,500	2,031	19,531	19,531	
Miscellaneous expenditures	38,000	(18,801)	19,199	19,011	188
<b>Total support services central services</b>	<b>474,762</b>	<b>(49,990)</b>	<b>424,772</b>	<b>400,541</b>	<b>24,231</b>

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support services administrative information technology:					
Salaries	\$ 334,417	\$ 3,839	\$ 338,256	\$ 332,703	\$ 5,553
Purchased professional services	5,180		5,180	1,150	4,030
Other purchased services	1,185		1,185	355	830
Supplies and materials	141,800	(66,912)	74,888	54,697	20,191
Other objects	890	1,100	1,990	1,989	1
<b>Total support services administrative information technology</b>	<b>483,472</b>	<b>(61,973)</b>	<b>421,499</b>	<b>390,894</b>	<b>30,605</b>
Required maintenance for school facilities:					
Salaries	365,913	(13,923)	351,990	351,884	106
Cleaning, repair and maintenance services	214,579	310,951	525,530	465,940	59,590
General supplies	92,250	14,350	106,600	101,053	5,547
Other objects	200	3,365	3,565	3,564	1
<b>Total required maintenance for school facilities</b>	<b>672,942</b>	<b>314,743</b>	<b>987,685</b>	<b>922,441</b>	<b>65,244</b>
Custodial Services:					
Salaries	633,125	(64,275)	568,850	568,762	88
Cleaning, repair and maintenance services	13,480	(1,009)	12,471	12,470	1
Other purchased property services	35,000	7,442	42,442	42,442	
Insurance	94,000	649	94,649	94,648	1
Miscellaneous purchased services	400		400		400
General supplies	88,000	(20,684)	67,316	66,490	826
Energy (natural gas)	305,000	(76,416)	228,584	142,548	86,036
Energy (electricity)	370,000	(10,456)	359,544	359,543	1
Energy (gasoline)	2,000	3,039	5,039	5,039	
Other objects	175		175		175
<b>Total custodial services</b>	<b>1,541,180</b>	<b>(161,710)</b>	<b>1,379,470</b>	<b>1,291,942</b>	<b>87,528</b>

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Care and upkeep of grounds:					
Salaries	\$ 107,751	\$ 9,966	\$ 117,717	\$ 117,716	\$ 1
Purchased professional and technical services	30,500	2,318	32,818	32,817	1
Cleaning, repair and maintenance services	17,150	3,038	20,188	20,106	82
General supplies	100	37,421	37,521	37,520	1
Total care and upkeep of grounds	155,501	52,743	208,244	208,159	85
Security:					
Salaries	20,800	(20,200)	600		600
Total security	20,800	(20,200)	600		600
Student transportation services:					
Salaries for pupil transportation (between home and school) - regular	30,152		30,152	27,747	2,405
Cleaning, repair and maintenance services	2,000	3,854	5,854	5,854	
Contracted services - aid in lieu of payments for non-public school students	55,000	939	55,939	39,337	16,602
Contracted services (between home and school) - vendors	255,000	(79,585)	175,415	159,378	16,037
Contracted services (other than between home and school) - vendors	129,302	(625)	128,677	128,676	1
Contracted services (between home and school) - joint agreements	21,000	(2,618)	18,382	15,965	2,417
Contracted services (special education students) - vendors	302,000	(134,098)	167,902	147,004	20,898
Supplies and materials	3,250		3,250	3,250	
Total student transportation services	797,704	(212,133)	585,571	523,961	61,610

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unallocated benefits:					
Social security contributions	\$ 284,171	\$ (10,756)	\$ 273,415	\$ 273,413	\$ 2
Other retirement contributions	200,000	82,738	282,738	282,738	
Unemployment compensation	112,000	125,000	125,000	125,000	
Workmen's compensation	3,090,000	(16,236)	95,764	88,077	7,687
Health benefits	17,100	(453,237)	2,636,763	2,563,989	72,774
Tuition reimbursement	4,140	3,000	20,100	20,000	100
Other employee benefits			4,140	3,000	1,140
	<u>3,707,411</u>	<u>(269,491)</u>	<u>3,437,920</u>	<u>3,356,217</u>	<u>81,703</u>
On-behalf TPAF pension-post retirement medical contributions (non-budgeted)				852,802	(852,802)
On-behalf TPAF pension - non-contributory insurance (non-budgeted)				40,151	(40,151)
Reimbursed TPAF social security contributions (non-budgeted)				906,934	(906,934)
				<u>1,799,887</u>	<u>(1,799,887)</u>
Total undistributed expenditures	<u>13,865,735</u>	<u>(266,707)</u>	<u>13,599,028</u>	<u>14,781,871</u>	<u>(1,182,843)</u>
Total expenditures - current expense	<u>25,775,767</u>	<u>(310,740)</u>	<u>25,465,027</u>	<u>26,451,631</u>	<u>(986,604)</u>

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Regular programs - instruction:					
Grades 6-8	\$ 16,220	\$ 16,220	\$ 16,220	\$ 13,625	\$ 2,595
Grades 9-12	70,363	70,363	70,363	70,363	
School-sponsored and other instructional programs	9,200	9,200	9,200	9,190	10
Undistributed expenditures:					
Support services - instructional staff	20,450	20,450	20,450	20,450	
Custodial services	13,153	13,153	13,153	2,947	10,206
Care and upkeep of grounds	29,212	29,212	29,212	29,211	1
Total equipment	158,598	158,598	158,598	145,786	12,812
Facilities acquisition and construction services:					
Other purchased professional and technical services	39,075	39,075	39,075	33,750	5,325
Construction services	340,224	340,224	340,224	113,325	226,899
Total facilities acquisition and construction services	379,299	379,299	379,299	147,075	232,224
Total capital outlay	537,897	537,897	537,897	292,861	245,036
Total expenditures	25,775,767	227,157	26,002,924	26,744,492	(741,568)
Excess (deficiency) of revenues over (under) expenditures	(97,319)	(227,157)	(324,476)	782,708	1,107,184

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other financing sources (uses):					
Operating transfers out - Food Service Fund	\$	\$ (25,000)	\$ (25,000)	\$ (35,205)	\$ (10,205)
Operating transfers in - Capital Projects Fund				11	11
Total other financing sources (uses)		<u>(25,000)</u>	<u>(25,000)</u>	<u>(35,194)</u>	<u>(10,194)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(97,319)	(252,157)	(349,476)	747,514	1,096,990
Fund balance - July 1	<u>1,125,351</u>		<u>1,125,351</u>	<u>1,125,351</u>	
Fund balance - June 30	<u>\$ 1,028,032</u>	<u>\$ (252,157)</u>	<u>\$ 775,875</u>	<u>\$ 1,872,865</u>	<u>\$ 1,096,990</u>
Recapitulation of excess (deficiency) of revenues over (under) expenditures:	\$	\$ (219,844)	\$ (219,844)	\$ (219,844)	\$
Adjustment for prior year encumbrance					
Increase in capital reserve:					
Interest earned	30		30		(30)
Principal				200,000	200,000
Budgeted fund balance	<u>(97,349)</u>	<u>(32,313)</u>	<u>(129,662)</u>	<u>767,358</u>	<u>897,020</u>
Total	<u>\$ (97,319)</u>	<u>\$ (252,157)</u>	<u>\$ (349,476)</u>	<u>\$ 747,514</u>	<u>\$ 1,096,990</u>

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Reserved excess surplus - designated for subsequent year's expenditures				\$ 118,887	
Reserved excess surplus				455,650	
Capital reserve				351,530	
Committed Fund Balance:				226,899	
Year-end encumbrances				172,836	
Assigned Fund Balance:				547,063	
Year-end encumbrances					
Unassigned Fund Balance					
Total fund balance				1,872,865	
Reconciliation to Governmental Funds Statements (GAAP):					
State aid payments not recognized on GAAP basis				(247,467)	
Fund balance per Governmental Funds (GAAP)				\$ 1,625,398	

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State sources	\$ 40,000	\$ 142,011	\$ 182,011	\$ 182,011	\$
Federal sources	325,000	520,549	845,549	845,549	
<b>Total revenues</b>	<b>365,000</b>	<b>662,560</b>	<b>1,027,560</b>	<b>1,027,560</b>	
<b>EXPENDITURES:</b>					
Instruction:					
Other salaries for instruction	145,029		145,029	145,029	
Tuition	44,861	88,983	133,844	133,844	
General supplies	11,460	42,269	53,729	53,729	
Textbooks	40,000	10,530	50,530	50,530	
Other objects		2,000	2,000	2,000	
<b>Total instruction</b>	<b>241,350</b>	<b>143,782</b>	<b>385,132</b>	<b>385,132</b>	
Support services:					
Salaries of other professional staff	9,000	87,570	96,570	96,570	
Personal services - employee benefits		7,284	7,284	7,284	
Purchased professional and technical services		74,081	74,081	74,081	
Purchased professional educational services	114,650	18,083	132,733	132,733	
Other purchased professional services		9,323	9,323	9,323	
Supplies and materials		225,358	225,358	225,358	
<b>Total support services</b>	<b>123,650</b>	<b>421,699</b>	<b>545,349</b>	<b>545,349</b>	
Facilities acquisition and construction services:					
Construction services		48,198	48,198	48,198	
Instructional equipment		48,881	48,881	48,881	
<b>Total facilities acquisition and construction services</b>		<b>97,079</b>	<b>97,079</b>	<b>97,079</b>	
<b>Total expenditures/outflows</b>	<b>365,000</b>	<b>662,560</b>	<b>1,027,560</b>	<b>1,027,560</b>	
Excess (deficiency) of revenues over (under) expenditures	\$	\$	\$	\$	\$

## **NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Notes to Required Supplementary Information  
 Budget-to-GAAP Reconciliation  
 For the Fiscal Year Ended June 30, 2011

Note A - Explanation of Differences Between Budgetary Inflows and Outflows and  
 GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 27,527,200	\$ 1,027,560
Difference - budget to GAAP:		
State aid payments recognized for GAAP statements in the current year, previously recognized for budgetary purposes	347,365	
State aid payments recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	<u>(247,467)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 27,627,098</u>	<u>\$ 1,027,560</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<u>\$ 26,744,492</u>	<u>\$ 1,027,560</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 26,744,492</u>	<u>\$ 1,027,560</u>

