

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, 2012**

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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, 2012

Prepared by

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

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 30, 2012

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 (the "District") for the fiscal year ended June 30, 2012. 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 (the "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, Organizational Chart and a List of Principal Officials and an of the District;
- The Financial Section begins with the Independent Auditor's 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 financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information 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 Organizations* 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 1,670 students (as of June 30, 2012) 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 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 Assistant Superintendent for Business/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 2011-2012 fiscal year with an enrollment of 1,670 students, which is 49 students more 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

Fiscal Year	Student Enrollment	Percent change
2011 - 12	1,667.0	3.16%
2010 - 11	1,619.0	.019%
2009 - 10	1,616.0	5.24%
2008 - 09	1,535.5	.066%
2007 - 08	1,525.5	2.25%

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 Board voted to approve a 2% tax levy cap, which eliminated the vote on the 2012-13 budget. Overall, total revenue for 2012-13 increased by 4.36%, while the expenditures increased by 3.18%. 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's primary funding source is property tax revenue. The amount to be raised in taxes is determined by the School Board through the District's normal budgeting process, and voted upon by the District's electorate. This process has always left the passage of adequate funding for the budget in doubt. On January 17, 2012, Governor Chris Christie signed into law A-4394/S-3148 (P.L. 2011, c.202), which gives local Boards of Education the option of changing the election date of school board members from April to November. As an incentive for Boards of Education to approve this money-saving idea, Districts do not have to put their budgets up for a vote by the electorate as long as it does not exceed the State mandated 2% Cap on property tax increases. The River Dell Board of Education adopted this change on January 23, 2012, and as result, the District's 2012-13 budget was adopted without voter approval.

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. The 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 2012 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 2012 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 Algebra 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 39.3% of our 150 certified staff (75.3% hold Masters Degrees) engaging in postgraduate studies beyond the masters level, while 2.6% 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 for the 2011-12 school year. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end either are 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 statute 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 audit firm of Smolin, Lupin & Co., P.A. 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 auditor's report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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,

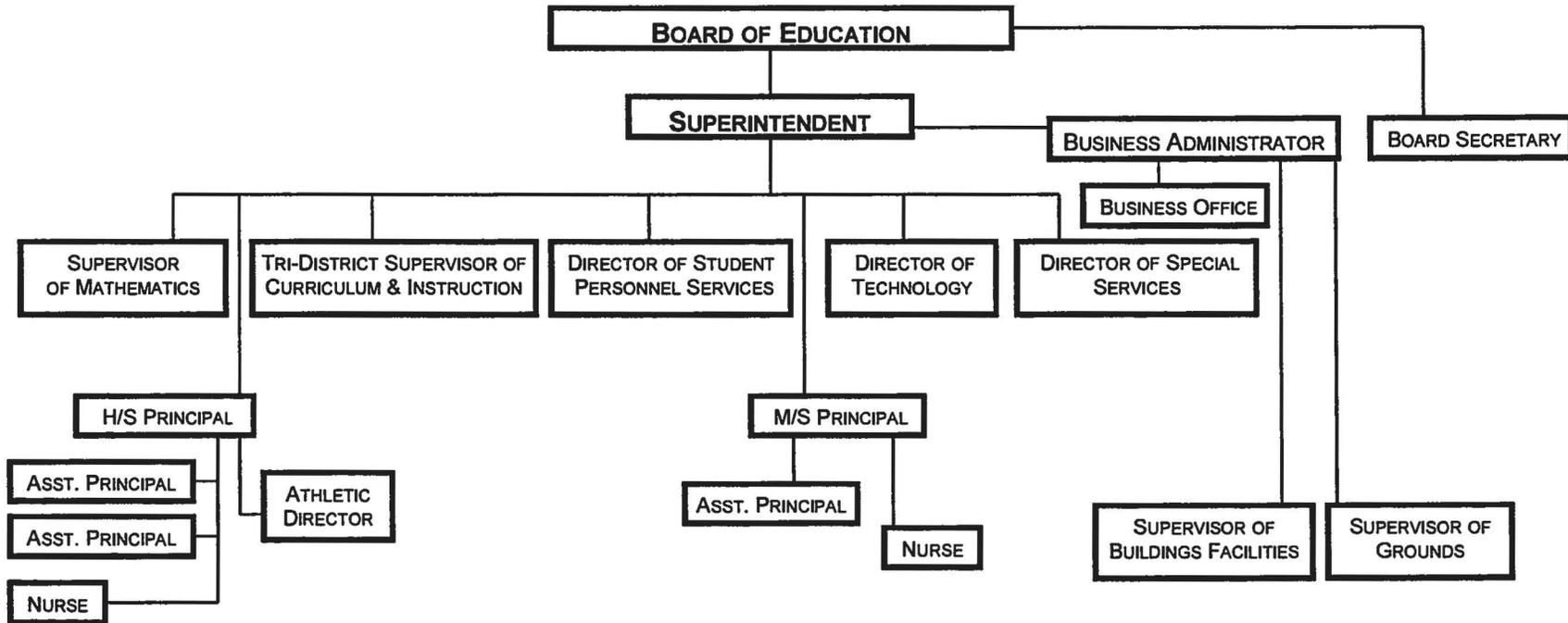


Patrick J. Fletcher
Superintendent of Schools



Thomas L. Bonfiglio
Business Administrator/Board Secretary

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, 2012

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

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)	December 31, 2012
Claudia O'Neill (River Edge)	December 31, 2012
Roger Tashjian (Oradell)	December 31, 2012

OTHER OFFICIALS

Patrick J. Fletcher, Superintendent of Schools

Thomas L. Bonfiglio, Assistant Superintendent for Business/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

Smolin, Lupin & Co., P.A.
165 Passaic Avenue
Fairfield, New Jersey 07004

Attorney

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

Official Depository

TD Bank
126 North Washington Avenue
Bergenfield, New Jersey 07621

FINANCIAL SECTION

Independent Auditor's 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, 2012, 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 Administration and Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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, 2012, 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, 2012 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.

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 Administration and Finance, 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 *Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* dated November 30, 2012.

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.



Smolin, Lupin & Co., P.A.
Certified Public Accountants



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

Fairfield, New Jersey
November 30, 2012

REQUIRED SUPPLEMENTARY INFORMATION - PART I

**RIVER DELL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

The discussion and analysis of River Dell Regional School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2012. 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 2012 are as follows:

- In total, net assets increased by \$1,443,278, which represents an 8.39% increase from 2011.
- General revenues accounted for \$28,435,547 of revenue or 88.97% of the total revenue.
- Program specific revenues in the form of charges for services, capital grants and operating grants and contributions accounted for \$3,525,485 or 11.03% of total revenues of \$31,961,032.
- Total assets of governmental activities decreased by \$589,318 as cash increased by \$318,535; receivables decreased by \$238,549; deferred costs decreased by \$8,983, and capital assets decreased by \$660,321.
- The District had \$30,517,754 in expenses; only \$3,525,485 of these expenses was offset by program specific charges for services, grants, or contributions. General revenues (primarily taxes) of \$28,435,547 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$29,011,427 in revenues and \$28,720,179 in expenditures. The General Fund's fund balance increased by \$266,251 over 2010-2011, now totaling \$1,891,649.
- In December 2011, the District infused \$36,391 and \$11,076, respectively for construction and professional services 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
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
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 2011-2012?" 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
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (CONTINUED)**

Governmental Activities (Continued)

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.

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 \$31,536,070 and expenditures were \$31,244,819. The net increase in fund balance for the year, \$266,251, was all in the General Fund.

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, 2012, 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 2010-11</u>	<u>Percent Of Increase (Decrease)</u>
Local Sources	\$ 27,923,025	88.54 %	\$ 259,856	0.94 %
State Sources	3,104,828	9.85	775,565	33.30 %
Federal Sources	508,217	1.62	(337,332)	(39.90) %
Total	\$ 31,536,070	100.00 %	\$ 698,089	2.26 %

The increase in revenue from local sources of \$259,856 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.

**RIVER DELL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
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 loss of \$2,645 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 2012</u>	<u>Net Cost of Services 2012</u>	<u>Total Cost of Services 2011</u>	<u>Net Cost of Services 2011</u>	<u>Amount Change Total Cost of Services</u>	<u>Amount Change Net Cost of Services</u>
Instruction	\$ 15,517,672	\$ 13,368,508	\$ 14,592,918	\$ 12,628,738	\$ 924,754	\$ 739,770
Support Services:						
Tuition	2,081,931	1,945,385	1,963,326	1,829,482	118,605	115,903
Pupils and Instructional Staff	3,650,398	2,932,110	3,854,724	2,918,891	(204,326)	13,219
General Administration, School Administration, Central Services, Administrative Information Technology and Maintenance of Facilities	6,288,291	6,031,002	6,044,897	5,838,551	243,394	192,451
Pupil Transportation	616,444	616,444	537,118	537,118	79,326	79,326
Capital Outlay				(97,079)		97,079
Interest on Debt	602,910	602,910	658,515	658,515	(55,605)	(55,605)
Depreciation and Disposal Equipment Loss	1,491,849	1,491,849	1,530,856	1,530,856	(39,007)	(39,007)
Total Expenses	<u>\$ 30,249,495</u>	<u>\$ 26,988,208</u>	<u>\$ 29,182,354</u>	<u>\$ 25,845,072</u>	<u>\$ 1,067,141</u>	<u>\$ 1,143,136</u>

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

**RIVER DELL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (CONTINUED)**

The School District as a Whole (Continued)

The District's combined net assets were \$18,651,707. This was an increase of 8.39% from 2011.

Table 2 shows changes in net assets for fiscal years 2012 and 2011.

Table 2 Changes in Net Assets				
	2012	2011	Amount Change	% Change
Revenues:				
Program Revenues:				
Charges for Services	\$ 424,962	\$ 441,894	\$ (16,932)	-3.83%
Operating Grants and Contributions	3,100,523	3,077,733	22,790	0.74%
Capital Grants and Contributions		97,079	(97,079)	-100.00%
General Revenues:				
Property Taxes	27,378,962	27,046,741	332,221	1.23%
Grants and Entitlements	512,522		512,522	100.00%
Other	544,063	616,439	(72,376)	-11.74%
Total Revenues	31,961,032	31,279,886	681,146	2.18%
Program Expenses:				
Instruction	15,517,672	14,592,918	924,754	6.34%
Support Services:				
Tuition	2,081,931	1,963,326	118,605	6.04%
Pupils and Instructional Staff	3,650,398	3,854,724	(204,326)	-5.30%
General Administration, School Administration, Central Services, Information Technology and Maintenance of Facilities	6,288,291	6,044,897	243,394	4.03%
Pupil Transportation	616,444	537,118	79,326	14.77%
Interest on Debt	602,910	658,515	(55,605)	-8.44%
Unallocated Depreciation and Loss on Disposal of Assets	1,491,849	1,530,856	(39,007)	-2.55%
Enterprise Fund	268,259	284,175	(15,916)	-5.60%
Total Expenses	30,517,754	29,466,529	1,051,225	3.57%
Increase in Net Assets	\$ 1,443,278	\$ 1,813,357	\$ (370,079)	-20.41%

Governmental Activities

The District's total governmental activities revenues were \$31,671,834 for the year ended June 30, 2012. Property taxes made up 85.45% of revenues for governmental activities for the River Dell Regional School District for fiscal year 2012. Federal and state grants accounted for another 9.79% of governmental activities revenues.

The total cost of all governmental activities programs and services was \$30,249,495. Instruction comprises 51.3% of District expenses.

**RIVER DELL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
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.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>		<u>Amount Change</u>	<u>% Change</u>
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>		
Assets:								
Current and								
Other Assets	\$ 2,836,509	\$ 2,765,506	\$ 90,246	\$ 67,042	\$ 2,926,755	\$ 2,832,548	\$ 94,207	3.33%
Capital Assets	31,870,921	32,531,242	23,263	25,528	31,894,184	32,556,770	(662,586)	-2.04%
Total Assets	34,707,430	35,296,748	113,509	92,570	34,820,939	35,389,318	(568,379)	-1.61%
Liabilities:								
Long-term Liabilities	15,121,077	16,929,058			15,121,077	16,929,058	(1,807,981)	-10.68%
Other Liabilities	1,048,155	1,251,831			1,048,155	1,251,831	(203,676)	-16.27%
Total Liabilities	16,169,232	18,180,889			16,169,232	18,180,889	(2,011,657)	-11.06%
Net Assets:								
Invested in Capital								
Assets, Net of Debt	17,108,921	15,953,743	23,263	25,528	17,132,184	15,979,271	1,152,913	7.22%
Restricted	1,626,127	1,378,744			1,626,127	1,378,744	247,383	17.94%
Unrestricted	(196,850)	(216,628)	90,246	67,042	(106,604)	(149,586)	42,982	-28.73%
Total Net Assets	\$ 18,538,198	\$ 17,115,859	\$ 113,509	\$ 92,570	\$ 18,651,707	\$ 17,208,429	\$ 1,443,278	8.39%

**RIVER DELL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (CONTINUED)**

The School District's Funds (Continued)

Revenues from state sources increased by \$775,565. On-Behalf TPAF pension contributions, post-retirement medical and reimbursed TPAF social security contributions increased by a total amount of \$330,181 (which is off-set by an equal increase in expenditures). The other state aid recorded in the general fund and special revenue fund increased by \$445,384 is the result of state aid increases compared to the prior year.