## **OTHER SUPPLEMENTARY INFORMATION**

## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

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

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2011

	(Exhibit E-1a) Nonpublic Services	(Exhibit E-1b) E.S.E.A.	I.D.E.A. Part B - Basic	I.D.E.A. Part B - ARRA	(Exhibit E-1c) Other Federal Projects	Totals
<b>REVENUES:</b>						
State sources	\$ 182,011	\$	\$	\$	\$	\$ 182,011
Federal sources		113,351	381,739	249,089	101,370	845,549
Total revenues	182,011	113,351	381,739	249,089	101,370	1,027,560
<b>EXPENDITURES:</b>						
Instruction:						
Other salaries for instruction			145,029			145,029
Tuition			133,844			133,844
General supplies		50,105	3,624			53,729
Textbooks	50,530					50,530
Other objects			2,000			2,000
Total instruction	50,530	50,105	284,497			385,132
Support services:						
Salaries of other professional staff	30,599		37,132		19,839	96,570
Personal services - employee benefits	7,284	9,000				7,284
Purchased professional and technical services		54,246		1,000	19,835	74,081
Purchased professional educational services	71,623		60,110			132,733
Other purchased professional services	9,323					9,323
Supplies and materials	12,652			199,208	13,498	225,358
Total support services	131,481	63,246	97,242	200,208	53,172	545,349
Facilities acquisition and construction services:						
Construction services					48,198	48,198
Instructional equipment				48,881		48,881
Total facilities acquisition and construction services				48,881	48,198	97,079
Total expenditures	\$ 182,011	\$ 113,351	\$ 381,739	\$ 249,089	\$ 101,370	\$ 1,027,560

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Special Revenue Fund  
 Nonpublic Services

Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2011

	Compen- satory Education	English As A Second Language	Home Instruction	Supple- mental Instruction	Exam and Classifi- cation	Correc- tive Speech	Textbook	Nursing	Totals
REVENUES:									
State sources	\$ 12,475	\$ 4,696	\$ 6,527	\$ 8,616	\$ 34,928	\$ 4,381	\$ 50,530	\$ 59,858	\$ 182,011
EXPENDITURES:									
Instruction:									
Textbooks							50,530		50,530
Total instruction							50,530		50,530
Support services:									
Salaries of other professional staff								30,599	30,599
Personal services - employee benefits								7,284	7,284
Purchased professional educational services	12,475	4,696	6,527	8,616	34,928	4,381		9,323	71,623
Other purchased professional services								12,652	12,652
Supplies and materials									
Total support services	12,475	4,696	6,527	8,616	34,928	4,381		59,858	131,481
Total expenditures	\$ 12,475	\$ 4,696	\$ 6,527	\$ 8,616	\$ 34,928	\$ 4,381	\$ 50,530	\$ 59,858	\$ 182,011

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Special Revenue Fund  
 E.S.E.A.  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2011

	<u>Title II</u> <u>Part A</u>	<u>Title III</u> <u>Part A</u>	
	<u>Current</u>	<u>Current</u>	<u>Totals</u>
	<u>Year</u>	<u>Year</u>	
REVENUES:			
Federal sources	\$ 73,540	\$ 39,811	\$ 113,351
EXPENDITURES:			
Instruction:			
General supplies	<u>10,294</u>	<u>39,811</u>	<u>50,105</u>
Total instruction	<u>10,294</u>	<u>39,811</u>	<u>50,105</u>
Support services:			
Salaries of other professional staff	9,000		9,000
Purchased professional and technical services	<u>54,246</u>		<u>54,246</u>
Total support services	<u>63,246</u>		<u>63,246</u>
Total expenditures	<u>\$ 73,540</u>	<u>\$ 39,811</u>	<u>\$ 113,351</u>

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Special Revenue Fund  
 Other Federal Projects  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2011

	<u>Community Development Block Grant</u>	<u>Community Development Block Grant</u>	<u>Prior Year Safe and Drug-Free Schools and Communities - National Programs</u>	<u>Current Year Safe and Drug-Free Schools and Communities - National Programs</u>	<u>Totals</u>
<b>REVENUES:</b>					
Federal sources	\$ 48,198	\$ 5,399	\$ 20,732	\$ 27,041	\$ 101,370
<b>EXPENDITURES:</b>					
Support services:					
Salaries of other professional staff			10,000	9,839	19,839
Purchased professional and technical services			8,135	11,700	19,835
Supplies and materials		5,399	2,597	5,502	13,498
Total support services		5,399	20,732	27,041	53,172
Facilities acquisition and construction services:					
Construction services	48,198				48,198
Total facilities acquisition and construction services	48,198				48,198
Total expenditures	<u>\$ 48,198</u>	<u>\$ 5,399</u>	<u>\$ 20,732</u>	<u>\$ 27,041</u>	<u>\$ 101,370</u>

## **CAPITAL PROJECTS FUND DETAIL STATEMENTS**

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Capital Projects Fund  
 Summary Schedule of Project Expenditures  
 For the Fiscal Year Ended June 30, 2011

Issue/Project Title	Original Date	Appropriations	Total Expenditures to Date		Unexpended Balance June 30, 2011
			Prior Years	Current Year	
Renovations and additions to Middle/High School	September 30, 2003	\$ 29,739,365	\$ 29,657,704	\$ 28,719	\$ 52,942
Totals		\$ 29,739,365	\$ 29,657,704	\$ 28,719	52,942
Unrecognized state building aid from EDA grants					
Fund balance - GAAP basis					\$ 52,942

RIVER DELL REGIONAL SCHOOL DISTRICT  
Capital Projects Fund  
Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis  
For the Fiscal Year Ended June 30, 2011

Revenues and other financing sources	
Interest Income	\$ <u>11</u>
Total revenues	<u>11</u>
Expenditures and other financing uses	
Purchased professional and technical services	28,719
Transfer to General Fund - interest income	<u>11</u>
Total expenditures	<u>28,730</u>
Excess (deficiency) of revenues over (under) expenditures	(28,719)
Fund balances - July 1	<u>81,661</u>
Fund balances - June 30	\$ <u><u>52,942</u></u>

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Capital Projects Fund  
 Schedule of Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis  
 Renovations and additions to River Dell Middle School  
 From Inception and for the Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SCC Grant	\$ 116,416	\$	\$ 116,416	\$ 116,416
Bond Proceeds and Transfers	174,623		174,623	174,623
Transfer from capital outlay	96,350		96,350	96,350
Transfer from High School Project	56,309	454	56,763	56,763
<b>Total revenues</b>	<b>443,698</b>	<b>454</b>	<b>444,152</b>	<b>444,152</b>
Expenditures and other financing uses				
Purchased professional and technical services	88,359	454	88,813	88,813
Construction services	301,089		301,089	301,089
General supplies	54,250		54,250	54,250
<b>Total expenditures</b>	<b>443,698</b>	<b>454</b>	<b>444,152</b>	<b>444,152</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	

Additional project information:	
Project number	4405-060-03-0291
Grant date	12/5/2002
Bond authorization date	9/30/2003
Bonds authorized	\$174,623
Original authorized cost	\$291,039
Additional authorized cost	\$150,113
Revised authorized cost	\$441,152

Percentage increase over original authorized cost	100%
Percentage completion	NA
Original target completion date	Completed
Revised target completion date	Completed

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Capital Projects Fund  
 Schedule of Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis  
 Renovations and additions to River Dell High School  
 From Inception and for the Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SCC Grant	\$ 6,850,976	\$	\$ 6,850,976	\$ 6,850,976
Bond Proceeds and Transfers	21,807,985		21,807,985	21,807,985
Transfer from capital outlay	693,015		693,015	693,015
Transfer to Middle School Project	<u>(56,309)</u>	<u>(454)</u>	<u>(56,763)</u>	<u>(18,172)</u>
Total revenues	<u>29,295,667</u>	<u>(454)</u>	<u>29,295,213</u>	<u>29,333,804</u>
Expenditures and other financing uses				
Purchased professional and technical services	2,487,857	28,265	2,516,122	4,589,333
Cleaning, repair and maintenance services	354,716		354,716	160,494
Construction services	25,571,638		25,571,638	24,360,135
General supplies	469,343		469,343	188,997
Equipment purchases	<u>330,452</u>		<u>330,452</u>	<u>34,845</u>
Total expenditures	<u>29,214,006</u>	<u>28,265</u>	<u>29,242,271</u>	<u>29,333,804</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 81,661</u>	<u>\$ (28,719)</u>	<u>\$ 52,942</u>	

Additional project information:

Project number	4405-050-03-1253
Grant date	2/5/2004
Bond authorization date	9/30/2003
Bonds authorized	\$28,658,961
Original authorized cost	\$28,658,961
Additional authorized cost	\$674,843
Revised authorized cost	\$29,333,804

Percentage increase over original authorized cost	100%
Percentage completion	N/A
Original target completion date	Completed
Revised target completion date	Completed

## **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 charges.

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

**Tri-District Coordinated Curriculum Services** - This fund provides curriculum services between the River Edge, Oradell and River Dell school districts.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5, AND B-6.**

## FIDUCIARY FUNDS DETAIL STATEMENTS

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

**Private Purpose Scholarship Funds** - These are funds used to account for assets held by the district for scholarships or awards to students.

**Unemployment Compensation Insurance Trust Fund** - This fund is used to pay employees unemployment compensation claims.

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

**Student Activity Fund** - This agency fund is used to account for student funds held at the schools.

**Payroll and Payroll Agency Funds** - These agency funds are used to account for the payroll transactions of the school district.

RIVER DELL REGIONAL SCHOOL DISTRICT  
Fiduciary Funds  
Combining Statement of Fiduciary Net Assets  
June 30, 2011

	<u>Private Purpose Scholarship Funds</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Agency Funds</u>	<u>Totals</u>
<b>ASSETS:</b>				
Cash	\$ 125,096	\$ 164,555	\$ 308,916	\$ 598,567
Interfund receivable		<u>4,564</u>		<u>4,564</u>
Total assets	<u>\$ 125,096</u>	<u>\$ 169,119</u>	<u>\$ 308,916</u>	<u>\$ 603,131</u>
<b>LIABILITIES AND NET ASSETS</b>				
Liabilities:				
Accounts payable	\$	\$ 22,288	\$	\$ 22,288
Intergovernmental:				
Interfund payable			4,564	4,564
Payroll deductions and withholdings			97,062	97,062
Due to student groups			<u>207,290</u>	<u>207,290</u>
Total liabilities		<u>22,288</u>	<u>308,916</u>	<u>331,204</u>
Net assets:				
Held in trust for unemployment claims and other purposes		146,831		146,831
Reserved for scholarships	<u>125,096</u>			<u>125,096</u>
Total net assets	<u>125,096</u>	<u>146,831</u>		<u>271,927</u>
Total liabilities and net assets	<u>\$ 125,096</u>	<u>\$ 169,119</u>	<u>\$ 308,916</u>	<u>\$ 603,131</u>

RIVER DELL REGIONAL SCHOOL DISTRICT  
Fiduciary Funds  
Combining Statement of Changes in Fiduciary Net Assets  
For the Fiscal Year Ended June 30, 2011

	<u>Private Purpose Scholarship Funds</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
ADDITIONS:			
Contributions:			
Other	\$ 26,290	\$	\$ 26,290
Employer		125,000	125,000
Plan member		24,336	24,336
	<u>26,290</u>	<u>149,336</u>	<u>175,626</u>
Investment earnings:			
Interest	<u>62</u>		<u>62</u>
	<u>62</u>		<u>62</u>
Total additions	<u>26,352</u>	<u>149,336</u>	<u>175,688</u>
DEDUCTIONS:			
Scholarship/award payments	31,250		31,250
Unemployment compensation insurance claims and fees		112,396	112,396
	<u>31,250</u>	<u>112,396</u>	<u>143,646</u>
Change in net assets	(4,898)	36,940	32,042
Net assets - July 1	<u>129,994</u>	<u>109,891</u>	<u>239,885</u>
Net assets - June 30	<u>\$ 125,096</u>	<u>\$ 146,831</u>	<u>\$ 271,927</u>

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Student Activity Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2011</u>
MIDDLE/SENIOR HIGH SCHOOLS:				
River Dell Regional	\$ <u>172,057</u>	\$ <u>403,610</u>	\$ <u>368,377</u>	\$ <u>207,290</u>
Total middle/senior high schools:	<u>172,057</u>	<u>403,610</u>	<u>368,377</u>	<u>207,290</u>
ATHLETICS:				
River Dell Regional	<u>                    </u>	<u>97,033</u>	<u>97,033</u>	<u>                    </u>
Total all schools	\$ <u><u>172,057</u></u>	\$ <u><u>500,643</u></u>	\$ <u><u>465,410</u></u>	\$ <u><u>207,290</u></u>

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Payroll Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2011

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>
<b>ASSETS:</b>				
Cash	\$ 125,979	\$ 7,426,016	\$ 7,450,369	\$ 101,626
Total assets	<u>\$ 125,979</u>	<u>\$ 7,426,016</u>	<u>\$ 7,450,369</u>	<u>\$ 101,626</u>
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	\$ 120,946	\$ 7,421,452	\$ 7,445,336	\$ 97,062
Interfund payables	<u>5,033</u>	<u>4,564</u>	<u>5,033</u>	<u>4,564</u>
Total liabilities	<u>\$ 125,979</u>	<u>\$ 7,426,016</u>	<u>\$ 7,450,369</u>	<u>\$ 101,626</u>

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Payroll Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
<b>ASSETS:</b>				
Cash	\$ _____	\$ 10,067,246	\$ 10,067,246	\$ _____
Total assets	\$ _____	\$ 10,067,246	\$ 10,067,246	\$ _____
<b>LIABILITIES:</b>				
Accrued salaries and wages	\$ _____	\$ 10,067,246	\$ 10,067,246	\$ _____
Total liabilities	\$ _____	\$ 10,067,246	\$ 10,067,246	\$ _____

## **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.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Schedule of Serial Bonds  
 For the Fiscal Year Ended June 30, 2011

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2010	Issued	Retired	Balance June 30, 2011
			Date	Amount					
School District Bonds	8/1/1991	\$ 4,951,000	8/1/2011	\$ 241,000	6.60%	\$ 491,000	\$	\$ 250,000	\$ 241,000
Refunded - School Bonds 1996	12/15/2003	\$ 1,910,000	5/1/2011	265,000	3.13%	265,000		265,000	
Improvements to High School and Middle School	3/1/2004	\$ 21,982,000	3/1/2011	1,000,000	3.250%	16,782,000		1,000,000	15,782,000
			3/1/2012	1,020,000	3.250%				
			3/1/2013	1,040,000	3.250%				
			3/1/2014	1,080,000	3.250%				
			3/1/2015	1,120,000	3.500%				
			3/1/2016	1,150,000	3.600%				
			3/1/2017	1,200,000	3.700%				
			3/1/2018	1,250,000	4.000%				
			3/1/2019-20	1,320,000	4.000%				
			3/1/2021	1,320,000	4.100%				
		3/1/2022	1,320,000	4.125%					
		3/1/2023	1,320,000	4.200%					
		3/1/2024	1,322,000	4.250%					
						\$ 17,538,000	\$	\$ 1,515,000	\$ 16,023,000

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Schedule of Obligations under Capital Leases  
 For the Fiscal Year Ended June 30, 2011

Purpose	Term of Lease	Original Amount of Lease		Interest Rate	Balance July 1, 2010	Issued	Retired	Balance June 30, 2011
		Principal	Interest					
Computers	48 months	2,202,676	17,348	0.52%	\$ 1,106,111	\$	\$ 551,612	\$ 554,499
					\$ 1,106,111	\$	\$ 551,612	\$ 554,499

RIVER DELL REGIONAL SCHOOL DISTRICT  
Debt Service Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 2,183,323	\$	\$ 2,183,323	\$ 2,183,323	\$
Total revenues	<u>2,183,323</u>		<u>2,183,323</u>	<u>2,183,323</u>	
<b>EXPENDITURES:</b>					
Regular debt service:					
Interest	668,323		668,323	668,323	
Redemption of principal	1,515,000		1,515,000	1,515,000	
Total regular debt service	<u>2,183,323</u>		<u>2,183,323</u>	<u>2,183,323</u>	
Total expenditures	<u>2,183,323</u>		<u>2,183,323</u>	<u>2,183,323</u>	
Excess (deficiency) of revenues over (under) expenditures					
Fund balances - July 1					
Fund balances - June 30	\$	\$	\$	\$	\$
Recapitulation of excess (deficiency) of revenues over (under) expenditures: Budgeted fund balance	\$	\$	\$	\$	\$

# River Dell Regional School District Statistical Section (Unaudited)

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<b>Financial Trends</b>	88 - 95
<p>These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.</p>	
<b>Revenue Capacity</b>	96 - 101
<p>These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.</p>	
<b>Debt Capacity</b>	102 - 105
<p>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the district's ability to issue additional debt in the future.</p>	
<b>Demographic and Economic Information</b>	106 - 107
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.</p>	
<b>Operating Information</b>	108 - 112
<p>These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.</p>	

RIVER DELL REGIONAL SCHOOL DISTRICT

Net Assets by Component  
Last Nine Years  
(accrual basis of accounting)  
Unaudited

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental activities:</b>									
Invested in capital assets, net of related debt	\$ 1,055,225	\$ (19,946,671)	\$ (16,056,111)	\$ (729,521)	\$ 11,533,252	\$ 13,540,175	\$ 14,170,382	\$ 14,999,328	\$ 15,953,743
Restricted	2,661	22,003,317	20,226,970	10,101,699	1,779,438	1,160,667	534,363	669,271	1,378,744
Unrestricted (deficit)	577,442	85,361	52,854	(109,538)	(101,991)	(182,982)	(211,664)	(335,643)	(216,628)
<b>Total governmental activities net assets</b>	<b>1,635,328</b>	<b>2,142,007</b>	<b>4,223,713</b>	<b>9,262,640</b>	<b>13,210,699</b>	<b>14,517,860</b>	<b>14,493,081</b>	<b>15,332,956</b>	<b>17,115,859</b>
<b>Business-type activities:</b>									
Invested in capital assets, net of related debt	54,417	44,877	36,380	28,927	24,580	29,687	22,092	19,251	25,528
Unrestricted	13,501	19,536	29,850	34,231	36,487	39,554	42,108	42,865	67,042
<b>Total business-type activities net assets</b>	<b>67,918</b>	<b>64,413</b>	<b>66,230</b>	<b>63,158</b>	<b>61,067</b>	<b>69,241</b>	<b>64,200</b>	<b>62,116</b>	<b>92,570</b>
<b>District-wide:</b>									
Invested in capital assets, net of related debt	1,109,642	(19,901,794)	(16,019,731)	(700,594)	11,557,832	13,569,862	14,192,474	15,018,579	15,979,271
Restricted	2,661	22,003,317	20,226,970	10,101,699	1,779,438	1,160,667	534,363	669,271	1,378,744
Unrestricted (deficit)	590,943	104,897	82,704	(75,307)	(65,504)	(143,428)	(189,556)	(292,778)	(149,586)
<b>Total district net assets</b>	<b>\$ 1,703,246</b>	<b>\$ 2,206,420</b>	<b>\$ 4,289,943</b>	<b>\$ 9,325,798</b>	<b>\$ 13,271,766</b>	<b>\$ 14,587,101</b>	<b>\$ 14,557,281</b>	<b>\$ 15,395,072</b>	<b>\$ 17,208,429</b>

Source: District Records

Notes: GASB requires that ten years of statistical data be presented. Statistical data only available starting in 2003. Each year thereafter, an additional year's data will be included until ten years of data is presented.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Changes in Net Assets  
 Last Nine Years  
 (accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses:</b>									
Governmental activities:									
Instruction:									
Regular	9,075,958	9,671,672	9,607,010	9,956,677	10,715,530	11,735,009	11,310,256	11,482,584	11,191,020
Special education	1,446,666	1,496,319	1,527,627	1,631,578	1,850,976	1,757,703	1,909,415	2,064,810	2,015,379
Other special education	278,120	208,398	190,028	216,386	238,899	305,971	320,463	446,683	324,060
Other instruction	731,101	787,359	906,856	928,998	1,027,179	1,087,190	1,111,420	1,095,802	1,062,459
Support services:									
Tuition	1,121,264	995,676	1,307,709	1,477,487	1,795,257	1,866,561	1,945,565	1,912,308	1,963,326
Student and instruction related services	2,834,976	2,941,393	3,091,510	3,277,048	3,657,721	4,052,943	4,098,493	4,034,820	3,854,724
School administrative services	1,065,529	1,234,385	1,214,079	1,485,887	1,623,573	1,573,807	1,462,008	1,500,244	1,514,430
General administration services	514,246	521,989	509,262	404,117	551,957	572,089	592,925	740,026	585,028
Central services			537,129	503,618	500,302	542,815	520,085	544,581	535,547
Administrative information technology			186,873	173,194	202,482	308,815	271,938	452,763	494,972
Business and other support services	486,644	453,213							
Plant operations and maintenance	1,572,491	1,729,704	1,906,242	2,146,325	2,348,655	2,573,387	2,672,612	2,716,997	2,914,920
Pupil transportation	464,419	514,173	552,924	696,140	657,650	720,396	671,985	598,699	537,118
Interest on long-term debt	258,067	498,287	926,042	921,713	886,432	872,381	769,250	714,554	658,515
Unallocated depreciation	285,242	349,665	300,457	353,900	392,316	472,609	1,987,516	1,461,850	1,530,856
Total governmental activities expenses	20,134,723	21,405,233	22,763,748	24,173,068	26,447,129	28,441,676	29,643,931	29,766,721	29,182,354
Business-type activities:									
Food service	388,529	385,922	402,909	389,657	347,217	301,733	306,182	295,687	284,175
Valley Program	788,722	774,409							
Total business-type activities expense	1,177,251	1,160,331	402,909	389,657	347,217	301,733	306,182	295,687	284,175
Total district expenses	\$ 21,311,974	\$ 22,565,564	\$ 23,166,657	\$ 24,562,725	\$ 26,794,346	\$ 28,743,409	\$ 29,950,113	\$ 30,062,408	\$ 29,466,529