Federal revenues decreased by \$337,332, primarily due to the decreased funding for the I.D.E.A - Part B ARRA grant of \$249,089.

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, 2012 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 2010-11</u>	<u>Percent of Increase (Decrease)</u>
Current Expense:				
Instruction	\$ 12,212,026	39.07% %	\$ 542,266	4.65 %
Undistributed Expenditures	15,676,625	50.17%	894,754	6.05 %
Capital Outlay	831,528	2.66%	538,667	183.93 %
Special Revenue	652,302	2.09%	(375,258)	(36.52) %
Debt Service	<u>1,872,338</u>	<u>5.99%</u>	<u>(310,985)</u>	<u>(14.24) %</u>
Total	<u>\$ 31,244,819</u>	<u>100.00% %</u>	<u>\$ 1,289,444</u>	4.30 %

Changes in expenditures were the results of varying factors. Current expense primarily increased due to increases in salaries, employee benefits and repair costs. Additionally, on-behalf TPAF pension contributions, post-retirement medical and reimbursed TPAF social security contributions increased by a total amount of \$330,181, (which is off-set by an equal increase in revenues). The increase in instruction and undistributed expenditures of \$1,437,020 is primarily the result of increases of salaries and benefits costs of additional teachers and staff along with additional repairs. Capital outlay increased \$538,667 in the current year largely as a result of science classroom renovations at the middle school and the conversion of new classrooms. Debt service decreased \$310,985 due to the change in current year principal and interest charges.

The \$375,258 decrease in special revenue fund expenditures is primarily due to decreased funding of the I.D.E.A. Part B - ARRA federal grant program of \$249,089 spent in the prior year and a net decrease of \$127,169 in various other federal and state grant programs.

**RIVER DELL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (CONTINUED)**

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.

The District had numerous budget transfers during the 2011-2012 school year. Key highlights include:

- Regular Programs Salary of Teachers - budgeted salaries of teachers in grades 6-8 were decreased by \$109,535 for Middle School teachers transferred to the High School. Budgeted salaries of teachers in grades 9-12 increased due to Middle School teachers being transferred to the High School and additional High School teachers needed.
- Regular Programs Undistributed Instruction - budget decreased by \$82,666 due to less technology equipment needed.
- Regular Programs Undistributed Instruction - budget increased \$80,131 for textbooks.
- Special Education Other Salaries - budget decreased \$81,052 because fewer LLD aides were needed.
- Resource Room/Resource Center Salary of Teachers - budgeted salaries were increased \$150,542 to hire additional Resource Room teachers.
- School Sponsored Cocurricular Activities - Instruction - Salaries - budget decreased \$15,517 due to breakage in coaches salaries.
- Tuition to County Vocational School - Regular - budget increased \$100,913 due to more vocational education students entering the district.
- Tuition to Private Schools for the Handicapped within the State - budget decreased \$164,782 due to fewer children being sent out of district.
- Other Support Services - Students - Extraordinary - Salaries - budget decreased \$27,142 because fewer one to one aides were needed.
- Child Study Teams - Salaries of Secretarial and Clerical Assistants - budget increased \$49,849 for secretarial salaries not funded through IDEA Part B funds.
- Child Study Teams - Purchased Professional - Educational Services - budget decreased \$35,131 for fewer OT/PT services needed.
- Improvement of Instruction Services/Other Support Services - Instructional Staff - Supplies and Materials - budget increased \$68,501 for district wide purchase of desks and chairs.
- Support Services Administrative Information Technology - Supplies and Materials - budget decreased \$106,923 following the purchase of multi-year licenses and repairs/maintenance contracts reducing needs for supplies and materials.

**RIVER DELL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (CONTINUED)**

General Fund Budgeting Highlights (Continued)

- Required Maintenance for School Facilities - Cleaning, Repair and Maintenance Services - budget increased \$435,146 for additional repairs.
- Custodial Services - Energy (Natural Gas) - budget decreased \$217,635 due to warmer winter weather.
- Student Transportation Services - Contracted Services (between home and school) – Vendors - budget decreased \$77,507 due to fewer field trips in the district.
- Unallocated Benefits - Health Benefits - budget decreased \$422,115 due to higher employee co-pay to offset costs and fewer employees taking benefits.
- Facilities Acquisition and Construction Services - Construction Services - budget increased \$451,833 for higher than anticipated construction project costs.

Capital Assets

At June 30, 2012, the District had \$31,894,184 invested in land, building, improvements and machinery and equipment. Table 4 shows fiscal year 2012 balances compared to 2011.

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

	2012	2011
Land	\$ 216,520	\$ 216,520
Site Improvements	1,394,118	1,507,032
Building and Improvements	29,102,735	29,147,020
Machinery and Equipment	1,180,811	1,686,198
Total	\$ 31,894,184	\$ 32,556,770

Overall capital assets decreased \$662,586 from fiscal year 2011 to fiscal year 2012. The decrease in capital assets is due primarily to depreciation being more than additions to equipment.

**RIVER DELL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (CONTINUED)**

Debt Administration

At June 30, 2012, the District had \$15,121,077 of outstanding debt. Of this amount, \$359,077 is for compensated absences; and \$14,762,000 is serial bonds for school construction projects.

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

	2012	2011
1991 General Obligation Bonds	\$ -	\$ 241,000
2004 General Obligation Bonds	14,762,000	15,782,000
	\$ 14,762,000	\$ 16,023,000

At June 30, 2012, the School District's available borrowing margin was \$110,234,970.

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 2012-2013 was approved.

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, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 2,228,886	\$ 85,899	\$ 2,314,785
Receivables, net	54,790	3,395	58,185
Inventories		952	952
Restricted assets:			
Cash	52,942		52,942
Capital reserve account - cash	468,633		468,633
Deferred bond issuance costs, net	31,258		31,258
Capital assets, net	31,870,921	23,263	31,894,184
Total assets	34,707,430	113,509	34,820,939
LIABILITIES			
Accounts payable	456,441		456,441
Contracts payable	337,965		337,965
Payable to state government	42,596		42,596
Deferred revenue	23,658		23,658
Accrued interest	187,495		187,495
Noncurrent liabilities:			
Due within one year	1,350,529		1,350,529
Due beyond one year	13,770,548		13,770,548
Total liabilities	16,169,232		16,169,232
NET ASSETS			
Invested in capital assets, net of related debt	17,108,921	23,263	17,132,184
Restricted for:			
Capital reserve	468,633		468,633
Capital projects	52,942		52,942
Other purposes	1,104,552		1,104,552
Unrestricted (deficit)	(196,850)	90,246	(106,604)
Total net assets	\$ 18,538,198	\$ 113,509	\$ 18,651,707
Total liabilities and net assets	\$ 34,707,430	\$ 113,509	\$ 34,820,939

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, 2012

<u>Function/Programs</u>	<u>Expenses</u>	<u>Indirect Expenses Allocation</u>	<u>Program Charge for Services</u>
Government activities:			
Instruction:			
Regular	\$ 9,069,072	\$ 2,779,796	\$ -
Special education	1,633,561	538,160	
Other special instruction	272,980	88,452	
Other instruction	928,726	206,925	
Support services:			
Tuition	2,081,931		
Student and instruction related services	2,944,469	705,929	160,764
School administrative services	1,255,663	444,043	
General administration services	428,109	120,110	
Central services	443,497	137,880	
Administrative information technology services	370,291	114,133	
Plant operations and maintenance	2,470,075	504,490	
Pupil transportation	602,805	13,639	
Interest on long-term debt	602,910		
Unallocated depreciation	1,491,849		
Total governmental activities	<u>24,595,938</u>	<u>5,653,557</u>	<u>160,764</u>
Business-type activities			
Food services	<u>268,259</u>		<u>264,198</u>
Total business-type activities	<u>268,259</u>		<u>264,198</u>
Total primary government	<u>\$ 24,864,197</u>		<u>\$ 424,962</u>

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

Revenues		Net (Expense) Revenue and Changes in Net Assets		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ 1,530,409	\$ -	\$ (10,318,459)	\$ -	\$ (10,318,459)
482,801		(1,688,920)		(1,688,920)
40,712		(320,720)		(320,720)
95,242		(1,040,409)		(1,040,409)
136,546		(1,945,385)		(1,945,385)
557,524		(2,932,110)		(2,932,110)
151,159		(1,548,547)		(1,548,547)
30,702		(517,517)		(517,517)
22,896		(558,481)		(558,481)
52,532		(431,892)		(431,892)
		(2,974,565)		(2,974,565)
		(616,444)		(616,444)
		(602,910)		(602,910)
		(1,491,849)		(1,491,849)
<u>3,100,523</u>		<u>(26,988,208)</u>		<u>(26,988,208)</u>
			(4,061)	(4,061)
			(4,061)	(4,061)
<u>\$ 3,100,523</u>	<u>\$ -</u>	<u>\$ (26,988,208)</u>	<u>\$ (4,061)</u>	<u>\$ (26,992,269)</u>
General revenues:				
Property taxes levied for:				
General purposes		\$ 25,506,624		\$ 25,506,624
Debt service		1,872,338		1,872,338
Federal and State aid not restricted		512,522		512,522
Tuition received		352,187		352,187
Interest - capital reserve funds		18		18
Investment earnings		747		747
Miscellaneous income		191,111		191,111
Transfers		(25,000)	25,000	
Total general revenues		<u>28,410,547</u>	<u>25,000</u>	<u>28,435,547</u>
Change in net assets		1,422,339	20,939	1,443,278
Net assets - beginning		<u>17,115,859</u>	<u>92,570</u>	<u>17,208,429</u>
Net assets - ending		<u>\$ 18,538,198</u>	<u>\$ 113,509</u>	<u>\$ 18,651,707</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.

RIVER DELL REGIONAL SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash	\$ 2,116,147	\$ 79,120	\$ 52,942	\$ -	\$ 2,248,209
Cash - capital reserve	468,633				468,633
Accounts receivable:					
State	48,607	4,249			52,856
Other	1,934				1,934
Total assets	\$ 2,635,321	\$ 83,369	\$ 52,942	\$ -	\$ 2,771,632
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 405,707	\$ 17,115	\$ -	\$ -	\$ 422,822
Intergovernmental payable:					
State		42,596			42,596
Contracts payable	337,965				337,965
Deferred revenue		23,658			23,658
Total liabilities	743,672	83,369			827,041
Fund balances:					
Restricted for:					
Capital projects			52,942		52,942
Capital reserve	468,633				468,633
Reserved for excess surplus	375,059				375,059
Reserved excess surplus - designated for subsequent year's expenditures	455,650				455,650
Committed:					
Year-end Encumbrances	176,523				176,523
Assigned:					
Year-end Encumbrances	97,320				97,320
Unassigned	318,464				318,464
Total fund balances	1,891,649		52,942		1,944,591
Total liabilities and fund balances	\$ 2,635,321	\$ 83,369	\$ 52,942	\$ -	

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 \$73,877.	31,258
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. The costs of the assets are \$44,369,710 and the accumulated depreciation is \$12,498,789.	31,870,921
Accrued interest is not due and payable in the current period, and therefore, is not reported as a liability in the funds.	(187,495)
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>(15,121,077)</u>
Net assets of governmental activities	\$ <u>18,538,198</u>

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, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 25,506,624	\$ -	\$ -	\$ 1,872,338	\$ 27,378,962
Tuition	352,187				352,187
Interest - capital reserve funds	18				18
Interest earned on investments	744		3		747
Miscellaneous	191,111				191,111
Total revenues - local sources	26,050,684		3	1,872,338	27,923,025
State sources	2,926,226	178,602			3,104,828
Federal sources	34,517	473,700			508,217
Total revenues	29,011,427	652,302	3	1,872,338	31,536,070
EXPENDITURES:					
Current expense:					
Regular instruction	9,376,759	246,812			9,623,571
Special education instruction	1,633,561				1,633,561
Other special instruction	272,980				272,980
Other instruction	928,726				928,726
Support services and undistributed costs:					
Tuition	1,945,385	136,546			2,081,931
Student and instruction related services	2,522,416	261,289			2,783,705
School administration services	1,255,663				1,255,663
General administration services	428,109				428,109
Central services	443,497				443,497
Administrative information technology services	370,291				370,291
Plant operations and maintenance	2,470,075				2,470,075
Pupil transportation	602,805				602,805
Employee benefits	5,638,384	7,655			5,646,039
Capital outlay	831,528				831,528
Debt service:					
Principal				1,261,000	1,261,000
Interest				611,338	611,338
Total expenditures	28,720,179	652,302		1,872,338	31,244,819
Excess of revenues over expenditures	291,248		3		291,251
Other financing sources (uses):					
Transfers out	(25,000)		(3)		(25,003)
Transfers In	3				3
Total other financing uses	(24,997)		(3)		(25,000)
Net change in fund balances	266,251				266,251
Fund balances - July 1,	1,625,398		52,942		1,678,340
Fund balances - June 30	\$ 1,891,649	\$ -	\$ 52,942	\$ -	\$ 1,944,591

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, 2012

Total net change in fund balances - governmental funds (from B-2)	\$	266,251
<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	\$ (1,491,849)	
Capital outlays	<u>831,528</u>	(660,321)
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.		1,261,000
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.		554,499
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>17,410</u>
	Sub-total	<u>1,438,839</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, 2012

Balance forward \$ 1,438,839

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.

Amortization expense	\$ <u> (8,983)</u>	(8,983)
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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.