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Changes in Net Assets  
 Last Nine Years  
 (accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Program Revenues:</b>									
<b>Governmental activities:</b>									
<b>Charges for services:</b>									
Student and instruction related services	\$ 665,283	\$ 717,016	\$ 2,181,997	\$ 2,439,298	\$ 3,434,879	\$ 170,856	\$ 283,764	\$ 191,926	\$ 162,470
Operating grants and contributions						3,602,413	2,496,879	2,772,957	3,077,733
Capital grants and contributions									97,079
<b>Total governmental activities program revenues</b>	<u>665,283</u>	<u>717,016</u>	<u>2,181,997</u>	<u>2,439,298</u>	<u>3,434,879</u>	<u>3,773,269</u>	<u>2,790,663</u>	<u>2,964,883</u>	<u>3,337,282</u>
<b>Business-type activities:</b>									
<b>Charges for services</b>									
Food service	374,168	382,368	403,502	384,584	338,955	295,518	300,941	290,259	279,424
Tri district coordinated curriculum	788,722	774,409			144,000				
<b>Total business type activities program revenues</b>	<u>1,162,890</u>	<u>1,156,777</u>	<u>403,502</u>	<u>384,584</u>	<u>482,955</u>	<u>295,518</u>	<u>300,941</u>	<u>290,259</u>	<u>279,424</u>
<b>Total district program revenues</b>	<u>\$ 1,828,173</u>	<u>\$ 1,873,793</u>	<u>\$ 2,585,499</u>	<u>\$ 2,823,882</u>	<u>\$ 3,917,834</u>	<u>\$ 4,068,787</u>	<u>\$ 3,091,604</u>	<u>\$ 3,255,142</u>	<u>\$ 3,616,706</u>
<b>Net (expense)/revenue:</b>									
Governmental activities	\$ (19,469,440)	\$ (20,688,217)	\$ (20,581,751)	\$ (21,733,770)	\$ (23,012,250)	\$ (24,668,407)	\$ (26,853,268)	\$ (26,801,838)	\$ (25,845,072)
Business-type activities	(14,361)	(3,554)	593	(5,073)	135,738	(6,215)	(5,241)	(5,428)	(4,751)
<b>Total district-wide net expense</b>	<u>\$ (19,483,801)</u>	<u>\$ (20,691,771)</u>	<u>\$ (20,581,158)</u>	<u>\$ (21,738,843)</u>	<u>\$ (22,876,512)</u>	<u>\$ (24,674,622)</u>	<u>\$ (26,858,509)</u>	<u>\$ (26,807,266)</u>	<u>\$ (25,849,823)</u>
<b>General revenues and other changes in net assets:</b>									
<b>Governmental activities:</b>									
Property taxes levied for:									
General purposes	\$ 16,498,597	\$ 17,506,098	\$ 18,167,654	\$ 18,664,579	\$ 20,393,526	\$ 21,895,575	\$ 22,577,722	\$ 23,480,115	\$ 24,863,418
Debt services	706,821	690,031	2,225,649	2,192,788	2,198,091	2,221,046	2,209,329	2,193,798	2,183,323
Unrestricted grants and contributions	2,054,165	2,514,558	1,733,635	4,454,311	3,677,721	1,232,983	1,121,301	1,287,742	1,183,323
Tuition Received	227,770	248,795	214,866	242,204	269,577	322,138	392,472	473,642	376,858
Interest - capital reserve funds			27	2,216	1,346				
Investment earnings	29,315	32,770	185,975	1,071,872	272,118	159,573	42,671	7,515	30,066
Miscellaneous income	186,698	202,644	135,651	144,727	151,144	157,468	484,994	202,136	209,515
Transfers					(3,214)	(13,215)		(3,235)	(35,205)
<b>Total governmental activities</b>	<u>19,703,366</u>	<u>21,194,896</u>	<u>22,663,457</u>	<u>26,772,697</u>	<u>26,960,309</u>	<u>25,975,568</u>	<u>26,828,469</u>	<u>27,641,713</u>	<u>27,627,975</u>

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Changes in Net Assets  
 Last Nine Years  
 (accrual basis of accounting)  
 Unaudited

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Business-type activities:									
Investment earnings	\$ 138	\$ 49	\$ 1,224	\$ 2,001	\$ 2,957	\$ 1,174	\$ 200	\$ 109	\$ 36,205
Transfers					3,214	13,215		3,235	
Total business-type activities	138	49	1,224	2,001	6,171	14,389	200	3,344	35,205
Total district-wide	\$ 19,703,504	\$ 21,194,945	\$ 22,664,681	\$ 26,774,698	\$ 26,966,480	\$ 25,989,957	\$ 26,828,689	\$ 27,645,057	\$ 27,663,180
Change in net assets									
Governmental activities	233,926	506,679	2,081,706	5,038,927	3,948,059	1,307,161	(24,779)	839,875	1,782,903
Business-type activities	(14,223)	(3,505)	1,817	(3,072)	141,909	8,174	(5,041)	(2,084)	30,454
Total district	\$ 219,703	\$ 503,174	\$ 2,083,523	\$ 5,035,855	\$ 4,089,968	\$ 1,315,335	\$ (29,820)	\$ 837,791	\$ 1,813,357

Source: District Records

Notes: GASB requires that ten years of statistical data be presented. Statistical data only available starting in 2003. Each year thereafter, an additional year's data will be included until ten years of data is presented.

Central Service and Administrative Information Technology Services account classifications were added beginning with year end June 30, 2005. Prior to June 30, 2005, Central Service and Administrative Information Technology Services were combined in Other Support Services as Business and Other Support Services.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Fund Balances - Governmental Funds  
 Last Nine Years  
 (modified accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General fund:									
Reserved	\$ 107,100	\$ 497,530	\$ 851,316	\$ 1,566,914	\$ 1,494,292	\$ 566,796	\$ 351,507	\$ 587,610	\$ 926,067
Unreserved	646,515	541,898	549,163	371,252	400,022	426,847	346,352	190,376	226,899
Restricted									172,836
Committed									299,596
Assigned									
Unassigned									
Total general fund	\$ 753,615	\$ 1,039,428	\$ 1,400,479	\$ 1,938,166	\$ 1,894,314	\$ 993,643	\$ 697,859	\$ 777,986	\$ 1,625,398
All other governmental funds:									
Reserved	\$	\$ 1,469,515	\$ 22,629,153	\$ 10,073,651	\$ 301,254	\$ 279,000	\$	\$ 315	\$
Unreserved, reported in:									
Capital projects fund		20,025,371	(3,282,288)	(1,538,868)	(16,112)	314,871	182,856	81,346	
Debt service fund		10,901	28,789	17,890	4	3,819			
Restricted									52,942
Total all other governmental funds	\$	\$ 21,505,787	\$ 19,375,654	\$ 8,552,673	\$ 285,146	\$ 597,690	\$ 182,856	\$ 81,661	\$ 52,942

Source: District Records

Notes: GASB requires that ten years of statistical data be presented. Statistical data only available starting in 2003. Each year thereafter, an additional year's data will be included until ten years of data is presented.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Years  
 (modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2001	2002	2003	2004	2005	2006	2007	2008	2010	2011
<b>Revenues:</b>										
Tax levy	\$ 16,411,449	\$ 17,205,418	\$ 18,195,129	\$ 20,393,303	\$ 20,857,367	\$ 22,591,617	\$ 24,116,621	\$ 24,787,051	\$ 25,673,913	\$ 27,046,741
Tuition charges	236,946	227,770	248,795	214,866	242,204	269,577	322,138	392,472	473,642	376,858
Interest earnings	39,566	29,315	32,770	186,002	1,074,088	273,464	159,573	42,671	7,515	30,066
Miscellaneous	166,325	187,398	202,644	132,902	145,727	159,644	170,368	485,994	222,136	209,515
State sources	1,863,943	2,452,199	3,009,410	3,594,407	6,574,160	6,678,693	4,297,153	3,044,928	3,160,759	2,329,263
Federal sources	256,437	266,549	222,164	321,225	318,449	425,407	525,343	572,252	879,940	845,549
<b>Total revenue</b>	<b>18,974,666</b>	<b>20,368,649</b>	<b>21,911,912</b>	<b>24,842,705</b>	<b>29,211,995</b>	<b>30,398,402</b>	<b>29,591,196</b>	<b>29,325,368</b>	<b>30,417,905</b>	<b>30,837,992</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular instruction	7,030,333	7,372,874	7,723,417	7,575,769	7,721,087	7,970,825	8,979,102	9,522,557	9,554,104	9,264,273
Special education instruction	1,102,917	1,156,546	1,165,084	1,179,821	1,233,508	1,316,334	1,256,861	1,488,528	1,583,434	1,536,714
Other special instruction	255,821	223,623	163,567	147,678	164,036	170,077	219,757	250,701	343,675	247,746
Other instruction	687,397	624,701	663,819	746,393	756,320	803,628	856,724	935,442	909,537	872,315
<b>Support services:</b>										
Tuition	924,344	1,121,264	995,676	1,307,709	1,477,487	1,795,257	1,866,561	1,945,565	1,912,308	1,963,326
Student and instruction related services	2,224,601	2,413,187	2,400,716	2,502,400	2,623,887	2,817,114	3,047,300	3,114,161	3,095,891	2,998,572
School administrative services	805,808	869,216	964,091	901,609	1,132,869	1,161,979	1,127,240	1,121,738	1,126,621	1,127,404
General administration services	358,999	472,385	456,156	420,412	343,777	449,383	460,875	507,570	635,147	470,436
Central services				400,177	406,734	384,367	419,804	408,652	421,851	400,541
Administrative information technology services				133,660	133,904	146,924	226,848	215,031	354,724	390,894
Business and other support services	366,417	423,852	387,380							
Plant operations and maintenance	1,345,398	1,383,834	1,516,676	1,590,547	1,849,790	1,991,521	2,178,564	2,266,736	2,276,625	2,422,542
Pupil transportation	327,790	457,427	505,874	544,855	688,206	647,330	708,896	661,814	587,042	523,961
Employee benefits	2,181,196	3,106,042	3,586,571	3,921,184	4,403,316	5,723,240	5,822,659	4,749,444	5,168,926	5,163,388
Capital outlay	425,149	534,481	894,155	3,031,812	14,425,047	11,930,545	1,288,319	2,837,575	272,055	418,659
Debt service:										
Principal	440,000	440,000	480,000	1,250,000	1,275,000	1,335,000	1,390,000	1,435,000	1,470,000	1,515,000
Interest and other charges	293,612	266,822	210,022	957,761	928,687	880,977	856,223	778,148	723,798	668,323
<b>Total expenditures</b>	<b>18,769,782</b>	<b>20,866,254</b>	<b>22,113,204</b>	<b>26,611,787</b>	<b>39,565,655</b>	<b>39,524,601</b>	<b>30,705,733</b>	<b>32,238,662</b>	<b>30,435,738</b>	<b>29,984,094</b>