 (7,517)

Change in net assets of governmental activities

\$ 1,422,339

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, 2012

	<u>Business-type Activities - Enterprise Funds</u>	<u>Governmental Activities - Internal Service Fund Tri-District Coordinated Curriculum Services</u>
ASSETS		
Current assets:		
Cash	\$ 85,899	\$ 33,619
Accounts receivable:		
Other	3,395	
Inventories	<u>952</u>	
Total current assets	<u>90,246</u>	<u>33,619</u>
Noncurrent assets:		
Furniture, machinery and equipment	204,969	
Less: accumulated depreciation	<u>181,706</u>	
Total noncurrent assets	<u>23,263</u>	
Total assets	<u>113,509</u>	<u>33,619</u>
LIABILITIES		
Current liabilities:		
Accounts payable		<u>33,619</u>
Total current liabilities		<u>33,619</u>
NET ASSETS		
Invested in capital assets, net of related debt	23,263	
Unrestricted	<u>90,246</u>	
Total net assets	<u>\$ 113,509</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, 2012

	<u>Business-type Activities - Enterprise Funds</u>	<u>Governmental Activities - Internal Service Fund Tri-District Coordinated Curriculum Services</u>	<u>Totals</u>
	<u>Food Services</u>		
OPERATING REVENUES:			
Charges for services:			
Daily sales - non-reimbursable programs	\$ 264,198	\$ -	\$ 264,198
Service fees		160,764	160,764
	<u>264,198</u>	<u>160,764</u>	<u>424,962</u>
Total operating revenue	<u>264,198</u>	<u>160,764</u>	<u>424,962</u>
OPERATING EXPENSES:			
Salaries	93,415	131,703	225,118
Payroll taxes	12,673		12,673
Employee benefits	15,075	14,707	29,782
Management and administrative fees	35,478		35,478
Insurance	14,291		14,291
Supplies	1,279	4,400	5,679
Rent	4,102		4,102
Repairs	1,600		1,600
Outside services	352	9,287	9,639
Miscellaneous	416	667	1,083
Depreciation	2,265		2,265
Cost of sales - food and general supplies	87,313		87,313
	<u>268,259</u>	<u>160,764</u>	<u>429,023</u>
Total operating expenses	<u>268,259</u>	<u>160,764</u>	<u>429,023</u>
Operating loss	<u>(4,061)</u>		<u>(4,061)</u>
Loss before operating transfers	(4,061)		(4,061)
Operating transfer in - General Fund	25,000		25,000
	<u>20,939</u>		<u>20,939</u>
Change in net assets	<u>20,939</u>		<u>20,939</u>
Total net assets - July 1	<u>92,570</u>		<u>92,570</u>
Total net assets - June 30	<u>\$ 113,509</u>	<u>\$ -</u>	<u>\$ 113,509</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, 2012

	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	\$ 260,803	\$ 160,764
Payments to employees	(93,415)	(131,703)
Payment for payroll taxes and employee benefits	(27,748)	(14,707)
Payments to suppliers	(144,944)	(6,953)
Net cash provided (used) by operating activities	(5,304)	7,401
Cash flows from noncapital financing activities:		
Operating subsidies and transfers from other funds	25,000	
Net cash provided by noncapital financing activities	25,000	
Net increase in cash	19,696	7,401
Cash - July 1	66,203	26,218
Cash - June 30	\$ 85,899	\$ 33,619
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating loss	\$ (4,061)	\$ -
Adjustments not affecting cash:		
Depreciation	2,265	
Change in assets and liabilities:		
Increase in accounts receivable, net	(3,395)	
Increase in inventories	(113)	
Increase in accounts payable		7,401
Total adjustments	(1,243)	7,401
Net cash provided (used) by operating activities	\$ (5,304)	\$ 7,401

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, 2012

	<u>Private Purpose Scholarship Funds</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Agency Funds</u>
ASSETS			
Cash	\$ 118,555	\$ 144,012	\$ 280,288
Interfund receivable	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>118,555</u>	<u>144,012</u>	<u>280,288</u>
LIABILITIES			
Accounts payable	3,000	21,022	-
Payroll deductions and withholdings	<u> </u>	<u> </u>	20,439
Due to student groups	<u> </u>	<u> </u>	<u>259,849</u>
Total liabilities	<u>3,000</u>	<u>21,022</u>	<u>\$ 280,288</u>
NET ASSETS			
Held in trust for unemployment claims and other purposes	<u> </u>	<u>\$ 122,990</u>	<u> </u>
Reserved for scholarships	<u>\$ 115,555</u>	<u> </u>	<u> </u>

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, 2012

	<u>Private Purpose Scholarship Funds</u>	<u>Unemployment Compensation Insurance Trust Fund</u>
ADDITIONS:		
Contributions:		
Other	\$ 25,050	\$ -
Employer		10,000
Plan member		<u>16,886</u>
Total contributions	<u>25,050</u>	<u>26,886</u>
Investment earnings:		
Interest	<u>58</u>	<u>10</u>
Net investment earnings	<u>58</u>	<u>10</u>
Total additions	<u>25,108</u>	<u>26,896</u>
DEDUCTIONS:		
Scholarship/award payments	34,649	
Unemployment compensation insurance claims and fees		<u>50,737</u>
Total deductions	<u>34,649</u>	<u>50,737</u>
Change in net assets	(9,541)	(23,841)
Net assets - July 1	<u>125,096</u>	<u>146,831</u>
Net assets - June 30	<u>\$ 115,555</u>	<u>\$ 122,990</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, 2012**

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 of Education (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 Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the River Dell Regional School District this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

B. 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, 2012**

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, 2012**

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:

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.

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.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012**

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.

On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The board adopted a resolution to move its annual election to the date of the general election in accordance with the law.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012**

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, 2012**

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.

Bank balances are insured up to \$250,000 in aggregate by FDIC for each bank.

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.

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.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Assets: (Continued):

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

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

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.

Accrued Salaries and Wages:

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2012, the amounts earned by these employees were disbursed to the employees' own individual accounts.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012**

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. 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.

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

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

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.

Fund Equity:

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, 2011 audited excess surplus that was appropriated in the 2012/2013 original budget certified for taxes.

Reserved Excess Surplus - This restriction was created in accordance with N.J.S.A. 18A:7F-7 to represent the June 30, 2012 audited excess surplus that is required to be appropriated in the 2013/2014 original budget certified for taxes.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Equity (Continued):

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 Trustees 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. Unassigned deficit in the capital projects fund is the result of the SDA grant fund receivable not being recorded on a GAAP basis until expended.

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.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Revenues - Exchange and Nonexchange Transactions (Continued):

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 2011-2012 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.

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.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

NOTE 2. CASH

As of June 30, 2012, cash of the District consisted of \$2,836,360 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, 2012, the District's bank balance of \$3,714,588 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.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012**

NOTE 3. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

There were no interfund receivables/payables for the year-ended June 30, 2012.

Interfund transfers

	Transfers From General Fund	Transfers From Capital Projects Fund	Total
Transfers to:			
General Fund	\$ -	\$ 3	\$ 3
Enterprise Fund	25,000		25,000
	\$ 25,000	\$ 3	\$ 25,003

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.

NOTE 4. RECEIVABLES

Receivables at June 30, 2012, 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	\$ 54,790
Special revenue fund:	
State	3,395
Total governmental activities	58,185
Total receivables	\$ 58,185

NOTE 5. INVENTORIES

Inventories in the food service fund at June 30, 2012, consisted of the following:

Food and Supplies	\$ 952
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**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012**

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, 2012, amounted to \$8,983 and the accumulated amortization is \$73,877.

NOTE 7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers/ Retirements</u>	<u>Ending Balance</u>
<i>Governmental activities:</i>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 216,520	\$ -	\$ -	\$ 216,520
Total capital assets not being depreciated	<u>216,520</u>			<u>216,520</u>
<i>Capital assets being depreciated:</i>				
Site improvements	2,555,190			2,555,190
Building and building improvements	35,776,592	619,072		36,395,664
Machinery and equipment	4,992,080	212,456	(2,200)	5,202,336
Totals at historical cost	<u>43,323,862</u>	<u>831,528</u>	<u>(2,200)</u>	<u>44,153,190</u>
<i>Less accumulated depreciation for:</i>				
Building and improvements	7,677,730	776,271		8,454,001
Equipment	3,331,410	715,578	(2,200)	4,044,788
Total accumulated depreciation	<u>11,009,140</u>	<u>1,491,849</u>	<u>(2,200)</u>	<u>12,498,789</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>32,314,722</u>	<u>(660,321)</u>		<u>31,654,401</u>
Government activity capital assets, net	<u>\$ 32,531,242</u>	<u>\$ (660,321)</u>	<u>\$ -</u>	<u>\$ 31,870,921</u>
<i>Business-type activities:</i>				
Equipment	\$ 204,969	\$ -	\$ -	\$ 204,969
Less accumulated depreciation	179,441	2,265		181,706
Business-type activities capital assets, net	<u>\$ 25,528</u>	<u>\$ (2,265)</u>	<u>\$ -</u>	<u>\$ 23,263</u>

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012**

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	\$	1,491,849
Business Type Activities:		
Food Services		<u>2,265</u>
Total	\$	<u><u>1,494,114</u></u>

NOTE 8. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2012, the following changes occurred in long-term obligations:

	Balance, June 30, 2011	<u>Increases</u>	<u>Decreases</u>	Balance June 30, 2012	<u>Amounts due within one year</u>
Bonds payable	\$ 16,023,000	\$ -	\$ (1,261,000)	\$ 14,762,000	\$ 1,040,000
Compensated absences payable	351,559	18,771	(11,253)	359,077	310,529
Obligations under lease agreements	<u>554,499</u>		<u>(554,499)</u>		
	<u><u>\$ 16,929,058</u></u>	<u><u>\$ 18,771</u></u>	<u><u>\$ (1,826,752)</u></u>	<u><u>\$ 15,121,077</u></u>	<u><u>\$ 1,350,529</u></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.

Interest paid on debt issued by the District is exempt from federal income tax.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012**

NOTE 8. LONG-TERM OBLIGATIONS (CONTINUED)

A. General Obligation Bonds (Continued):

Bonds payable at June 30, 2012 are comprised of the following issues:

	Governmental Activities			
	Issue Dates	Interest Rates	Date of Maturity	Balance June 30, 2012
Bonds Payable	3/1/2004	3.25% - 4.25%	3/1/2024	\$ 14,762,000

B. Bonds Authorized But Not Issued:

The District has no authorized but not issued bonds at June 30, 2012.

C. Debt Service Requirements:

Debt service requirements on serial bonds payable at June 30, 2012 are as follows:

Year Ended June 30,	Principal	Interest	Total
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	1,200,000	420,195	1,620,195
2018-2022	6,530,000	1,360,855	7,890,855
2023-2024	2,642,000	167,810	2,809,810
	\$ 14,762,000	\$ 4,017,920	\$ 18,779,920

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012**

NOTE 8. LONG-TERM OBLIGATION (CONTINUED)

D. Capital Leases Payable:

The District was leasing computers under capital leases which expired on June 30, 2012. At the March 26, 2012 board meeting, the Board approved a new capital lease for computer and technology equipment of approximately \$1,684,000. The new capital lease is for a three year term from July 1, 2012 through June 30, 2015.

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:

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.

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

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

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.

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

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

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

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012**

NOTE 9. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions. The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems

Significant Legislation:

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operate and to the benefit provisions of those systems.

This new legislation's provisions impacting employee pension and health benefits include:

- New members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of 1/4 to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS is increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PERS members enrolled after June 28, 2011 (Tier 3 members), will be 60 percent instead of 65 percent of the member's final compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years.
- Active member contribution rates will increase. TPAF and PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

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.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012**

NOTE 9. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Contribution Requirement (Continued):

Three-Year Trend Information for PERS				
Year Funding	Normal Pension Cost	Non-Contributory Group-Life Insurance (NCGI)	Total Pension and NCGI	
2012	\$ 270,600	\$ 17,241	\$ 287,841	
2011	262,780	19,958	282,738	
2010	148,990	24,515	173,505	

During the fiscal year ended June 30, 2012, the District contributed \$270,600 to the PERS for pension costs and \$17,241 for non-contributory group insurance premiums.

Three-Year Trend Information for TPAF (Paid on Behalf of the District)				
Year Funding	Normal Pension Cost	Non-Contributory Group-Life Insurance (NCGI)	Post-Retirement Medical Contributions	Total Pension and NCGI
2012	\$ 366,943	\$ 39,378	\$ 816,813	\$ 1,223,134
2011		40,151	852,802	892,953
2010		42,907	805,859	848,766

During the fiscal year ended June 30, 2012, the State of New Jersey contributed to the \$1,223,134, to the TPAF on behalf of the District, \$816,813 for post-retirement benefits, \$39,378 for non-contributory group insurance premiums and \$366,943 for normal and other pension costs. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$955,470 during the year ended June 30, 2012 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, 2012**

NOTE 10. POST-RETIREMENT BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 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 \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in fiscal year 2011.

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, 2012, a liability did not exist for compensated absences in the enterprise funds.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012**

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) and 457. 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	Lincoln Investments
Oppenheimer Funds	Aspire Financial Services
Vanguard	OFI Trust Company

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, 2011 to June 30, 2012 fiscal year is as follows:

Beginning balance, July 1, 2011		\$ 351,530
Increased by:		
Interest earnings		18
Deposit approved by board resolution June 18, 2012		117,085
Ending balance, June 30, 2012		\$ 468,633

The June 30, 2012 LRFP balance of local support costs of uncompleted capital projects is approximately \$4,600,000.

NOTE 14. NET ASSETS - UNRESTRICTED (DEFICIT)

The District has a deficit in unrestricted net assets of the governmental activities in the Statement of Net Assets of \$196,850. 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.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012**

NOTE 14. NET ASSETS - UNRESTRICTED (DEFICIT) (CONTINUED)

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)	\$	581,344
Unrecognized state aid payments for 2011-2012		(262,880)
Compensated absences payable		(359,077)
Accrued interest payable		(187,495)
Bond issuance costs		31,258
Unrestricted net assets (Exhibit A-1)	\$	(196,850)

NOTE 15. TRANSFERS FOR CAPITAL OUTLAY AND GENERAL FUND

The District transferred \$504,657 from 2011-12 current expense appropriations to capital outlay facilities acquisition and construction services for the improvement to the Middle School science labs and renovation of new classroom space and an additional \$212,457 was transferred to capital outlay equipment to cover additional costs for instructional equipment. The transfers were approved by the County Superintendent.

NOTE 16. FUND BALANCE APPROPRIATED

General Fund - Of the \$1,891,649 general fund balance in the fund financial statements at June 30, 2012, \$273,843 is reserved for encumbrances; \$830,709 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$455,650 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2013); \$468,633 has been reserved in the Capital Reserve Account; and \$318,464 is unassigned. At its December 12, 2011 meeting, the Board authorized and approved appropriations of \$36,391 and \$11,076 from general fund balance from 2011 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, 2012.

NOTE 17. CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve general fund 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, 2012 is \$375,059.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012**

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>
2011-2012	\$ 10,000	\$ 16,886	\$ 50,737	\$ 122,990
2010-2011	125,000	24,336	112,396	146,831
2009-2010	121,000	20,994	42,581	109,891

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, 2012, 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, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 25,506,624	\$	\$ 25,506,624	\$ 25,506,624	\$
Tuition	385,000		385,000	352,187	(32,813)
Interest - capital reserve funds	30		30	18	(12)
Interest on investments				744	744
Miscellaneous	350,000		350,000	191,111	(158,889)
Total - local sources	26,241,654		26,241,654	26,050,684	(190,970)
State sources:					
Extraordinary aid	200,000		200,000	239,259	39,259
Special education categorical aid	256,261		256,261	512,522	256,261
Other state aids				11,254	11,254
On-behalf TPAF pension-post retirement medical contributions (non-budgeted)				816,813	816,813
On-behalf TPAF pension - normal (non-budgeted)				366,943	366,943
On-behalf TPAF pension - non-contributory insurance (non-budgeted)				39,378	39,378
Reimbursed TPAF social security contributions (non-budgeted)				955,470	955,470
Total - state sources	456,261		456,261	2,941,639	2,485,378
Federal sources:					
Education Jobs Fund	33,468	1,049	34,517	34,517	
Total - federal sources	33,468	1,049	34,517	34,517	
Total revenues	26,731,383	1,049	26,732,432	29,026,840	2,294,408

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

RIVER DELL REGIONAL SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Regular programs - instruction:					
Salaries of teachers:					
Grades 6-8	\$ 2,928,275	\$ (109,535)	\$ 2,818,740	\$ 2,818,739	\$ 1
Grades 9-12	5,272,470	190,320	5,462,790	5,462,789	1
Home instruction - regular programs:					
Salaries of teachers	16,000	17,498	33,498	33,498	
Purchased professional - educational services	12,500	12,024	24,524	15,293	9,231
Regular programs - undistributed instruction:					
Other salaries for instruction	44,802	5,534	50,336	50,334	2
Purchased professional - educational services	2,293	(1,250)	1,043	1,000	43
Other purchased services	585,137	(82,666)	502,471	501,913	558
General supplies	288,850	15,183	304,033	302,406	1,627
Textbooks	109,643	80,131	189,774	189,773	1
Other objects	4,440	(3,426)	1,014	1,014	
Total regular programs - instruction	9,264,410	123,813	9,388,223	9,376,759	11,464
Special education - instruction:					
Learning and/or language disabilities:					
Salaries of teachers	208,368	5,809	214,177	214,177	
Other salaries for instruction	97,643	(81,052)	16,591	16,091	500
General supplies	1,355	1,857	3,212	3,212	
Textbooks	2,506	(2,024)	482	451	31
Total learning and/or language disabilities	309,872	(75,410)	234,462	233,931	531

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

RIVER DELL REGIONAL SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Resource room/resource center:					
Salaries of teachers	\$ 1,230,848	\$ 150,542	\$ 1,381,390	\$ 1,381,388	\$ 2
Other salaries for instruction	46,897	(34,574)	12,323	12,323	
General supplies	8,348	(1,924)	6,424	5,745	679
Textbooks	2,104	(793)	1,311	174	1,137
<u>Total resource room/resource center</u>	<u>1,288,197</u>	<u>113,251</u>	<u>1,401,448</u>	<u>1,399,630</u>	<u>1,818</u>
<u>Total special education - instruction</u>	<u>1,598,069</u>	<u>37,841</u>	<u>1,635,910</u>	<u>1,633,561</u>	<u>2,349</u>
Basic skills/remedial - instruction:					
Salaries of teachers	111,558	17,214	128,772	128,771	1
Textbooks	759		759		759
<u>Total basic skills/remedial - instruction</u>	<u>112,317</u>	<u>17,214</u>	<u>129,531</u>	<u>128,771</u>	<u>760</u>
Bilingual education - instruction:					
Salaries of teachers	135,039	3,106	138,145	138,145	
General supplies	4,117	685	4,802	4,771	31
Textbooks	1,686	(392)	1,294	1,293	1
<u>Total bilingual education - instruction</u>	<u>140,842</u>	<u>3,399</u>	<u>144,241</u>	<u>144,209</u>	<u>32</u>

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

RIVER DELL REGIONAL SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School sponsored cocurricular activities - instruction:					
Salaries	\$ 175,006	\$ (15,517)	\$ 159,489	\$ 156,513	\$ 2,976
Purchased services	12,484	(726)	11,758	5,657	6,101
Supplies and materials	32,284	(2,639)	29,645	21,372	8,273
Other objects	15,557		15,557	4,234	11,323
Transfers to cover deficit (agency funds)	5,000		5,000	5,000	
Total school sponsored cocurricular activities - instruction	<u>240,331</u>	<u>(18,882)</u>	<u>221,449</u>	<u>192,776</u>	<u>28,673</u>
School sponsored athletics - instruction					
Salaries	550,316	(49,335)	500,981	467,914	33,067
Purchased services	29,850	1,571	31,421	29,995	1,426
Supplies and materials	72,893	28,451	101,344	101,343	1
Other objects	56,655	4,430	61,085	55,085	6,000
Transfers to cover deficit	83,857	(3,192)	80,665	80,594	71
Total school sponsored athletics - instruction	<u>793,571</u>	<u>(18,075)</u>	<u>775,496</u>	<u>734,931</u>	<u>40,565</u>
Other instructional programs - instruction:					
Purchased services		1,656	1,656	1,019	637
Total other instructional programs - instruction		<u>1,656</u>	<u>1,656</u>	<u>1,019</u>	<u>637</u>
Total - instruction	<u>12,149,540</u>	<u>146,966</u>	<u>12,296,506</u>	<u>12,212,026</u>	<u>84,480</u>

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

RIVER DELL REGIONAL SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state-special	\$ 365,000	\$ (32,940)	\$ 332,060	\$ 332,060	\$
Tuition to county vocational school-regular	309,500	100,913	410,413	392,739	17,674
Tuition to county vocational school districts-special	84,000	(16,185)	67,815	66,701	1,114
Tuition to county special services school districts and regional day schools	444,500	(61,969)	382,531	375,056	7,475
Tuition to private schools for the handicapped within the state	915,874	(164,782)	751,092	748,079	3,013
Tuition - state facilities	<u>30,750</u>	<u>30,750</u>	<u>30,750</u>	<u>30,750</u>	<u></u>
Total undistributed expenditures - instruction	<u>2,118,874</u>	<u>(144,213)</u>	<u>1,974,661</u>	<u>1,945,385</u>	<u>29,276</u>
Attendance and social work services:					
Salaries	<u>33,561</u>	<u>1,218</u>	<u>34,779</u>	<u>34,779</u>	<u></u>
Total attendance and social work services	<u>33,561</u>	<u>1,218</u>	<u>34,779</u>	<u>34,779</u>	<u></u>
Health services:					
Salaries	168,202		168,202	168,202	
Purchased professional and technical services	15,000	(404)	14,596	14,500	96
Other purchased services	280	(71)	209	31	178
Supplies and materials	<u>3,476</u>	<u>1,697</u>	<u>5,173</u>	<u>4,980</u>	<u>193</u>
Total health services	<u>186,958</u>	<u>1,222</u>	<u>188,180</u>	<u>187,713</u>	<u>467</u>
Speech, OT, PT & related services:					
Salaries	77,630	7,763	85,393	85,392	1
Purchased professional - educational services		4,514	4,514	4,514	
Supplies and materials	<u>455</u>	<u>10</u>	<u>465</u>	<u>452</u>	<u>13</u>
Total speech, OT, PT & related services	<u>78,085</u>	<u>12,287</u>	<u>90,372</u>	<u>90,358</u>	<u>14</u>

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

RIVER DELL REGIONAL SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other support services - students - extraordinary:					
Salaries	\$ 109,471	\$ (27,142)	\$ 82,329	\$ 82,327	\$ 2
Total support services - students- extraordinary	<u>109,471</u>	<u>(27,142)</u>	<u>82,329</u>	<u>82,327</u>	<u>2</u>
Guidance:					
Salaries of other professional staff	673,154	(1,290)	671,864	671,820	44
Salaries of secretarial and clerical assistants	144,252	(242)	144,010	144,008	2
Purchased professional - educational services	4,964	3,121	8,085	8,084	1
Other purchased services	11,167	207	11,374	7,571	3,803
Supplies and materials	32,918	(5,212)	27,706	8,272	19,434
Other objects	713	37	750	750	
Total guidance	<u>867,168</u>	<u>(3,379)</u>	<u>863,789</u>	<u>840,505</u>	<u>23,284</u>
Child study teams:					
Salaries of other professional staff	507,564	32,866	540,430	540,430	
Salaries of secretarial and clerical assistants	6,811	49,849	56,660	56,660	
Purchased professional - educational services	103,759	(35,131)	68,628	65,853	2,775
Other purchased professional and technical services	32,500	(9,922)	22,578	22,496	82
Other purchased services	3,947	(761)	3,186	2,056	1,130
Supplies and materials	4,320	4,003	8,323	8,317	6
Other objects	1,100	(527)	573	419	154
Total child study teams	<u>660,001</u>	<u>40,377</u>	<u>700,378</u>	<u>696,231</u>	<u>4,147</u>

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

RIVER DELL REGIONAL SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2012

	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	\$ 76,590	\$ 65,855	\$ 142,445	\$ 142,444	\$ 1
Purchased professional - educational services	80,382	(70,944)	9,438	9,113	325
Other purchased services	55,679	(14,222)	41,457	37,381	4,076
Supplies and materials	40,869	68,501	109,370	109,126	244
Other objects	1,500	(1,500)			
Total improvement of instruction services/ other support services-instructional staff	255,020	47,690	302,710	298,064	4,646
Educational media services/school library:					
Salaries	166,660	6,786	173,446	173,446	
Purchased professional and technical services	1,598	(53)	1,545	1,490	55
Other purchased services	29,310	484	29,794	28,896	898
Supplies and materials	27,633	(229)	27,404	26,883	521
Other objects	263	(163)	100	50	50
Total educational media services/school library	225,464	6,825	232,289	230,765	1,524
Instructional staff training services:					
Other salaries	11,200	972	12,172	12,172	
Purchased professional - educational services	30,500	(2,625)	27,875	25,924	1,951
Other purchased services	11,280	(3,685)	7,595	7,584	11
Supplies and materials	18,190	(2,816)	15,374	15,374	
Other objects	3,180	(2,318)	862	620	242
Total instructional staff training services	74,350	(10,472)	63,878	61,674	2,204

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

RIVER DELL REGIONAL SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support services general administration:					
Salaries	\$ 310,658	\$ 5,532	\$ 316,190	\$ 316,190	\$
Legal services	65,000	(13,559)	51,441	45,715	5,726
Audit fees	29,000	22,886	51,886	22,677	29,209
Communications/telephone	30,000	(4,861)	25,139	19,837	5,302
Other purchased services	10,500	(4,738)	5,762	5,428	334
General supplies	19,000	(9,668)	9,332	8,575	757
Miscellaneous expenditures	6,500	3,188	9,688	9,687	1
Total support services general administration	470,658	(1,220)	469,438	428,109	41,329
Support services school administration:					
Salaries of principals/assistant principals	738,693	2	738,695	738,693	2
Salaries of other professional staff	252,340		252,340	252,340	
Salaries of secretarial and clerical assistants	236,068	12,708	248,776	248,776	
Other purchased services	11,988	(9,037)	2,951	2,528	423
Supplies and materials	6,353	2,547	8,900	8,899	1
Other objects	4,530	(53)	4,477	4,427	50
Total support services school administration	1,249,972	6,167	1,256,139	1,255,663	476
Support services central services:					
Salaries	350,611	(1,729)	348,882	346,110	2,772
Purchased professional services	20,000	(1,264)	18,736	12,939	5,797
Miscellaneous purchased services	48,600	(21,906)	26,694	21,630	5,064
Supplies and materials	17,500	26,293	43,793	43,793	
Miscellaneous expenditures	18,000	1,026	19,026	19,025	1
Total support services central services	454,711	2,420	457,131	443,497	13,634