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Years  
 (modified accrual basis of accounting)

	2001	2002	2003	2004	2005	2006	2007	2008	2010	2011
Excess (Deficiency) of revenues over (under) expenditures	\$ 204,884	\$ (497,605)	\$ (201,292)	\$ (1,769,082)	\$ (10,353,660)	\$ (9,126,199)	\$ (1,114,537)	\$ (2,913,294)	\$ (17,833)	\$ 853,898
Other financing sources (uses):										
Proceeds from borrowing		27,290	21,982,000		68,366	818,034	539,625	2,202,676		
Capital leases (non-budgeted)			1,910,872							
Proceeds from refunding			(1,899,980)							
Payments to escrow agent			608	76,405	894,804	26,548	828,928	199,192	30	11
Transfers in			(608)	(76,405)	(894,804)	(29,762)	(842,143)	(199,192)	(3,265)	(35,216)
Transfers out										
Total other financing sources (uses)		27,290	21,992,892		68,366	814,820	526,410	2,202,676	(3,235)	(35,205)
Net change in fund balances	\$ 204,884	\$ (470,315)	\$ 21,791,600	\$ (1,769,082)	\$ (10,285,294)	\$ (8,311,379)	\$ (588,127)	\$ (710,618)	\$ (21,068)	\$ 818,693
Debt service as a percentage of noncapital expenditures	4.00%	3.48%	3.25%	9.36%	8.77%	8.03%	7.64%	7.53%	7.27%	7.38%

Source: District records

Notes:

Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology services account classifications were added beginning with year end June 30, 2005. Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund - Other Local Revenue By Source  
 Last Ten Years  
 (modified accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund:										
Interest on investments	\$ 39,566	\$ 26,654	\$ 32,743	\$ 109,570	\$ 177,068	\$ 245,570	\$ 123,827	\$ 33,252	\$ 7,485	\$ 30,055
Student activity fees									73,516	86,150
Rentals	67,347	58,392	58,735	54,374	59,700	60,100	62,985	65,075	51,720	50,276
Sale of equipment								153,450		
Prior year's refunds	4,734	30,000	4,324	6,459	7,309	24,742	9,880	35	1,659	7,210
Commissions	6,419	6,000	6,000							
Miscellaneous - restricted:										
Rentals	75,000	75,000	75,000							
Reimbursement of counselor and other costs					38,726	29,463	24,866	32,947	34,800	
Utility rebates						1,512	13,328		23,178	16,451
Athletic receipts	11,586	14,648	12,432	13,452	14,864	14,579	15,152	16,910	15,089	14,155
Other					14,483	11,464	27,160	26,364		22,672
Miscellaneous - unrestricted	716	2,658	46,153	58,617	9,645	9,284	280	440	2,174	12,601
Total Miscellaneous	205,368	213,352	235,387	242,472	321,795	396,714	277,478	328,473	209,621	239,570
Interest on capital reserve funds		2,661	27	27	2,216	1,346				
Tuition	236,946	227,770	248,795	214,866	242,204	269,577	322,138	392,472	473,642	376,858
Total General Fund	\$ 442,314	\$ 443,783	\$ 484,209	\$ 457,365	\$ 566,215	\$ 667,637	\$ 599,616	\$ 720,945	\$ 683,263	\$ 616,428

Source: District records.

RIVER DELL REGIONAL SCHOOL DISTRICT  
Assessed Value and Actual Value of Taxable Property  
Last Ten Years

Fiscal Year Ended December 31,	Borough of Oradell							Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>		
	Vacant Land	Residential	Commercial/Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable			Less: Tax Exempt Property	
2002	\$ 2,011,600	\$ 723,400,900	\$ 101,496,900	\$ 3,722,200	\$ 830,631,600	\$ 1,237,616	\$ 831,869,216	\$	N/A	\$ 1,265,775,316	1.960
2003	2,476,600	725,379,400	101,393,300	3,722,200	832,971,500	1,115,561	834,087,061		N/A	1,259,722,021	2.094
2004	2,261,600	727,005,200	101,508,400	3,722,200	834,497,400	959,356	835,456,756		N/A	1,359,018,599	2.210
2005	2,219,100	729,239,000	101,901,800	3,722,200	837,082,100	862,613	837,944,713		N/A	1,504,362,836	2.339
2006	2,623,700	731,683,700	102,108,100	3,575,900	839,991,400	702,978	840,694,378		N/A	1,705,042,614	2.466
2007	2,623,700	733,704,800	100,066,600	3,575,900	839,971,000	843,283	840,814,283		N/A	1,833,122,692	2.610
2008	2,479,300	739,384,400	94,810,100	3,575,900	840,249,700	838,401	841,088,101	86,002,400		1,809,772,093	2.620
2009	(c) 4,510,900	1,400,052,700	205,794,900	8,253,800	1,618,612,300	838,401	1,619,450,701	160,702,900		1,818,510,684	1.376
2010	4,769,900	1,400,255,300	205,949,300	8,253,800	1,619,228,300	1,782,462	1,621,010,762	161,113,300		1,806,117,582	1.450
2011	3,901,100	1,408,484,200	201,008,500	8,137,800	1,621,531,600	1,736,535	1,623,268,135	161,113,300		1,761,002,376	1.441

Borough of River Edge

Fiscal Year Ended December 31,	Borough of River Edge							Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>		
	Vacant Land	Residential	Commercial/Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable			Less: Tax Exempt Property	
2002	\$ 2,015,100	\$ 701,132,700	\$ 81,061,500	\$ 38,063,800	\$ 822,273,100	\$ 5,814,642	\$ 828,087,742	\$	N/A	\$ 1,085,629,175	1.896
2003	1,548,000	704,166,600	80,208,450	38,063,800	823,986,850	5,383,121	829,369,971		N/A	1,125,965,388	2.120
2004	1,466,700	706,664,000	80,189,350	38,388,000	826,708,050	4,766,439	831,474,489		N/A	1,269,872,257	2.330
2005	6,710,100	1,399,533,700	134,217,500	71,056,500	1,611,517,800	7,498,646	1,619,016,446	130,978,000		1,436,374,608	1.240
2006	6,698,100	1,398,508,700	134,152,200	71,056,500	1,610,415,500	7,045,356	1,617,460,856	132,172,600		1,622,061,554	1.381
2007	7,055,300	1,402,078,700	132,811,800	70,886,900	1,612,832,700	7,062,847	1,619,895,547	132,487,200		1,798,693,560	1.496
2008	6,331,700	1,414,404,500	125,241,700	70,523,500	1,616,501,400	6,740,506	1,623,241,906	133,995,200		1,912,093,406	1.550
2009	11,167,500	1,421,404,500	117,120,400	70,523,500	1,620,215,900	6,952,327	1,627,168,227	134,659,500		1,920,855,215	1.650
2010	11,257,500	1,423,100,600	122,801,500	70,523,500	1,627,683,100	7,502,187	1,635,185,287	131,812,000		1,842,825,877	1.694
2011	11,268,700	1,424,860,900	121,449,300	70,523,500	1,628,102,400	6,992,114	1,635,094,514	131,812,000		1,845,519,614	1.740

Source: Municipal Tax Assessor and Abstract of Rates, County Board of Taxation.

Notes: Real property is required to be assessed at some percentage of true value (fair or market value) board of taxation.

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

a - Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

b - Tax rates are per \$100.

c - Borough undertook a revaluation of real property.

RIVER DELL REGIONAL SCHOOL DISTRICT  
Direct and Overlapping Property Tax Rates  
Last Ten Years  
(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	River Dell Regional School District			Overlapping Rates		Total direct and overlapping tax rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct School	Borough of Oradell	County of Bergen	
2002	\$ 1.914	\$ 0.046	\$ 1.960	\$ 0.793	\$ 0.337	3.090
2003	2.049	0.045	2.094	0.826	0.320	3.240
2004	2.166	0.044	2.210	0.865	0.335	3.410
2005	2.201	0.138	2.339	0.870	0.351	3.560
2006	2.330	0.136	2.466	0.945	0.369	3.780
2007	2.474	0.136	2.610	0.997	0.383	3.990
2008	2.486	0.134	2.620	1.019	0.404	4.043
2009	(1) 1.310	0.066	1.376	0.549	0.217	2.142
2010	1.385	0.065	1.450	0.570	0.218	2.238
2011	1.374	0.067	1.441	0.617	0.226	2.284

Source: Municipal Tax Collector

Notes: N.J.S.A. 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation.

a - The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.

b - Rates for debt service are based on each year's requirements.

(1) Borough undertook a revaluation of real property.

RIVER DELL REGIONAL SCHOOL DISTRICT  
Direct and Overlapping Property Tax Rates  
Last Ten Years  
(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	River Dell Regional School District			Overlapping Rates		Total direct and overlapping tax rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct School	Borough of River Edge	County of Bergen	
2002	\$ 1.854	\$ 0.042	\$ 1.896	\$ 0.934	\$ 0.300	\$ 3.130
2003	2.080	0.040	2.120	0.942	0.298	3.360
2004	2.291	0.039	2.330	0.946	0.324	3.600
2005	1.174	0.066	1.240	0.502	0.188	1.930
2006	1.316	0.065	1.381	0.512	0.197	2.090
2007	(1) 1.431	0.065	1.496	0.513	0.211	2.220
2008	1.483	0.067	1.550	0.549	0.217	2.316
2009	1.580	0.070	1.650	0.565	0.227	2.442
2010	1.624	0.070	1.694	0.650	0.221	2.565
2011	1.673	0.067	1.740	0.697	0.234	2.671

Source: Municipal Tax Collector

Notes: N.J.S.A. 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation.

a - The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.

b - Rates for debt service are based on each year's requirements.

(1) Borough undertook a revaluation of real property.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Principal Property Taxpayers  
 Current Year and Nine Years Ago

Taxpayer	Borough of Oradell					
	2011			2002		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Cranston Associates	\$ 18,423,900	1	1.14%	\$ 10,414,000	2	1.26%
600 Kinderkamack Road, LLC	16,784,200	2	1.03%			
Rio Vista Property	15,757,300	3	0.97%			
Rio Vista Property	10,214,800	4	0.63%			
Emerson Real Estate, LLC	10,214,600	5	0.63%			
Kamack Realty Corp.	9,657,400	6	0.60%	4,403,500	5	0.53%
Oradell Office Plaza, LLC	7,428,800	7	0.46%			
White Beeches Golf club	7,417,000	8	0.46%			
PSE&G	7,038,000	9	0.43%	3,813,400	9	0.46%
Holy Name Real Estate Corp	5,788,000	10	0.36%			
Multipoint				10,600,000	1	1.28%
Wilmington Trust Company				7,200,000	3	0.87%
680-690 Kinderkamack Assoc.				4,898,700	4	0.59%
White Beeches Realty				4,100,100	6	0.49%
Rivervale Realty				3,942,700	7	0.48%
550 Kinderkamack Road, L.P.				3,837,200	8	0.46%
Hackensack Golf Club				3,609,800	10	0.43%
<b>Total</b>	<b>\$ 108,724,000</b>		<b>6.71%</b>	<b>\$ 56,819,400</b>		<b>6.85%</b>

Source: Municipal Tax Assessor

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Principal Property Taxpayers  
 Current Year and Nine Years Ago

Taxpayer	Borough of River Edge					
	2011			2002		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
River Terrace Gardens	\$ 19,828,900	1	1.21%	\$ 10,202,000	1	1.24%
River Edge Associates	15,761,300	2	0.96%	8,749,000	2	1.06%
Gainesborough Coop Corp.	10,398,200	3	0.64%	5,900,000	3	0.72%
ESS Owner WCOT LLC	10,040,000	4	0.61%			
Grand Four Associates	8,649,300	5	0.53%	4,634,000	6	0.56%
Verizon - New Jersey	7,502,187	6	0.46%			
First Real Estate Investment Tr of NJ	7,297,900	7	0.45%	3,932,000	7	0.48%
Route 4 - Main St., LLC	5,625,000	8	0.34%	5,037,000	5	0.61%
Milipau Family, LLC	5,032,600	9	0.31%			
Riverside Medical Arts Center	4,066,200	10	0.25%	2,570,500	9	0.31%
New Jersey Bell				5,814,642	4	0.71%
Tamburelli Property Assoc.				2,746,200	8	0.33%
Individual Taxpayer 1				2,570,500	10	0.31%
<b>Total</b>	<b>\$ 94,201,587</b>		<b>5.76%</b>	<b>\$ 52,155,842</b>		<b>6.33%</b>

Source: Municipal Tax Assessor

RIVER DELL REGIONAL SCHOOL DISTRICT  
Property Tax Levies and Collections  
Last Ten Years  
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	\$ 16,411,448	\$ 16,411,448	100.00%	\$
2003	17,205,418	17,205,418	100.00%	
2004	18,196,129	18,196,129	100.00%	
2005	20,393,303	20,393,303	100.00%	
2006	20,857,367	20,857,367	100.00%	
2007	22,591,617	22,591,617	100.00%	
2008	24,116,621	24,116,621	100.00%	
2009	24,787,051	24,787,051	100.00%	
2010	25,673,913	25,673,913	100.00%	
2011	27,046,741	27,046,741	100.00%	

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

Notes: a - School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, 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.

RIVER DELL REGIONAL SCHOOL DISTRICT  
Ratios of Outstanding Debt by Type  
Last Ten Years

Borough of Oradell

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Capital Leases			
2002	\$ 2,400,175	\$ 615	\$ 2,400,790	0.57%	\$ 300
2003	2,206,357	10,015	2,216,372	0.53%	279
2004	13,713,266	5,112	13,718,378	3.36%	1,729
2005	12,697,084		12,697,084	2.93%	1,612
2006	12,122,044	10,233	12,132,277	2.70%	1,556
2007	11,321,416	326,691	11,648,107	2.37%	1,499
2008	10,391,470	421,291	10,812,761	2.07%	1,394
2009	9,219,463	802,654	10,022,117	1.89%	1,287
2010	8,389,687	529,132	8,918,819	1.78%	1,118
2011	7,986,990	276,401	8,263,391	N/A	N/A

Borough of River Edge

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Capital Leases			
2002	\$ 2,153,825	\$ 551	\$ 2,154,376	0.38%	\$ 198
2003	1,907,643	8,659	1,916,302	0.34%	177
2004	11,979,734	4,466	11,984,200	2.15%	1,108
2005	11,745,916		11,745,916	1.99%	1,095
2006	11,045,956	9,324	11,055,280	1.81%	1,040
2007	10,511,584	303,322	10,814,906	1.61%	1,019
2008	10,051,530	407,509	10,459,039	1.47%	984
2009	9,788,537	852,198	10,640,735	1.46%	995
2010	9,148,313	576,979	9,725,292	1.41%	910
2011	8,036,010	278,098	8,314,108	N/A	N/A

Source: District Records

Notes: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a - See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

N/A - At the time of CAFR completion, this data was not yet available.

RIVER DELL REGIONAL SCHOOL DISTRICT  
Ratios of General Bonded Debt Outstanding  
Last Ten Years

Borough of Oradell

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value Property <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2002	\$ 2,400,175	\$	\$ 2,400,175	0.29%	\$ 300
2003	2,206,357		2,206,357	0.26%	277
2004	13,713,266		13,713,266	1.64%	1,728
2005	12,697,084		12,697,084	1.52%	1,612
2006	12,122,044		12,122,044	1.44%	1,555
2007	11,321,416		11,321,416	1.35%	1,457
2008	10,391,470		10,391,470	1.24%	1,340
2009	9,219,463		9,219,463	0.57%	1,184
2010	8,389,687		8,389,687	0.52%	1,052
2011	7,986,990		7,986,990	0.49%	N/A

Borough of River Edge

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value Property <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2002	\$ 2,153,825	\$	\$ 2,153,825	0.26%	\$ 198
2003	1,907,643		1,907,643	0.23%	176
2004	11,979,734		11,979,734	1.44%	1,108
2005	11,745,916		11,745,916	0.73%	1,095
2006	11,045,956		11,045,956	0.68%	1,039
2007	10,511,584		10,511,584	0.65%	991
2008	10,051,530		10,051,530	0.62%	946
2009	9,788,537		9,788,537	0.60%	916
2010	9,148,313		9,148,313	0.56%	856
2011	8,036,010		8,036,010	0.49%	N/A

Source: District Records

Notes: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a - See Exhibit J-6 for property tax data.

b - See Exhibit J-14 for population data. The ratio is calculated using the population for the prior calendar year.

N/A - At the time of CAFR completion, this data was not yet available.

RIVER DELL REGIONAL SCHOOL DISTRICT  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2010

<u>Governmental Unit</u>		<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes				
Borough of Oradell	(1)	\$ 16,370,908	100%	\$ 16,370,908
Borough of River Edge	(1)	10,583,605	100%	10,583,605
Other debt				
County of Bergen - Borough of Oradell's share	(2);(A)	N/A	N/A	
County of Bergen - Borough of River Edge's share	(2);(A)	N/A	N/A	
Subtotal, overlapping debt				<u>26,954,514</u>
River Dell Regional School District Direct Debt				<u>16,023,000</u>
Total direct and overlapping debt				<u>\$ 42,977,514</u>

Sources: (1) Municipal Chief Financial Officer

(A) The debt for this entity was apportioned to the Boroughs of Oradell and River Edge by applying the Municipality-to-County Net Valuation on which County taxes are apportioned for Bergen County.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Oradell and River Edge. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

N/A - Information is not available

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Legal Debt Margin Information  
 Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2010

December 31, Year	Borough of River Edge Equalized Valuation Basis		Borough of Oradell Equalized Valuation Basis		Combined Equalized Valuation Basis	
2010	\$	1,834,422,518	\$	1,753,550,249	\$	3,587,972,767
2009		1,822,925,180		1,800,258,369		3,623,183,549
2008		1,905,352,900		1,808,933,692		3,714,286,592
				[A]		\$ 10,925,442,908

Average equalized valuation of taxable property

[A/3] \$ 3,641,814,303

Debt limit (3.5 % of average equalization value) [B] 127,463,501 <sup>a</sup>

Total Net Debt Applicable to Limit [C] 16,023,000

Legal debt margin [B-C] \$ 111,440,501

Fiscal Year Ending June 30,

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 68,482,931	\$ 75,133,231	\$ 83,033,265	\$ 92,063,263	\$ 103,039,486	\$ 114,760,509	\$ 124,043,318	\$ 128,789,063	\$ 129,351,876	\$ 127,463,501
Total net debt applicable to limit	4,554,000	4,114,000	25,693,000	24,443,000	23,168,000	21,833,000	20,443,000	19,008,000	17,538,000	16,023,000
Legal debt margin	\$ 63,928,931	\$ 71,019,231	\$ 57,340,265	\$ 67,620,263	\$ 79,871,486	\$ 92,927,509	\$ 103,600,318	\$ 109,781,063	\$ 111,813,876	\$ 111,440,501
Total net debt applicable to the limit as a percentage of debt limit	6.65%	5.48%	30.94%	26.55%	22.48%	19.02%	16.48%	14.76%	13.58%	12.57%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

RIVER DELL REGIONAL SCHOOL DISTRICT  
Demographic and Economic Statistics  
Last Ten Years

Borough of Oradell					
Year	Population <sup>a(1)</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c(2)</sup>	Unemployment Rate <sup>d</sup>	
2002	7,995	\$ 415,188,345	\$ 51,931	3.70%	
2003	7,958	408,173,778	51,291	3.60%	
2004	7,935	433,798,515	54,669	3.00%	
2005	7,879	448,811,477	56,963	2.90%	
2006	7,798	491,437,758	63,021	2.80%	
2007	7,773	521,669,349	67,113	2.50%	
2008	7,755	531,535,455	68,541	3.30%	
2009	7,787	501,389,356	64,388	5.90%	
2010	7,978 (3)	N/A	N/A	6.10%	
2011	7,978 (3)	N/A	N/A	N/A	

Borough of River Edge					
Year	Population <sup>a(1)</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c(2)</sup>	Unemployment Rate <sup>d</sup>	
2002	10,893	\$ 565,684,383	\$ 51,931	3.30%	
2003	10,844	556,199,604	51,291	3.30%	
2004	10,814	591,190,566	54,669	2.70%	
2005	10,731	611,269,953	56,963	2.80%	
2006	10,633	670,102,293	63,021	3.00%	
2007	10,609	712,001,817	67,113	2.60%	
2008	10,627	728,385,207	68,541	3.40%	
2009	10,691	688,372,108	64,388	6.20%	
2010	10,691 (3)	N/A	N/A	6.40%	
2011	10,691 (3)	N/A	N/A	N/A	