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

RIVER DELL REGIONAL SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support services administrative information technology:					
Salaries	\$ 339,946	\$ 4,468	\$ 344,414	\$ 344,413	\$ 1
Purchased professional services	5,130	(1)	5,129	220	4,909
Other purchased services	1,115	25	1,140	234	906
Supplies and materials	131,874	(106,923)	24,951	23,315	1,636
Other objects	879	1,230	2,109	2,109	
Total support services administrative information technology	478,944	(101,201)	377,743	370,291	7,452
Required maintenance for school facilities:					
Salaries	373,488	(8,608)	364,880	363,417	1,463
Cleaning, repair and maintenance services	203,213	435,146	638,359	572,299	66,060
General supplies	93,000	15,762	108,762	108,654	108
Other objects	200	2,195	2,395	2,395	
Total required maintenance for school facilities	669,901	444,495	1,114,396	1,046,765	67,631
Custodial Services:					
Salaries	607,316	(17,806)	589,510	589,507	3
Cleaning, repair and maintenance services	13,500		13,500	12,705	795
Other purchased property services	35,000		35,000	31,981	3,019
Insurance	94,000	4,702	98,702	98,702	
Miscellaneous purchased services	200	(200)			
General supplies	88,470	(27,083)	61,387	60,187	1,200
Energy (natural gas)	352,000	(217,635)	134,365	110,399	23,966
Energy (electricity)	345,000	(6,172)	338,828	327,858	10,970
Other objects	200		200		200
Total custodial services	1,535,686	(264,194)	1,271,492	1,231,339	40,153

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

RIVER DELL REGIONAL SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Care and upkeep of grounds:					
Salaries	\$ 110,983	\$ 10,560	\$ 121,543	\$ 121,470	\$ 73
Purchased professional and technical services	31,000		31,000	29,315	1,685
Cleaning, repair and maintenance services					
General supplies	17,150	15,600	32,750	30,187	2,563
Other objects	100	(100)			
Total care and upkeep of grounds	159,233	26,060	185,293	180,972	4,321
Security:					
Salaries	21,855	(10,855)	11,000	10,999	1
Total security	21,855	(10,855)	11,000	10,999	1
Student transportation services:					
Salaries for pupil transportation (between home and school) - regular	31,205	(611)	30,594	29,343	1,251
Cleaning, repair and maintenance services	2,000	15,209	17,209	17,108	101
Contracted services - aid in lieu of payments for non-public school students	51,000	(2,228)	48,772	34,476	14,296
Contracted services (between home and school) - vendors	250,000	(77,507)	172,493	150,113	22,380
Contracted services (other than between home and school) - vendors	135,937	27,957	163,894	163,892	2
Contracted services (between home and school) - joint agreements	20,000	(797)	19,203	16,317	2,886
Contracted services (special education students) - vendors	296,800	(24,324)	272,476	189,267	83,209
Supplies and materials					
Transportation supplies	3,500		3,500	2,289	1,211
Total student transportation services	790,442	(62,301)	728,141	602,805	125,336

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

RIVER DELL REGIONAL SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unallocated benefits:					
Social security contributions	\$ 298,380	\$	\$ 298,380	\$ 275,216	\$ 23,164
Other retirement contributions	300,000		300,000	287,841	12,159
Unemployment compensation		10,000	10,000	10,000	
Workmen's compensation	110,000	11,602	121,602	114,006	7,596
Health benefits	3,293,938	(422,115)	2,871,823	2,752,717	119,106
Tuition reimbursement	17,100	2,900	20,000	20,000	
Other employee benefits	7,000	(7,000)			
Total personnel services - unallocated benefits	4,026,418	(404,613)	3,621,805	3,459,780	162,025
On-behalf TPAF pension-post retirement medical contributions (non-budgeted)				816,813	(816,813)
On-behalf TPAF pension - normal (non-budgeted)				366,943	(366,943)
On-behalf TPAF pension - non-contributory insurance (non-budgeted)				39,378	(39,378)
Reimbursed TPAF social security contributions (non-budgeted)				955,470	(955,470)
				2,178,604	(2,178,604)
Total undistributed expenditures	14,466,772	(440,829)	14,025,943	15,676,625	(1,650,682)
Total expenditures - current expense	26,616,312	(293,863)	26,322,449	27,888,651	(1,566,202)

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

RIVER DELL REGIONAL SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CAPITAL OUTLAY:					
Equipment:					
Regular programs - instruction:					
Grades 9-12	\$ _____	\$ 212,457	\$ 212,457	\$ 212,456	\$ 1
Total equipment	_____	212,457	212,457	212,456	1
Facilities acquisition and construction services:					
Other purchased professional and technical services	15,000	52,824	67,824	61,445	6,379
Construction services	175,000	451,833	626,833	513,699	113,134
Other objects	43,928	_____	43,928	43,928	_____
Total facilities acquisition and construction services	233,928	504,657	738,585	619,072	119,513
Total capital outlay	233,928	717,114	951,042	831,528	119,514
Total expenditures	26,850,240	423,251	27,273,491	28,720,179	(1,446,688)
Excess (deficiency) of revenues over (under) expenditures	(118,857)	(422,202)	(541,059)	306,661	847,720

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

RIVER DELL REGIONAL SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other financing sources (uses):					
Operating transfers out - Food Service Fund	\$	\$ (25,000)	\$ (25,000)	\$ (25,000)	\$
Operating transfers in - Capital Projects Fund				3	3
Total other financing sources (uses)		(25,000)	(25,000)	(24,997)	3
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(118,857)	(447,202)	(566,059)	281,664	847,723
Fund balance - July 1	<u>1,872,865</u>		<u>1,872,865</u>	<u>1,872,865</u>	
Fund balance - June 30	<u>\$ 1,754,008</u>	<u>\$ (447,202)</u>	<u>\$ 1,306,806</u>	<u>\$ 2,154,529</u>	<u>\$ 847,723</u>
Recapitulation of excess (deficiency) of revenues over (under) expenditures:					
Adjustment for prior year encumbrance	\$	\$ (399,735)	\$ (399,735)	\$ (399,735)	\$
Increase in capital reserve:					
Interest earned	30		30	18	(12)
Principal				117,085	117,085
Budgeted fund balance	<u>(118,887)</u>	<u>(47,467)</u>	<u>(166,354)</u>	<u>564,296</u>	<u>730,650</u>
Total	<u>\$ (118,857)</u>	<u>\$ (447,202)</u>	<u>\$ (566,059)</u>	<u>\$ 281,664</u>	<u>\$ 847,723</u>

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

RIVER DELL REGIONAL SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Reserved excess surplus - designated for subsequent year's expenditures				\$ 455,650	
Reserved excess surplus				375,059	
Capital reserve				468,633	
Committed Fund Balance:					
Year-end encumbrances				176,523	
Assigned Fund Balance:					
Year-end encumbrances				97,320	
Unassigned Fund Balance				<u>581,344</u>	
Total fund balance				2,154,529	
Reconciliation to Governmental Funds Statements (GAAP):					
State aid payments not recognized on GAAP basis				<u>(262,880)</u>	
Fund balance per Governmental Funds (GAAP)				<u>\$ 1,891,649</u>	

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

RIVER DELL REGIONAL SCHOOL DISTRICT
 Education Jobs Fund Program
 Budgetary and Actual
 For the Fiscal Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Extraordinary services:			
Salaries	\$ <u>34,517</u>	\$ <u>34,517</u>	\$ <u>-</u>
Total instruction	\$ <u><u>34,517</u></u>	\$ <u><u>34,517</u></u>	\$ <u><u>-</u></u>

RIVER DELL REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State sources	\$ 40,000	\$ 138,602	\$ 178,602	\$ 178,602	\$ -
Federal sources	375,000	98,700	473,700	473,700	
Total revenues	415,000	237,302	652,302	652,302	
EXPENDITURES:					
Instruction:					
Other salaries for instruction	130,000	17,577	147,577	147,577	
Purchased professional - educational services		13,820	13,820	13,820	
Tuition	50,000	86,546	136,546	136,546	
General supplies	12,000	30,303	42,303	42,303	
Textbooks	40,000	3,112	43,112	43,112	
Total instruction	232,000	151,358	383,358	383,358	
Support services:					
Salaries of other professional staff	89,000	(20,475)	68,525	68,525	
Personal services - employee benefits		7,655	7,655	7,655	
Purchased professional and technical services		68,842	68,842	68,842	
Purchased professional educational services	94,000	6,462	100,462	100,462	
Other purchased professional services		9,245	9,245	9,245	
Supplies and materials		14,215	14,215	14,215	
Total support services	183,000	85,944	268,944	268,944	
Total expenditures/outflows	415,000	237,302	652,302	652,302	
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

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

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, 2012

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	\$ 29,026,840	\$ 652,302
Difference - budget to GAAP:		
State aid payments recognized for GAAP statements in the current year, previously recognized for budgetary purposes	247,467	
State aid payments recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	<u>(262,880)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 29,011,427</u>	<u>\$ 652,302</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<u>\$ 28,720,179</u>	<u>\$ 652,302</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 28,720,179</u>	<u>\$ 652,302</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, 2012

	(Exhibit E-1a) Nonpublic Services	BCUA Environmental Awareness Challenge Grant	(Exhibit E-1b) E.S.E.A.	I.D.E.A. Part B - Basic	Totals
REVENUES:					
State sources	\$ 177,675	\$ 927	\$ -	\$ -	\$ 178,602
Federal sources			98,382	375,318	473,700
Total revenues	<u>177,675</u>	<u>927</u>	<u>98,382</u>	<u>375,318</u>	<u>652,302</u>
EXPENDITURES:					
Instruction:					
Other salaries for instruction				147,577	147,577
Purchased professional - educational services				13,820	13,820
Tuition				136,546	136,546
General supplies			29,540	12,763	42,303
Textbooks	43,112				43,112
Total instruction	<u>43,112</u>		<u>29,540</u>	<u>310,706</u>	<u>383,358</u>
Support services:					
Salaries of other professional staff	31,393			37,132	68,525
Personal services - employee benefits	7,655				7,655
Purchased professional and technical services			68,842		68,842
Purchased professional educational services	72,982			27,480	100,462
Other purchased professional services	9,245				9,245
Supplies and materials	13,288	927			14,215
Total support services	<u>134,563</u>	<u>927</u>	<u>68,842</u>	<u>64,612</u>	<u>268,944</u>
Total expenditures	<u>\$ 177,675</u>	<u>\$ 927</u>	<u>\$ 98,382</u>	<u>\$ 375,318</u>	<u>\$ 652,302</u>

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, 2012

	<u>Compen- satory Education</u>	<u>English As A Second Language</u>	<u>Home Instruction</u>	<u>Supple- mental Instruction</u>	<u>Exam and Classifi- cation</u>	<u>Correc- tive Speech</u>	<u>Textbook</u>	<u>Nursing</u>	<u>Totals</u>
REVENUES:									
State sources	\$ 14,624	\$ 3,707	\$ 4,249	\$ 11,926	\$ 33,974	\$ 4,502	\$ 43,112	\$ 61,581	\$ 177,675
EXPENDITURES:									
Instruction:									
Textbooks							43,112		43,112
Total instruction							43,112		43,112
Support services:									
Salaries of other professional staff								31,393	31,393
Personal services - employee benefits								7,655	7,655
Purchased professional educational services	14,624	3,707	4,249	11,926	33,974	4,502			72,982
Other purchased professional services								9,245	9,245
Supplies and materials								13,288	13,288
Total support services	14,624	3,707	4,249	11,926	33,974	4,502		61,581	134,563
Total expenditures	<u>\$ 14,624</u>	<u>\$ 3,707</u>	<u>\$ 4,249</u>	<u>\$ 11,926</u>	<u>\$ 33,974</u>	<u>\$ 4,502</u>	<u>\$ 43,112</u>	<u>\$ 61,581</u>	<u>\$ 177,675</u>

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, 2012

	<u>Title II</u> <u>Part A</u> <u>Current</u> <u>Year</u>	<u>Title III</u> <u>Part A</u> <u>Current</u> <u>Year</u>	<u>Totals</u>
REVENUES:			
Federal sources	\$ 68,842	\$ 29,540	\$ 98,382
EXPENDITURES:			
Instruction:			
General supplies	<u> </u>	<u>29,540</u>	<u>29,540</u>
Total instruction	<u> </u>	<u>29,540</u>	<u>29,540</u>
Support services:			
Purchased professional and technical services	<u>68,842</u>	<u> </u>	<u>68,842</u>
Total support services	<u>68,842</u>	<u> </u>	<u>68,842</u>
Total expenditures	<u>\$ 68,842</u>	<u>\$ 29,540</u>	<u>\$ 98,382</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, 2012

Issue/Project Title	Original Date	Appropriations	Total Expenditures to Date		Unexpended Balance June 30, 2012
			Prior Years	Current Year	
Renovations and additions to Middle/High School	September 30, 2003	\$ 29,739,365	\$ 29,686,423	\$ -	\$ 52,942
Totals		\$ 29,739,365	\$ 29,686,423	\$ -	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, 2012

Revenues and other financing sources	
Interest Income	\$ <u> 3</u>
Total revenues	<u> 3</u>
Expenditures and other financing uses	
Transfer to General Fund - interest income	<u> 3</u>
Total expenditures	<u> 3</u>
Excess (deficiency) of revenues over (under) expenditures	0
Fund balances - July 1	<u> 52,942</u>
Fund balances - June 30	\$ <u><u> 52,942</u></u>

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, 2012

	<u>Private Purpose Scholarship Funds</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Agency Funds</u>	<u>Totals</u>
ASSETS:				
Cash	\$ 118,555	\$ 144,012	\$ 280,288	\$ 542,855
Total assets	<u>\$ 118,555</u>	<u>\$ 144,012</u>	<u>\$ 280,288</u>	<u>\$ 542,855</u>
 LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable	\$ 3,000	\$ 21,022	\$ -	\$ 24,022
Payroll deductions and withholdings			20,439	20,439
Due to student groups			259,849	259,849
Total liabilities	<u>3,000</u>	<u>21,022</u>	<u>280,288</u>	<u>304,310</u>
Net assets:				
Held in trust for unemployment claims and other purposes		122,990		122,990
Reserved for scholarships	115,555			115,555
Total net assets	<u>115,555</u>	<u>122,990</u>		<u>238,545</u>
Total liabilities and net assets	<u>\$ 118,555</u>	<u>\$ 144,012</u>	<u>\$ 280,288</u>	<u>\$ 542,855</u>

RIVER DELL REGIONAL SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended June 30, 2012

	<u>Private Purpose Scholarship Funds</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
ADDITIONS:			
Contributions:			
Other	\$ 25,050	\$	\$ 25,050
Employer		10,000	10,000
Plan member		16,886	16,886
	<u>25,050</u>	<u>26,886</u>	<u>51,936</u>
Total contributions			
	<u>25,050</u>	<u>26,886</u>	<u>51,936</u>
Investment earnings:			
Interest	<u>58</u>	<u>10</u>	<u>68</u>
	<u>58</u>	<u>10</u>	<u>68</u>
Net investment earnings			
	<u>58</u>	<u>10</u>	<u>68</u>
Total additions			
	<u>25,108</u>	<u>26,896</u>	<u>52,004</u>
DEDUCTIONS:			
Scholarship/award payments	34,649		34,649
Unemployment compensation insurance claims and fees		50,737	50,737
	<u>34,649</u>	<u>50,737</u>	<u>85,386</u>
Total deductions			
	<u>34,649</u>	<u>50,737</u>	<u>85,386</u>
Change in net assets			
	(9,541)	(23,841)	(33,382)
Net assets - July 1			
	<u>125,096</u>	<u>146,831</u>	<u>271,927</u>
Net assets - June 30			
	<u>\$ 115,555</u>	<u>\$ 122,990</u>	<u>\$ 238,545</u>

RIVER DELL REGIONAL SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2012

	<u>Balance July 1, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2012</u>
MIDDLE/SENIOR HIGH SCHOOLS:				
River Dell Regional	\$ <u>207,290</u>	\$ <u>513,023</u>	\$ <u>460,464</u>	\$ <u>259,849</u>
Total middle/senior high schools:	<u>207,290</u>	<u>513,023</u>	<u>460,464</u>	<u>259,849</u>
ATHLETICS:				
River Dell Regional	<u> </u>	<u>97,398</u>	<u>97,398</u>	<u> </u>
Total all schools	<u>\$ 207,290</u>	<u>\$ 610,421</u>	<u>\$ 557,862</u>	<u>\$ 259,849</u>

RIVER DELL REGIONAL SCHOOL DISTRICT
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2012

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
ASSETS:				
Cash	\$ <u>101,626</u>	\$ <u>7,796,957</u>	\$ <u>7,878,144</u>	\$ <u>20,439</u>
Total assets	\$ <u><u>101,626</u></u>	\$ <u><u>7,796,957</u></u>	\$ <u><u>7,878,144</u></u>	\$ <u><u>20,439</u></u>
 LIABILITIES:				
Payroll deductions and withholdings	\$ 97,062	\$ 7,796,957	\$ 7,873,580	\$ 20,439
Interfund payables	<u>4,564</u>	<u> </u>	<u>4,564</u>	<u> </u>
Total liabilities	\$ <u><u>101,626</u></u>	\$ <u><u>7,796,957</u></u>	\$ <u><u>7,878,144</u></u>	\$ <u><u>20,439</u></u>

RIVER DELL REGIONAL SCHOOL DISTRICT
 Payroll Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2012

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
ASSETS:				
Cash	\$ <u> -</u>	\$ <u>10,472,385</u>	\$ <u>10,472,385</u>	\$ <u> -</u>
Total assets	\$ <u> -</u>	\$ <u>10,472,385</u>	\$ <u>10,472,385</u>	\$ <u> -</u>
 LIABILITIES:				
Accrued salaries and wages	\$ <u> -</u>	\$ <u>10,472,385</u>	\$ <u>10,472,385</u>	\$ <u> -</u>
Total liabilities	\$ <u> -</u>	\$ <u>10,472,385</u>	\$ <u>10,472,385</u>	\$ <u> -</u>

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, 2012

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2011	Issued	Retired	Balance June 30, 2012
			Date	Amount					
School District Bonds	8/1/1991	\$ 4,951,000	8/1/2011	\$ 241,000	6.60%	\$ 241,000	\$	\$ 241,000	\$ -
Improvements to High School and Middle School	3/1/2004	\$ 21,982,000	3/1/2012	1,020,000	3.250%	15,782,000		1,020,000	14,762,000
			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	1,320,000	4.000%				
			3/1/2020	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%							
						<u>\$ 16,023,000</u>	<u>\$</u>	<u>\$ 1,261,000</u>	<u>\$ 14,762,000</u>

RIVER DELL REGIONAL SCHOOL DISTRICT
 Schedule of Obligations under Capital Leases
 For the Fiscal Year Ended June 30, 2012

Purpose	Term of Lease	Original Amount of Lease		Interest Rate	Balance July 1, 2011	Issued	Retired	Balance June 30, 2012
		Principal	Interest					
Computers	48 months	2,202,676	17,348	0.52%	\$ 554,499	\$ -	\$ 554,499	\$ -
					<u>\$ 554,499</u>	<u>\$ -</u>	<u>\$ 554,499</u>	<u>\$ -</u>

RIVER DELL REGIONAL SCHOOL DISTRICT
 Debt Service Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 1,872,338	\$ -	\$ 1,872,338	\$ 1,872,338	\$ -
Total revenues	<u>1,872,338</u>	<u></u>	<u>1,872,338</u>	<u>1,872,338</u>	<u></u>
EXPENDITURES:					
Regular debt service:					
Interest	611,338		611,338	611,338	
Redemption of principal	<u>1,261,000</u>		<u>1,261,000</u>	<u>1,261,000</u>	
Total regular debt service	<u>1,872,338</u>		<u>1,872,338</u>	<u>1,872,338</u>	
Total expenditures	<u>1,872,338</u>		<u>1,872,338</u>	<u>1,872,338</u>	
Excess (deficiency) of revenues over (under) expenditures					
Fund balances - July 1					
Fund balances - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Recapitulation of excess (deficiency) of revenues over (under) expenditures:					
Budgeted fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

River Dell Regional School District Statistical Section (Unaudited)

<u>Contents</u>	<u>Page</u>
Financial Trends	85 - 91
<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>	
Revenue Capacity	92 - 97
<p>These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.</p>	
Debt Capacity	98 - 101
<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>	
Demographic and Economic Information	102 - 103
<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>	
Operating Information	104 - 108
<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 Ten Years
 (accrual basis of accounting)
 Unaudited

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
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	\$ 17,108,921
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	1,626,127
Unrestricted (deficit)	577,442	85,361	52,854	(109,538)	(101,991)	(182,982)	(211,664)	(335,643)	(216,628)	(196,850)
Total governmental activities net assets	1,635,328	2,142,007	4,223,713	9,262,640	13,210,699	14,517,860	14,493,081	15,332,956	17,115,859	18,538,198
Business-type activities:										
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	23,263
Unrestricted	13,501	19,536	29,850	34,231	36,487	39,554	42,108	42,865	67,042	90,246
Total business-type activities net assets	67,918	64,413	66,230	63,158	61,067	69,241	64,200	62,116	92,570	113,509
District-wide:										
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	17,132,184
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	1,626,127
Unrestricted (deficit)	590,943	104,897	82,704	(75,307)	(65,504)	(143,428)	(169,556)	(292,778)	(149,586)	(106,604)
Total district net assets	\$ 1,703,246	\$ 2,206,420	\$ 4,289,943	\$ 9,325,798	\$ 13,271,766	\$ 14,587,101	\$ 14,557,281	\$ 15,395,072	\$ 17,208,429	\$ 18,651,707

Source: District Records

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses:										
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	\$ 11,848,868
Special education	1,446,666	1,498,319	1,527,627	1,631,578	1,850,976	1,757,703	1,909,415	2,064,810	2,015,379	2,171,721
Other special education	278,120	208,398	190,028	216,386	236,899	305,971	320,463	446,683	324,060	361,432
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	1,135,651
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	2,081,931
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	3,650,398
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	1,699,706
General administration services	514,246	521,989	509,262	404,117	551,957	572,089	592,925	740,026	585,028	548,219
Central services			537,129	503,618	500,502	542,815	520,085	544,581	535,547	581,377
Administrative information technology			186,873	173,194	202,482	308,815	271,938	452,763	494,972	484,424
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	2,974,565
Pupil transportation	464,419	514,173	552,924	696,140	657,650	720,396	671,985	598,699	537,118	616,444
Interest on long-term debt	258,067	499,287	926,042	921,713	886,432	872,381	769,250	714,554	658,515	602,910
Unallocated depreciation	285,242	349,665	300,457	353,900	392,316	472,609	1,987,516	1,461,850	1,530,856	1,491,849
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	30,249,495
Business-type activities:										
Food service	388,529	385,922	402,909	389,657	347,217	301,733	306,182	295,687	284,175	268,259
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	268,259
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	\$ 30,517,754
Program Revenues:										
Governmental activities:										
Charges for services:										
Student and instruction related services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 170,856	\$ 293,784	\$ 191,926	\$ 162,470	\$ 160,764
Operating grants and contributions	665,283	717,016	2,181,997	2,439,298	3,434,879	3,602,413	2,496,879	2,772,957	3,077,733	3,100,523
Capital grants and contributions									97,079	
Total governmental activities program revenues	665,283	717,016	2,181,997	2,439,298	3,434,879	3,773,269	2,790,663	2,964,883	3,337,282	3,261,287
Business-type activities:										
Charges for services:										
Food service	374,168	382,368	403,502	384,584	338,955	295,518	300,941	290,259	279,424	264,198
Valley Program	788,722	774,409			144,000					
Total business type activities program revenues	1,162,890	1,156,777	403,502	384,584	482,955	295,518	300,941	290,259	279,424	264,198
Total district program revenues	\$ 1,828,173	\$ 1,873,793	\$ 2,585,499	\$ 2,823,882	\$ 3,917,834	\$ 4,068,787	\$ 3,091,604	\$ 3,255,142	\$ 3,616,706	\$ 3,525,485
Net (expense)/revenue:										
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)	\$ (26,988,208)
Business-type activities	(14,361)	(3,554)	593	(5,073)	135,738	(6,215)	(5,241)	(5,428)	(4,751)	(4,061)
Total district-wide net expense	\$ (19,483,801)	\$ (20,691,771)	\$ (20,581,158)	\$ (21,738,843)	\$ (22,876,512)	\$ (24,674,622)	\$ (26,858,509)	\$ (26,807,266)	\$ (25,849,823)	\$ (26,992,269)

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General revenues and other changes in net assets:										
Governmental activities:										
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	\$ 25,506,624
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	1,872,338
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		512,522
Tuition received	227,770	248,795	214,866	242,204	269,577	322,138	392,472	473,642	376,858	352,187
Interest - capital reserve funds			27	2,216	1,346					18
Investment earnings	29,315	32,770	185,975	1,071,872	272,118	159,573	42,671	7,515	30,066	747
Miscellaneous income	186,698	202,644	135,651	144,727	151,144	157,468	484,994	202,136	209,515	191,111
Transfers					(3,214)	(13,215)		(3,235)	(35,205)	(25,000)
Total governmental activities	19,703,366	21,194,896	22,663,457	26,772,697	26,960,309	25,975,568	26,828,489	27,641,713	27,627,975	28,410,547
Business-type activities:										
Investment earnings	\$ 138	\$ 49	\$ 1,224	\$ 2,001	\$ 2,957	\$ 1,174	\$ 200	\$ 109	\$ -	\$ -
Transfers					3,214	13,215		3,235	35,205	25,000
Total business-type activities	138	49	1,224	2,001	6,171	14,389	200	3,344	35,205	25,000
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	\$ 28,435,547
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	1,422,339
Business-type activities	(14,223)	(3,505)	1,817	(3,072)	141,909	8,174	(5,041)	(2,084)	30,454	20,939
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	\$ 1,443,278

Source: District Records

Notes: 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 Ten Years
 (modified accrual basis of accounting)
 Unaudited