## Source:

- a - Population information provided by the US Bureau of the Census, Population Division
- b - Personal income has been estimated based upon the municipal population and per capita personal income presented
- c - US Bureau of Economic Analysis per capita personal income for New Jersey by county
- d - Unemployment data provided by the NJ Dept of Labor and Workforce Development

## Notes:

- (1) Represents estimate as of July 1
- (2) Represents county information vs. municipality
- (3) estimated
- N/A - At the time of CAFR completion, this data was not yet available

RIVER DELL REGIONAL SCHOOL DISTRICT  
Principal Employers  
Current Year and Nine Years Ago

Borough of Oradell						
Employer	2011			2002		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
	N/A	1	N/A	N/A	1	N/A
	N/A	2	N/A	N/A	2	N/A
	N/A	3	N/A	N/A	3	N/A
	N/A	4	N/A	N/A	4	N/A
	N/A	5	N/A	N/A	5	N/A
	N/A	6	N/A	N/A	6	N/A
	N/A	7	N/A	N/A	7	N/A
	N/A	8	N/A	N/A	8	N/A
	N/A	9	N/A	N/A	9	N/A
	N/A	10	N/A	N/A	10	N/A
	-			-		-

Borough of River Edge						
Employer	2011			2002		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
	N/A	1	N/A	N/A	1	N/A
	N/A	2	N/A	N/A	2	N/A
	N/A	3	N/A	N/A	3	N/A
	N/A	4	N/A	N/A	4	N/A
	N/A	5	N/A	N/A	5	N/A
	N/A	6	N/A	N/A	6	N/A
	N/A	7	N/A	N/A	7	N/A
	N/A	8	N/A	N/A	8	N/A
	N/A	9	N/A	N/A	9	N/A
	N/A	10	N/A	N/A	10	N/A
	-			-		-

Source: Borough of Oradell, Borough of River Dell and State of New Jersey Department of Labor and Industry Annual Labor Force Estimates by Municipality

N/A - At the time of CAFR completion, this data was not yet available

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Full-time Equivalent District Employees by Function/Program  
 Last Ten Fiscal Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction										
Regular	77	77	88	87	86	107	110	109	110	111
Special education	21	21	20	23	23	16	21	23	23	17
Support Services:										
Student & instruction related services	24	24	22	28	27	20	22	21	22	26
General administration	3	3	3	2	2	2	2	2	2	2
School administrative services	8	7	9	9	8	9.2	9	9	9	9
Central services	5	5	5	4.5	4.5	4.8	4.5	5	5	5
Administrative Information Technology	2	2	2	2	2	2	2	2	2	4
Plant operations and maintenance	19	20	21	20	21	19	21	21	21	22
Pupil transportation	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
<b>Total</b>	<b>159</b>	<b>159</b>	<b>170</b>	<b>176</b>	<b>174</b>	<b>180.5</b>	<b>192.0</b>	<b>192.5</b>	<b>194.5</b>	<b>196.5</b>

Source: District Personnel Records

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Operating Statistics  
 Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Middle School	Senior High School				
2002	1,379	17,611,021	12,771	-0.23%	101.0	1:16	1:12	1,364.4	1,276.5	3.90%	93.56%
2003	1,408	19,624,951	13,938	9.14%	104.8	1:16	1:14	1,397.2	1,316.3	2.40%	94.21%
2004	1,365	20,529,027	15,040	7.90%	94.4	1:15	1:13	1,382.4	1,287.4	-1.06%	93.13%
2005	1,428	21,372,214	14,967	-0.49%	108.5	1:14	1:13	1,421.4	1,366.3	2.82%	96.12%
2006	1,485	22,936,921	15,446	3.20%	108.9	1:17	1:14	1,469.8	1,410.9	3.41%	95.99%
2007	1,498	25,378,079	16,941	9.68%	112.2	1:16	1:15	1,492.0	1,422.8	1.51%	95.36%
2008	1,527	27,171,191	17,794	5.03%	112.3	1:16	1:15	1,525.5	1,468.5	2.25%	96.26%
2009	1,610	27,187,939	16,887	-5.10%	113.2	1:11	1:12	1,535.5	1,477.4	0.66%	96.22%
2010	1,622	27,969,885	17,244	2.11%	113.5	1:11	1:13	1,616.0	1,554.8	5.24%	96.21%
2011	1,638	27,382,112	16,717	-3.06%	115.5	1:12	1:14	1,619.0	1,548.0	0.19%	95.61%

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).

RIVER DELL REGIONAL SCHOOL DISTRICT  
 School Building Information  
 Last Ten Fiscal Years

District Building	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<u>Middle School</u>										
River Dell Middle School (1956)										
Square Feet	100,800	100,800	100,800	100,800	100,800	100,800	117,834	117,834	117,834	117,834
Capacity (students)	623.75	623.75	623.75	623.75	623.75	623.75	729.70	729.70	729.70	729.70
Enrollment	493	520	489	472	518	515	552	569	553	576
<u>High School</u>										
River Dell High School (1958)										
Square Feet	127,200	127,200	127,200	127,200	127,200	127,200	174,016	174,016	174,016	174,016
Capacity (students)	1,101.6	1,101.6	1,101.6	1,101.6	1,101.6	1,101.6	1,476.1	1,476.1	1,476.1	1,476.1
Enrollment	876.0	875.5	883.0	946.5	953.0	983.0	975.0	1,041.0	1,069.0	1,045.0

Number of Schools at June 30, 2011  
 Middle School = 1  
 Senior High School = 1

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October district count.

RIVER DELL REGIONAL SCHOOL DISTRICT  
Schedule of Required Maintenance  
Last Ten Fiscal Years

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

* School Facilities School # (s)	River Dell Middle School 060	River Dell High School 050	Total
2002	\$ 241,105	\$ 304,253	\$ 545,358
2003	202,778	254,400	457,178
2004	240,463	303,441	543,904
2005	243,251	306,960	550,211
2006	310,965	392,409	703,374
2007	286,351	364,446	650,797
2008	242,762	431,576	674,338
2009	282,380	512,626	795,006
2010	275,377	406,674	682,051
2011	372,434	550,007	922,441
Total School Facilities	\$ <u>2,697,866</u>	\$ <u>3,826,792</u>	\$ <u>6,524,658</u>

\* 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

RIVER DELL REGIONAL SCHOOL DISTRICT  
Insurance Schedule  
June 30, 2011  
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - School Alliance Insurance Fund		
Property - Blanket Building & Contents	\$ 87,907,840	\$ 1,000
Automobile Liability	5,000,000	500
Uninsured Motorists	5,000,000	
Auto Medical Payments	5,000	
Comprehensive General Liability	5,000,000	1,000
Employee Benefits Liability	5,000,000	1,000
Education Legal Liability	5,000,000	25,000
Employment Practices Liability	5,000,000	25,000
Computer Fraud	50,000	1,000
Public Employee Dishonesty (each loss)	500,000	1,000
Forgery and Alteration	50,000	1,000
Flood	10,000,000	25,000
Earthquake	25,000,000	25,000
Theft, Disappearance and Destruction	50,000	1,000
Boiler and Machinery Equipment Coverage	100,000,000	1,000
School Leaders Professional Liability - Ace American Insurance	5,000,000	25,000
Environmental Impairment Liability Aggregate Limit - Illinois Union Insurance Co.	25,000,000	10,000
Additional Excess Liability (each occurrence) - Fireman's Fund Indemnity Corporation	5,000,000	
Accidental Death and Dismemberment - Gerber Life Insurance Company (per accident)	500,000	
Public Employee Surety Bonds		
Treasurer of School Moneys	300,000	
Board Secretary/Business Administrator	100,000	

Source: District records.

Note: The District is part of the South Bergen Region VII Pool. Several of the above coverage's are the combined amounts for all the school districts under master policies with insurance companies.

## **SINGLE AUDIT SECTION**

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

Honorable President and Members  
of the Board of Education  
River Dell Regional School District  
County of Bergen  
River Edge, New Jersey

We have audited the financial statements of the Board of Education of the River Dell Regional School District, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2011, and have issued our report thereon dated November 30, 2011. 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 and Regulatory Compliance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Board of Education of the River Dell Regional School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Board of Education of the River Dell Regional 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 Board of Education of the River Dell Regional School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the River Dell Regional 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 entity'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 Board of Education of the River Dell Regional 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 these 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 and Regulatory Compliance, Department of Education, State of New Jersey.

We noted certain matters that we reported to the Board of Education of the River Dell Regional School District in a separate report entitled *Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance* dated November 30, 2011.

This report is intended solely for the information and use of management, the River Dell Regional Board of Education, the New Jersey Department of Education (the cognizant audit agency) and other state and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

*McKinley White & Co SSP*

McKINLEY, WHITE & CO., L.L.P.  
Certified Public Accountants

*Thomas W. McKinley*

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Thomas W. McKinley, CPA  
Licensed Public School Accountant  
License #20CS0044200

Paramus, New Jersey

November 30, 2011

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

Honorable President and Members  
of the Board of Education  
River Dell Regional School District  
County of Bergen  
River Edge, New Jersey

Compliance

We have audited the Board of Education of the River Dell Regional School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the River Dell Regional School District's major federal and state programs for the year ended June 30, 2011. The Board of Education of the River Dell Regional School District's major federal and state programs are identified in the summary of auditors' 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 federal and state programs is the responsibility of the Board of Education of the River Dell Regional School District's management. Our responsibility is to express an opinion on the Board of Education of the River Dell Regional 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 and Regulatory Compliance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133, 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 federal or state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education of the River Dell Regional 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 of the Board of Education of the River Dell Regional School District's compliance with those requirements.

In our opinion, the Board of Education of the River Dell Regional School District, in the County of Bergen, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2011.