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General fund:										
Reserved	\$ 107,100	\$ 497,530	\$ 851,316	\$ 1,566,914	\$ 1,494,292	\$ 566,796	\$ 351,507	\$ 587,610	\$ -	\$ -
Unreserved	646,515	541,898	549,163	371,252	400,022	426,847	346,352	190,376		
Restricted									926,067	1,299,342
Committed									226,899	176,523
Assigned									172,836	97,320
Unassigned									299,596	318,464
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	\$ 1,891,649
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	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	\$ 52,942

Source: District Records

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Tax levy	\$ 17,205,418	\$ 18,196,129	\$ 20,393,303	\$ 20,857,367	\$ 22,591,617	\$ 24,116,621	\$ 24,787,051	\$ 25,673,913	\$ 27,046,741	\$ 27,378,962
Tuition charges	227,770	248,795	214,866	242,204	269,577	322,138	392,472	473,642	376,858	352,187
Interest earnings	29,315	32,770	186,002	1,074,088	273,464	159,573	42,671	7,515	30,066	765
Miscellaneous	187,398	202,644	132,902	145,727	159,644	170,368	485,994	222,136	209,515	191,111
State sources	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	3,104,828
Federal sources	266,549	222,164	321,225	318,449	425,407	525,343	572,252	879,940	845,549	508,217
Total revenue	20,368,649	21,911,912	24,842,705	29,211,995	30,398,402	29,591,196	29,325,368	30,417,905	30,837,992	31,536,070
Expenditures:										
Instruction:										
Regular instruction	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	9,623,571
Special education instruction	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	1,633,561
Other special instruction	223,623	163,567	147,678	164,036	170,077	219,757	250,701	343,675	247,746	272,980
Other instruction	624,701	663,819	746,393	758,320	803,628	856,724	935,442	909,537	872,315	928,726
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	2,081,931
Student and instruction related services	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	2,783,705
School administrative services	869,216	964,091	901,609	1,132,869	1,161,979	1,127,240	1,121,738	1,126,621	1,127,404	1,255,663
General administration services	472,385	456,156	420,412	343,777	449,383	460,875	507,570	635,147	470,436	428,109
Central services			400,177	406,734	384,367	419,804	408,652	421,851	400,541	443,497
Administrative information technology services			133,660	133,904	146,924	226,848	215,031	354,724	390,894	370,291
Business and other support services	423,852	387,380								
Plant operations and maintenance	1,383,834	1,516,676	1,590,547	1,849,790	1,991,621	2,178,564	2,266,736	2,276,625	2,422,542	2,470,075
Pupil transportation	457,427	505,874	544,855	688,206	647,330	708,896	661,814	587,042	523,961	602,805
Employee benefits	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	5,646,039
Capital outlay	534,481	894,155	3,031,812	14,425,047	11,930,545	1,288,319	2,837,575	272,055	418,659	831,528
Debt service:										
Principal	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	1,261,000
Interest and other charges	266,822	210,022	957,761	928,687	880,977	856,223	778,148	723,798	668,323	611,338
Total expenditures	\$ 20,866,254	\$ 22,113,204	\$ 26,611,787	\$ 39,565,655	\$ 39,524,601	\$ 30,705,733	\$ 32,238,662	\$ 30,435,738	\$ 29,984,094	\$ 31,244,819

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Excess (Deficiency) of revenues over (under) expenditures	\$ (497,605)	\$ (201,292)	\$ (1,769,082)	\$ (10,353,660)	\$ (9,126,199)	\$ (1,114,537)	\$ (2,913,294)	\$ (17,833)	\$ 853,898	\$ 291,251
Other financing sources (uses):										
Proceeds from borrowing		21,982,000								
Capital leases (non-budgeted)	27,290			68,366	818,034	539,625	2,202,676			
Proceeds from refunding		1,910,872								
Payments to escrow agent		(1,899,980)								
Transfers in		608	76,405	894,804	26,548	828,928	199,192	30	11	3
Transfers out		(608)	(76,405)	(894,804)	(29,762)	(842,143)	(199,192)	(3,265)	(35,216)	(25,003)
Total other financing sources (uses)	27,290	21,992,892		68,366	814,820	526,410	2,202,676	(3,235)	(35,205)	(25,000)
Net change in fund balances	\$ (470,315)	\$ 21,791,600	\$ (1,769,082)	\$ (10,285,294)	\$ (8,311,379)	\$ (588,127)	\$ (710,618)	\$ (21,068)	\$ 818,693	\$ 266,251
Debt service as a percentage of noncapital expenditures	3.48%	3.25%	9.36%	8.77%	8.03%	7.64%	7.53%	7.27%	7.38%	6.16%

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,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund:										
Interest on investments	\$ 26,654	\$ 32,743	\$ 109,570	\$ 177,068	\$ 245,570	\$ 123,827	\$ 33,252	\$ 7,485	\$ 30,055	\$ 744
Student activity fees								73,516	86,150	73,540
Rentals	58,392	58,735	54,374	59,700	60,100	62,985	65,075	51,720	50,276	21,737
Sale of equipment							153,450			
Prior year's refunds	30,000	4,324	6,459	7,309	24,742	9,880	35	1,659	7,210	11,469
Commissions	6,000	6,000								
Miscellaneous - restricted:										
Rentals	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	33,159
Athletic receipts	14,648	12,432	13,452	14,864	14,579	15,152	16,910	15,089	14,155	14,920
Other				14,483	11,464	27,160	26,364		22,672	21,895
Miscellaneous - unrestricted	2,658	46,153	58,617	9,645	9,284	280	440	2,174	12,601	14,391
Total Miscellaneous	213,352	235,387	242,472	321,795	396,714	277,478	328,473	209,621	239,570	191,855
Interest on capital reserve funds	2,661	27	27	2,216	1,346					18
Tuition	227,770	248,795	214,866	242,204	269,577	322,138	392,472	473,642	376,858	352,187
Total General Fund	\$ 443,783	\$ 484,209	\$ 457,365	\$ 566,215	\$ 667,637	\$ 599,616	\$ 720,945	\$ 683,263	\$ 616,428	\$ 544,060

Source: District records.

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

Borough of Oradell

Fiscal Year Ended December 31,	Vacant Land	Residential	Industrial/Commercial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Less: Tax Exempt Property	Estimated Actual (County) Equalized Value	Total Direct School Tax Rate ^b
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	1,358,018,599	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
2012	3,637,800	1,401,620,300	208,127,400	8,137,800	1,621,523,300	1,724,316	1,623,247,616	160,961,500	1,732,579,488	1.460

Borough of River Edge

Fiscal Year Ended December 31,	Vacant Land	Residential	Industrial/Commercial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Less: Tax Exempt Property	Estimated Actual (County) Equalized Value	Total Direct School Tax Rate ^b
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 (c)	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
2012	7,651,800	1,230,634,900	112,819,600	79,154,600	1,430,260,900	7,391,212	1,437,652,112	136,031,600	1,612,162,697	2.004

Source: Municipal Tax Assessor and Abstract of Ratables, 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.

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

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 ^a	General Obligation Debt Service ^b	Total Direct School	Borough of Oradell	County of Bergen	
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
2012	1.405	0.055	1.460	0.652	0.235	2.347

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 ^a	General Obligation Debt Service ^b	Total Direct School	Borough of River Edge	County of Bergen	
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
2012	1.936	0.068	2.004	0.816	0.245	3.065

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					
	2012			2003		
	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	1.25%
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	7,458,800	7	0.46%	3,837,200	8	0.46%
White Beeches Golf club	7,417,000	8	0.46%	4,100,100	6	0.49%
PSE&G	7,038,000	9	0.43%	3,813,400	9	0.46%
Holy Name Real Estate Corp	5,826,700	10	0.36%			
Multipoint				10,600,000	1	1.27%
Wilmington Trust Co c/o Sony				7,215,500	3	0.87%
680-690 Kinderkamack Assoc.				4,898,700	4	0.59%
White Beeches Realty						
Rivervale Realty				3,942,700	7	0.47%
550 Kinderkamack Road, L.P.						
Hackensack Golf Club				3,609,800	10	0.43%
Total	\$ 108,792,700		6.70%	\$ 56,834,900		6.81%

Source: Municipal Tax Assessor

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

Taxpayer	Borough of River Edge					
	2012			2003		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
River Terrace Gardens	\$ 22,816,700	1	1.59%	\$ 10,156,200	1	1.23%
River Edge Associates	19,446,100	2	1.35%	8,749,000	2	1.06%
East Coast Storage	9,844,800	3	0.68%	8,515,200	3	1.03%
Gainesborough Coop Corp.	9,590,000	4	0.67%	5,900,000	4	0.71%
First Real Estate Investment Tr of NJ	8,475,900	5	0.59%	3,932,000	8	0.47%
Grand Four Associates	7,755,900	6	0.54%	4,634,000	7	0.56%
Verizon Communications	7,391,212	7	0.51%	4,766,439	5	0.57%
Milpau Family, LLC	5,323,100	8	0.37%			
Route 4 Main St. LLC	4,632,000	9	0.32%	5,037,000	6	0.61%
River Terrace Gardens	4,596,200	10	0.32%			
Tamburelli Properties Assoc.				2,746,200	9	0.33%
Riverside Medical Arts Assoc.				2,745,000	10	0.33%
Total	\$ 99,871,912		6.94%	\$ 57,181,039		6.91%

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 ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
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%	
2012	27,378,962	27,378,962	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			Percentage of Personal Income ^a	Per Capita ^a
	General	Capital	Total		
	Obligation Bonds	Leases	District		
2003	\$ 2,206,357	10,015	\$ 2,216,372	0.53%	\$ 279
2004	13,713,266	5,112	13,718,378	3.37%	1,729
2005	12,697,084		12,697,084	2.94%	1,612
2006	12,122,044	10,233	12,132,277	2.72%	1,556
2007	11,321,416	326,691	11,648,107	2.38%	1,499
2008	10,391,470	421,291	10,812,761	2.06%	1,394
2009	9,219,463	802,654	10,022,117	1.89%	1,287
2010	8,389,687	529,132	8,918,819	1.81%	1,117
2011	7,986,990	276,401	8,263,391	1.58%	1,029
2012	7,097,259		7,097,259	N/A	N/A

Borough of River Edge

Fiscal Year Ended June 30,	Governmental Activities			Percentage of Personal Income ^a	Per Capita ^a
	General	Capital	Total		
	Obligation Bonds	Leases	District		
2003	\$ 1,907,643	\$ 8,659	\$ 1,916,302	0.34%	\$ 177
2004	11,979,734	4,466	11,984,200	2.16%	1,108
2005	11,745,916		11,745,916	1.99%	1,095
2006	11,045,956	9,324	11,055,280	1.82%	1,040
2007	10,511,584	303,322	10,814,906	1.62%	1,019
2008	10,051,530	407,509	10,459,039	1.46%	984
2009	9,788,537	852,198	10,640,735	1.47%	995
2010	9,148,313	576,979	9,725,292	1.44%	857
2011	8,036,010	278,098	8,314,108	1.12%	728
2012	7,664,741		7,664,741	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 ^a	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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%	1,050
2011	7,986,990		7,986,990	0.49%	995
2012	7,097,259		7,097,259	0.44%	884

Borough of River Edge

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value Property ^a	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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%	806
2011	8,036,010		8,036,010	0.49%	704
2012	7,664,741		7,664,741	0.53%	672

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, 2011

<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)	\$ 16,777,743	100%	\$ 16,777,743
Borough of River Edge	(1)	10,887,644	100%	10,887,644
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>27,665,387</u>
River Dell Regional School District Direct Debt				<u>14,762,000</u>
Total direct and overlapping debt				<u>\$ 42,427,387</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 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 2011

December 31, Year	Borough of River Edge Equalized Valuation Basis	Borough of Oradell Equalized Valuation Basis	Combined Equalized Valuation Basis
2011	\$ 1,775,078,936	\$ 1,727,790,730	\$ 3,502,869,666
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
		[A]	\$ <u>10,714,025,982</u>
Average equalized valuation of taxable property			[A/3] \$ 3,571,341,994
Debt limit (3.5 % of average equalization value)			[B] 124,996,970 ^a
Total Net Debt Applicable to Limit			[C] <u>14,762,000</u>
Legal debt margin			[B-C] \$ <u>110,234,970</u>

Fiscal Year Ending June 30,

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 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	\$ 124,996,970
Total net debt applicable to limit	<u>4,114,000</u>	<u>25,693,000</u>	<u>24,443,000</u>	<u>23,168,000</u>	<u>21,833,000</u>	<u>20,443,000</u>	<u>19,008,000</u>	<u>17,538,000</u>	<u>16,023,000</u>	<u>14,762,000</u>
Legal debt margin	\$ <u>71,019,231</u>	\$ <u>57,340,265</u>	\$ <u>67,620,263</u>	\$ <u>79,871,486</u>	\$ <u>92,927,509</u>	\$ <u>103,600,318</u>	\$ <u>109,781,063</u>	\$ <u>111,813,876</u>	\$ <u>111,440,501</u>	\$ <u>110,234,970</u>
Total net debt applicable to the limit as a percentage of debt limit	5.48%	30.94%	26.55%	22.48%	19.02%	16.48%	14.76%	13.56%	12.57%	11.81%

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

^a Limit set by NJSA 18A:24-19 for a K through 12 district; other percentage 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 ^{a (1)}	Personal Income ^b	Per Capita Personal Income ^{c (2)}	Unemployment Rate ^d
2003	7,958	\$ 406,908,456	\$ 51,132	3.60%
2004	7,935	432,155,970	54,462	3.00%
2005	7,879	446,786,574	56,706	2.90%
2006	7,798	489,043,772	62,714	2.80%
2007	7,773	523,853,562	67,394	2.50%
2008	7,755	529,100,385	68,227	3.30%
2009	7,787	492,122,826	63,198	5.90%
2010	7,987	523,036,682	65,486	6.10%
2011	8,031	N/A	N/A	6.00%
2012	8,031 ⁽³⁾	N/A	N/A	N/A

Borough of River Edge				
Year	Population ^{a (1)}	Personal Income ^b	Per Capita Personal Income ^{c (2)}	Unemployment Rate ^d
2003	10,844	\$ 554,475,408	\$ 51,132	3.30%
2004	10,814	588,952,068	54,462	2.70%
2005	10,731	608,512,086	56,706	2.80%
2006	10,633	666,837,962	62,714	3.00%
2007	10,609	714,982,946	67,394	2.60%
2008	10,627	725,048,329	68,227	3.40%
2009	10,691	675,649,818	63,198	6.20%
2010	11,353	743,462,558	65,486	6.40%
2011	11,414	N/A	N/A	6.30%
2012	11,414 ⁽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
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years

<u>Function/Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Instruction										
Regular	77	88	87	86	107	110	109	110	111	114
Special education	21	20	23	23	16	21	23	23	17	24
Support Services:										
Student & instruction related services	24	22	28	27	20	22	21	22	26	29
General administration	3	3	2	2	2	2	2	2	2	3
School administrative services	7	9	9	8	9.2	9	9	9	9	11
Central services	4.5	4.5	4.5	4.5	4.8	4.5	5	5	5	5
Administrative Information Technology	2	2	2	2	2	2	2	2	4	4
Plant operations and maintenance	20	21	20	21	19	21	21	21	22	19
Pupil transportation	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total	<u>159.0</u>	<u>170</u>	<u>176</u>	<u>174</u>	<u>180.5</u>	<u>192.0</u>	<u>192.5</u>	<u>194.5</u>	<u>196.5</u>	<u>209.5</u>

Source: District Personnel Records

RIVER DELL REGIONAL SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Middle School	Senior High School				
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	1:11	1:14	1,619.0	1,548.0	0.19%	95.61%
2012	1,670	28,540,953	17,090	-0.89%	120.8	1:14	1:16	1,667.0	1,601.3	3.16%	96.06%

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>District Building</u>										
<u>Middle School</u>										
River Dell Middle School (1956)										
Square Feet	100,800	100,800	100,800	100,800	100,800	117,834	117,834	117,834	117,834	117,834
Capacity (students)	623.75	623.75	623.75	623.75	623.75	729.70	729.70	729.70	729.70	729.70
Enrollment	520	489	472	518	515	552	569	553	576	587
<u>High School</u>										
River Dell High School (1958)										
Square Feet	127,200	127,200	127,200	127,200	127,200	174,016	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	1,476.1	1,476.1	1,476.1	1,476.1	1,476.1
Enrollment	875.5	883.0	946.5	953.0	983.0	975.0	1,041.0	1,069.0	1,045.0	1,083.0

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Number of Schools at June 30, 2012
 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
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
2012	464,285	582,480	1,046,765
Total School Facilities	\$ 2,921,046	\$ 4,105,019	\$ 7,026,065

* 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, 2012
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 - National Union Fire Insurance	5,000,000	25,000
Environmental Impairment Liability Aggregate Limit - Ace Insurance Group	25,000,000	10,000
Additional Excess Liability (each occurrence) - Fireman's Fund Indemnity Corporation	50,000,000	
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

Independent Auditor's 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 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, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2012, and have issued our report thereon dated November 30, 2012. 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 Administration and Finance, 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.

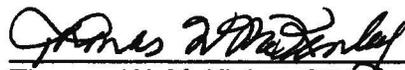
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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*, are presented for purposes of additional analysis 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, financial schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Smolin, Lupin & Co., P.A.
Certified Public Accountants



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

**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**

Independent Auditor's Report

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 awards and state financial assistance programs for the year ended June 30, 2012. The Board of Education of the River Dell Regional School District's major federal awards and state assistance programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal awards and state financial assistance 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 Administration and Finance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB'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 awards or state financial assistance 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 awards and state financial assistance programs for the year ended June 30, 2012.

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 awards and state financial assistance 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 awards or state financial assistance 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 awards or state financial assistance 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 awards or state financial assistance 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.



Smolin, Lupin & Co., P.A.
Certified Public Accountants



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

RIVER DELL REGIONAL SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2012

Schedule A

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From/To	Balance at June 30, 2011	Carryover/ Waikover Amount	Cash Received	Budgetary Expenditures	Adjust- ments	Repayment of Prior Years' Balances	June 30, 2012		
											Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Education													
Passed-through State Department of Education:													
General Fund:													
Education Jobs Fund	84.410A	ARRA 4405-12	34,517	9/1/11 - 8/31/12	\$ -	\$ -	\$ 34,517	\$ (34,517)	\$ -	\$ -	\$ -	\$ -	\$ -
Total General Fund							34,517	(34,517)					
U.S. Department of Education													
Passed-through State Department of Education:													
Special Revenue Fund:													
I.D.E.A. Part B:													
Current Year	84.027	FT-4405-12	398,976	9/1/11 - 8/31/12			398,976	(375,318)				23,658	
Prior Year	84.027	FT-4405-11		9/1/09 - 8/31/11	(143,653)		143,653						
I.D.E.A. Part B - ARRA:													
Prior Year	84.391	ARRA-4390-10		9/1/09 - 8/31/11	(47,582)		47,582						
E.S.E.A. Title II Part A, Teacher and Principal Training and Recruiting Fund:													
Current Year	84.367A	NCLB-4405-12	68,842	9/1/11 - 8/31/12			68,842	(68,842)					
Prior Year	84.367A	NCLB-4405-11		9/1/10 - 8/31/11	(26,665)		26,665						
E.S.E.A. Title III, English Language Acquisition and Language Enhancement:													
Current Year	84.365A	NCLB-4405-12	29,540	9/1/11 - 8/31/12			29,540	(29,540)					
Prior Year	84.365A	NCLB-4405-11		9/1/10 - 8/31/11	(14,717)		14,717						
U.S. Department of Education													
Special Revenue Fund:													
Safe and Drug-Free Schools and Communities - National Programs													
Prior Year	84.184D	Q184D080022-11		6/16/10 - 6/15/11	(7,827)		7,827						
Total Special Revenue Fund					(240,444)		737,802	(473,700)				23,658	
Total Federal Awards					\$ (240,444)	\$ -	\$ 772,319	\$ (508,217)	\$ -	\$ -	\$ -	\$ 23,658	\$ -

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RIVER DELL REGIONAL SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance
 For the Fiscal Year Ended June 30, 2012

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From/To	Balance at June 30, 2012			GAAP Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Years' Balances	Balance at June 30, 2012			MEMO	
				Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/Walkover Amount				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education														
General Fund:														
Special Education Categorical Aid	12-495-034-5120-089	500,155	7/1/11 - 6/30/12	\$ -	\$ -	\$ -	\$ 500,155	\$ (500,155)	\$ -	\$ -	\$ -	\$ -	\$ 12,367	\$ 500,155
Additional Nonpublic School Transportation Aid	12-100-034-5120-014	11,254	7/1/11 - 6/30/12										11,254	
Additional Nonpublic School Transportation Aid	11-100-034-5120-014	11,076	7/1/10 - 6/30/11				11,076	(11,076)						11,076
Extraordinary Special Education Costs Aid	12-100-034-5120-473	239,259	7/1/11 - 6/30/12										239,259	
Extraordinary Special Education Costs Aid	11-100-034-5120-473	236,391	7/1/10 - 6/30/11											236,391
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	955,470	7/1/11 - 6/30/12				906,863	(955,470)		(48,607)			48,607	955,470
Reimbursed TPAF Social Security Contributions	11-495-034-5095-051	906,934	7/1/10 - 6/30/11	(46,368)			46,368							
TPAF Pension - Non-contributory Insurance	12-495-034-5095-007	46,321	7/1/11 - 6/30/12				39,378	(39,378)						39,378
TPAF Pension - Normal	12-495-034-5095-006	366,943	7/1/11 - 6/30/12				366,943	(366,943)						366,943
TPAF Pension - Post-retirement Medical Contributions	12-495-034-5095-001	816,813	7/1/11 - 6/30/12				816,813	(816,813)						816,813
Total General Fund				(46,368)			2,923,987	(2,926,226)		(48,607)			311,487	2,926,226
Special Revenue Fund:														
N.J. Nonpublic Aid:														
Auxiliary Services:														
Compensatory Education	12-100-034-5120-067	31,700	7/1/11 - 6/30/12				31,700	(14,624)					17,076	14,624
Compensatory Education	11-100-034-5120-067	15,908	7/1/10 - 6/30/11											
English as a Second Language	12-100-034-5120-067	5,776	7/1/11 - 6/30/12			3,433	5,776	(3,707)	(3,433)				2,069	3,707
English as a Second Language	11-100-034-5120-067	6,062	7/1/10 - 6/30/11			1,366			(1,366)					
Home Instruction	12-100-034-5120-067	4,249	7/1/11 - 6/30/12					(4,249)		(4,249)			4,249	4,249
Home Instruction	11-100-034-5120-067	6,527	7/1/10 - 6/30/11	(6,527)			6,527							
Handicapped Services:														
Supplemental Instruction	12-100-034-5120-066	18,801	7/1/11 - 6/30/12				18,801	(11,926)					6,875	11,926
Supplemental Instruction	11-100-034-5120-066	11,672	7/1/10 - 6/30/11			3,056			(3,056)					
Examination & Classification	12-100-034-5120-066	45,573	7/1/11 - 6/30/12				45,573	(33,974)					11,599	33,974
Examination & Classification	11-100-034-5120-066	36,364	7/1/10 - 6/30/11			1,436			(1,436)					
Corrective Speech	12-100-034-5120-066	9,479	7/1/11 - 6/30/12				9,479	(4,502)					4,977	4,502
Corrective Speech	11-100-034-5120-066	17,211	7/1/10 - 6/30/11			12,830			(12,830)					
Textbook Aid	12-100-034-5120-064	43,112	7/1/11 - 6/30/12				43,112	(43,112)						43,112
Nursing Services	12-100-034-5120-070	61,581	7/1/11 - 6/30/12				61,581	(61,581)						61,581
Nursing Services	11-100-034-5120-070	59,875	7/1/10 - 6/30/11			16			(16)					
Total Special Revenue Fund				(6,527)	22,137		222,549	(177,675)	(22,137)	(4,249)			42,596	177,675
State Department of Environmental Protection														
Special Revenue Fund:														
BCUA Environmental Awareness Challenge Grant	Not Available	\$ 927	7/1/11 - 6/30/12				927	(927)						927
Total Special Revenue Fund							927	(927)						927
Total State Financial Assistance				(52,895)	22,137		3,147,463	(3,104,828)	(22,137)	(52,856)			42,596	3,104,828
State Financial Assistance														
Not Subject to Single Audit Determination														
General Fund														
TPAF Pension - Non-contributory Insurance	12-495-034-5095-007	46,321	7/1/11 - 6/30/12				(39,378)	39,378						(39,378)
TPAF Pension - Normal	12-495-034-5095-006	366,943	7/1/11 - 6/30/12				(366,943)	366,943						(366,943)
TPAF Pension - Post-retirement Medical Contributions	12-495-034-5095-001	816,813	7/1/11 - 6/30/12				(816,813)	816,813						(816,813)
Total State Financial Assistance				\$ (52,895)	\$ 22,137	\$ -	\$ 1,924,329	\$ (1,881,694)	\$ (22,137)	\$ (52,856)	\$ -	\$ 42,596	\$ 315,736	\$ 1,881,694

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

RIVER DELL REGIONAL SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and
State Financial Assistance
June 30, 2012

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

The general fund is presented in the accompanying schedules on 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, 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 Schedules of Expenditures of Federal Awards and
State Financial Assistance
June 30, 2012

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$15,413 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	\$ 34,517	\$ 2,926,226	\$ 2,960,743
Special Revenue Fund	<u>473,700</u>	<u>178,602</u>	<u>652,302</u>
Total federal awards and state financial assistance - GAAP basis	508,217	3,104,828	3,613,045
Less: TPAF Pension Contributions, Post-Retirement Medical and Normal Costs	<u> </u>	<u>(1,223,134)</u>	<u>(1,223,134)</u>
Total per schedules of expenditures of federal awards and state financial assistance	<u>\$ 508,217</u>	<u>\$ 1,881,694</u>	<u>\$ 2,389,911</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

The amount reported as TPAF Pension - Non-Contributory Insurance and Post Retirement Medical Contributions and Normal Costs represents the amount paid by the state on behalf of the District for the year ended June 30, 2012. 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, 2012.

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, and Normal Costs 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, 2012

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

2) Significant deficiencies identified that are not considered to be 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 auditor's 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

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, 2012

Section I - Summary of Auditor's 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 auditor's 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

12-495-034-5095-002
 12-495-034-5120-089

Reimbursed TPAF Social Security Contributions
 Special Education Categorical Aid

**RIVER DELL REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2012**

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 for which *Government Auditing Standards* requires reporting in Circular A-133 audit.

There are none.

**RIVER DELL REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2012**

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

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

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

There are 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, 2012**

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.

There were no prior-year audit findings.