#### Internal Control Over Compliance

Management of the Board of Education of the River Dell Regional School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Board of Education of the River Dell Regional School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the River Dell Regional 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 federal or 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 federal or 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 River Dell Regional Board of Education, the New Jersey Department of Education (the cognizant audit agency), and other federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

*McKinley White & Co. LLP*

McKINLEY, WHITE & CO., L.L.P.  
Certified Public Accountants

*Thomas W. McKinley*

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Thomas W. McKinley, CPA  
Licensed Public School Accountant  
License #20CS0044200

Paramus, New Jersey

November 30, 2011

RIVER DELL REGIONAL SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2011

Schedule A

Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2010	Carryover/Walkover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Accounts Receivable	Deferred Revenue	Due to Grantor		
<b>U.S. Department of Education</b>														
<b>Passed-through State Department of Education:</b>														
<b>Special Revenue Fund:</b>														
I.D.E.A. Part B:														
84.027	FT-4405-10	381,739	9/1/10 - 8/31/11	\$ 238,086	\$	\$ 238,086	(381,739)	\$	\$	(143,653)	\$	\$		
I.D.E.A. Part B - ARRA:														
84.391	ARRA-4390-10	505,070	9/1/09 - 8/31/11	23,948		177,559	(249,089)			(47,582)				
E.S.E.A., Title II Part A, Teacher and Principal Training and Recruiting Fund:														
84.367A	NCLB-4405-11	73,540	9/1/10 - 8/31/11			46,875	(73,540)			(26,665)				
E.S.E.A., Title III, English Language Acquisition and Language Enhancement:														
84.365A	NCLB-4405-11	39,811	9/1/10 - 8/31/11			25,094	(39,811)			(14,717)				
<b>U.S. Department of Education</b>														
<b>Special Revenue Fund:</b>														
Safe and Drug-Free Schools and Communities - National Programs														
84.184D	Q184D080022-11	47,500	6/16/10 - 6/15/11			19,214	(27,041)			(7,827)				
84.184D	Q184D080022-10	20,732	6/16/09 - 6/15/10	(1,896)		20,732	(20,732)							
84.184D	Q184D080022-09	35,812	6/16/08 - 6/15/09			1,896								
<b>U.S. Department of Housing and Urban Development</b>														
<b>Passed-through County of Bergen:</b>														
<b>Special Revenue Fund:</b>														
Community Development Block Grant														
14.228	RD-CN-10-09	55,000	7/1/09 - 6/30/10			48,198	(48,198)							
14.228	PV-RDBOE-03-10	8,410	7/1/10 - 6/30/11			5,399	(5,399)							
											22,052			
											\$ 22,052	\$	(240,444)	\$
											\$ 583,053	\$	(845,549)	\$
											\$ 583,053	\$	(845,549)	\$
											\$	\$	(240,444)	\$
											\$	\$	(240,444)	\$

Total Special Revenue Fund

Total Federal Awards

RIVER DELL REGIONAL SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year Ended June 30, 2011

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2011		GAAP Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2011		MEMO	
				Deferred Revenue (Accounts Receivable)	Due to Grantor				Accounts Receivable	Deferred Revenue	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>												
<b>General Fund:</b>												
Transportation Aid	10-495-034-5120-014		7/1/09 - 6/30/10	\$	\$	11,661	(11,661)		\$	\$	\$	11,661
Special Education Categorical Aid	10-495-034-5120-089		7/1/09 - 6/30/10			68,703	(68,703)					68,703
Security Aid	10-495-034-5120-084		7/1/09 - 6/30/10			7,696	(7,696)					7,696
Additional Nonpublic School Transportation Aid	Not Available	11,076	7/1/10 - 6/30/11									
Additional Nonpublic School Transportation Aid	Not Available	10,703	7/1/09 - 6/30/10			10,703	(10,703)			11,076		10,703
Extraordinary Special Education Costs Aid	10-100-034-5120-473	236,391	7/1/10 - 6/30/11							236,391		236,391
Extraordinary Special Education Costs Aid	10-100-034-5120-473	248,602	7/1/09 - 6/30/10			248,602	(248,602)					248,602
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	906,934	7/1/10 - 6/30/11			860,566	(906,934)			46,368		906,934
Reimbursed TPAF Social Security Contributions	10-495-034-5095-051	948,382	7/1/09 - 6/30/10	(47,844)		47,844						40,151
TPAF Pension - Non-contributory Insurance	11-495-034-5095-007	40,151	7/1/10 - 6/30/11			852,802	(40,151)					852,802
TPAF Pension - Post-retirement Medical Contributions	11-495-034-5095-001	852,802	7/1/10 - 6/30/11				(852,802)					
<b>Total General Fund</b>				(47,844)	2,148,728	2,148,728	(2,147,252)		(46,368)	293,835	2,147,252	
<b>Special Revenue Fund:</b>												
<b>N.J. Nonpublic Aid:</b>												
<b>Auxiliary Services:</b>												
Compensatory Education	11-100-034-5120-067	15,908	7/1/10 - 6/30/11			15,908	(12,475)			3,433		12,475
Compensatory Education	10-100-034-5120-067	8,637	7/1/09 - 6/30/10		1,073			(1,073)				
English as a Second Language	11-100-034-5120-067	6,062	7/1/10 - 6/30/11			6,062	(4,696)			1,366		4,696
English as a Second Language	10-100-034-5120-067	2,349	7/1/09 - 6/30/10		2,247			(2,247)				
Home Instruction	11-100-034-5120-067	6,527	7/1/10 - 6/30/11			978	(6,527)			6,527		6,527
Home Instruction	10-100-034-5120-067	978	7/1/09 - 6/30/10	(978)								
Handicapped Services:												
Supplemental Instruction	11-100-034-5120-066	11,672	7/1/10 - 6/30/11			11,672	(8,616)			3,056		8,616
Supplemental Instruction	10-100-034-5120-066	6,371	7/1/09 - 6/30/10	2,489				(2,489)				
Examination & Classification	11-100-034-5120-068	36,364	7/1/10 - 6/30/11			36,364	(34,928)			1,436		34,928
Examination & Classification	10-100-034-5120-068	25,775	7/1/09 - 6/30/10	1,889				(1,889)				
Corrective Speech	11-100-034-5120-066	17,211	7/1/10 - 6/30/11			17,211	(4,381)			12,830		4,381
Corrective Speech	10-100-034-5120-066	4,484	7/1/09 - 6/30/10	2,996				(2,996)				
Textbook Aid	11-100-034-5120-064	50,530	7/1/10 - 6/30/11			50,530	(50,530)					50,530
Textbook Aid	10-100-034-5120-064	62,951	7/1/09 - 6/30/10			59,875	(59,858)			16		59,858
Nursing Services	11-100-034-5120-070	59,875	7/1/10 - 6/30/11			59,875						
Nursing Services	10-100-034-5120-070	74,653	7/1/09 - 6/30/10									
<b>Total Special Revenue Fund</b>				(978)	10,694	198,600	(182,011)		(6,527)	22,137	6,527	182,011
<b>Total State Financial Assistance</b>				(48,822)	10,694	2,347,328	(2,329,263)		(52,895)	22,137	300,362	2,329,263
<b>State Financial Assistance Not Subject to Single Audit Determination</b>												
<b>General Fund</b>												
TPAF Pension - Non-contributory Insurance	11-495-034-5095-007	40,151	7/1/10 - 6/30/11			(40,151)	40,151					(40,151)
TPAF Pension - Post-retirement Medical Contributions	11-495-034-5095-001	852,802	7/1/10 - 6/30/11			(852,802)	852,802					(852,802)
<b>Total State Financial Assistance</b>				(48,822)	10,694	1,454,375	(1,436,310)		(52,895)	22,137	300,362	1,436,310

See accompanying notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

**RIVER DELL REGIONAL SCHOOL DISTRICT**  
**Notes to Schedule of Expenditures of Federal Awards and**  
**State Financial Assistance**  
**June 30, 2011**

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education of the River Dell Regional School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal awards and state financial assistance 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.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting. This basis of accounting is described in Note 1 to the Board's basic financial statements. The information in these schedules are presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedule on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2., extraordinary special education costs aid, and additional nonpublic school transportation aid. For GAAP purposes, these payments are not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The District did not have one or more June state aid payments in the special revenue fund, however, if it did, the special revenue fund would recognize the one or more June state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

**RIVER DELL REGIONAL SCHOOL DISTRICT**  
**Notes to Schedule of Expenditures of Federal Awards and**  
**State Financial Assistance**  
**June 30, 2011**

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Continued)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$99,898 for the general fund. There are no adjustments for the special revenue fund, capital projects fund and debt service fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 2,147,252	\$ 2,147,252
Special Revenue Fund	845,549	182,011	1,027,560
Total federal awards and state financial assistance - GAAP basis	845,549	2,329,263	3,174,812
Less: TPAF Pension Contributions and Post-Retirement Medical		<u>(892,953)</u>	<u>(892,953)</u>
Total per schedules of expenditures of federal awards and state financial assistance	<u>\$ 845,549</u>	<u>\$ 1,436,310</u>	<u>\$ 2,281,859</u>

**NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS**

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

**NOTE 5. OTHER**

The amount reported as TPAF Pension - Non-Contributory Insurance and Post Retirement Medical Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2011. Reimbursed 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, 2011.

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

On-behalf state programs for TPAF Pension Non-Contributory Insurance and Post-Retirement Medical Contributions are not subject to a state single audit and, therefore, are excluded from major program determination. The schedule of expenditures of state financial assistance provides a reconciliation of state financial assistance reported in the District's basic financial statements and the amount subject to state single audit and major program determination.

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended June 30, 2011

Section I - Summary of Auditors' Results

**Financial Statements**

Type of auditors' 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 material weaknesses? \_\_\_\_\_ yes  x  none reported

Noncompliance material to basic financial statements noted? \_\_\_\_\_ yes  x  no

**Federal Awards**

Internal control over major programs:

1) Material weakness(es) identified? \_\_\_\_\_ yes  x  no

2) Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes  x  none reported

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of U.S. OMB Circular A-133? \_\_\_\_\_ yes  x  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	I.D.E.A. Part B
84.391	I.D.E.A. Part B - ARRA

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

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

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended June 30, 2011

Section I - Summary of Auditors' Results (Continued)

**State Financial Assistance**

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 material weaknesses?

yes  x  none reported

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

Unqualified

Any audit findings disclosed that are required to  
 be reported in accordance with New Jersey  
 OMB Circular Letter 04-04?

yes  x  no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

11-495-034-5095-002

Reimbursed TPAF Social Security Contributions

**RIVER DELL REGIONAL SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs (Continued)  
For the Fiscal Year Ended June 30, 2011**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements in accordance with *Government Auditing Standards*.

None

**RIVER DELL REGIONAL SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs (Continued)  
For the Fiscal Year Ended June 30, 2011**

Section III - 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 U.S. OMB Circular A-133 and New Jersey OMB's Circular 04-04.

**CURRENT YEAR FEDERAL AWARDS**

None

**CURRENT YEAR STATE AWARDS**

None

**RIVER DELL REGIONAL SCHOOL DISTRICT  
Summary Schedule of Prior-Year Audit Findings  
and Questioned Costs as Prepared by Management  
For the Fiscal Year Ended June 30, 2011**

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

**FEDERAL AWARDS**

Status of Prior Year Findings

Finding # 2010-1

Condition

Budget account charges for supplies and materials were not classified and charged to the proper budget line accounts.

Current Status

Corrective action was taken.

**STATE AWARDS**

There were no prior-year audit findings.