

DELAWARE VALLEY REGIONAL HIGH SCHOOL
BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

**DELAWARE VALLEY REGIONAL HIGH SCHOOL
BOARD OF EDUCATION
ALEXANDRIA TOWNSHIP, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Prepared by

**DELAWARE VALLEY REGIONAL HIGH SCHOOL
BOARD OF EDUCATION
DEPARTMENT OF ADMINISTRATION**

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INTRODUCTORY SECTION

Delaware Valley Regional High School Board of Education



19 Senator Stout Road • Frenchtown • New Jersey • 08825-3721
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Daria A. Wasserbach
Superintendent

Teresa E. Barna, RSBO
Business Administrator/Board Secretary

October 28, 2013

Honorable President and
Members of the Board of Education
Delaware Valley Regional High School District
County of Hunterdon, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Delaware Valley Regional High School District for the fiscal year ended June 30, 2013, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the district's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The district is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments, and Nonprofit Organizations" and 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 auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

- 1) **REPORTING ENTITY AND ITS SERVICES:** Delaware Valley Regional High School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds and account groups of the District are included in this report. The Delaware Valley Regional High School Board of Education constitutes the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels 9 through 12. These include regular, vocational and special education. The District completed the 2012-2013 fiscal year with an enrollment of 975 students. The following details the changes in the student enrollment of the District over the last several years.

Average Daily Enrollment

Fiscal Year	Student Enrollment	% Enrollment Change
2012-13	973	-0.20%
2011-12	975	-2.69%
2010-11	1,002	-1.57%
2009-10	1,018	4.19%
2008-09	977	-1.21%
2007-08	989	-1.59%
2006-07	1,005	3.61%
2005-06	970	2.54%
2004-05	946	-0.42%
2003-04	950	8.50%
2002-03	876	0.90%
2001-02	868	6.10%
2000-01	818	3.50%
1999-00	790	2.30%
1998-99	772	-3.10%
1997-98	796	1.40%

- 2) **ECONOMIC CONDITION AND OUTLOOK:** The Delaware Valley Regional High School is composed of five municipalities: Alexandria Township, Frenchtown Borough, Holland Township, Kingwood Township, and Milford Borough. Primarily rural/residential, the area contains a relatively small number of businesses to support the tax base. The State of New Jersey has been reducing State Aid in recent years to offset increases in the state budget. This action, if continued, has the potential to cause a steady increase in local municipal taxes which could have a detrimental effect on our taxing ability.

Since the completion of Route 78, the commuter population has migrated westward into the Delaware Valley Region, primarily into Alexandria and Kingwood Townships. As a result, over the last few decades, the residential population, including school age children, has been increasing. In 1975, the 89 square miles comprising the Regional District contained about 11,800 residents. By 1990, that number had increased to 14,612. According to the official data from the 2010 U.S. Census, the Delaware Valley Regional was comprised of 16,680 people broken down by municipalities as follows:

Alexandria Township	-	4,938
Frenchtown Borough	-	1,373
Holland Township	-	5,291
Kingwood Township	-	3,845
Milford Borough	-	1,233

While the high school enrollment levels are relatively stable. The local elementary districts are reporting reduced levels of enrollment, which will eventually reach and affect the high school population.

- 3) **STUDENT PROGRESS:** Two Hundred and fifty-three (253) students comprised Delaware Valley's 2013 graduating class. Among these graduates, two hundred and twenty-four (224) (88.5%) have enrolled in either technical schools or two or four-year colleges. Three (3) (<1.2%) seniors entered the United States Armed Forces and twenty-six (26) (10.2%) other graduates were directly employed or did not indicate what activity they would pursue following graduation.

Each spring the state required High School Proficiency Assessment is administered to eleventh graders in New Jersey. Two hundred and fifty-four (254) Delaware Valley juniors took the HSPA in March, 2013. Two

hundred and forty (240) (95%) passed the Language Arts Literacy and two hundred and twelve (212) (84%) passed the mathematics section. Students who failed one or both parts have two more opportunities to pass. A passing score on both sections are required in order to receive a state endorsed high school diploma.

Offered is a comprehensive program, consisting primarily of in-house courses, which includes some out-of-district placements for handicapped, disadvantaged and special needs students. These and other programs have kept our dropout rate consistently at or below 1%.

- 4) **INTERNAL ACCOUNTING CONTROLS:** Management of the district is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP).

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2013.

- 6) **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

- 7) **DEBT ADMINISTRATION:** At June 30, 2013, the district's outstanding debt issues included \$3,055,000 of general obligation bonds. The bonds are a result of a referendum for construction and equipment additions and renovations to Delaware Valley Regional High School issued on December 14, 2003, and the Transportation Service Fund's issuance of a new capital lease in fiscal year 2012 for the purchase of six (6) new buses. The proceeds of this bond issue are to provide funds for capital improvements to the District's building and grounds.

- 8) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 3. 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.

- 9) **RISK MANAGEMENT**: The Board carries various forms of insurance, including but not limited to general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property, content, and fidelity bonds. The Board oversees risk management for the District. A schedule of insurance coverage is found on J-20.
- 10) **OTHER INFORMATION**: **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of William Colantano, Jr., CPA, Registered Municipal Accountants, Public School Accountants, 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 of 1996 and the related OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and State Treasury Circular Letter NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statement and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.
- 11) **ACKNOWLEDGMENTS**: We would like to express our appreciation to the members of the Delaware Valley Regional High School District Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

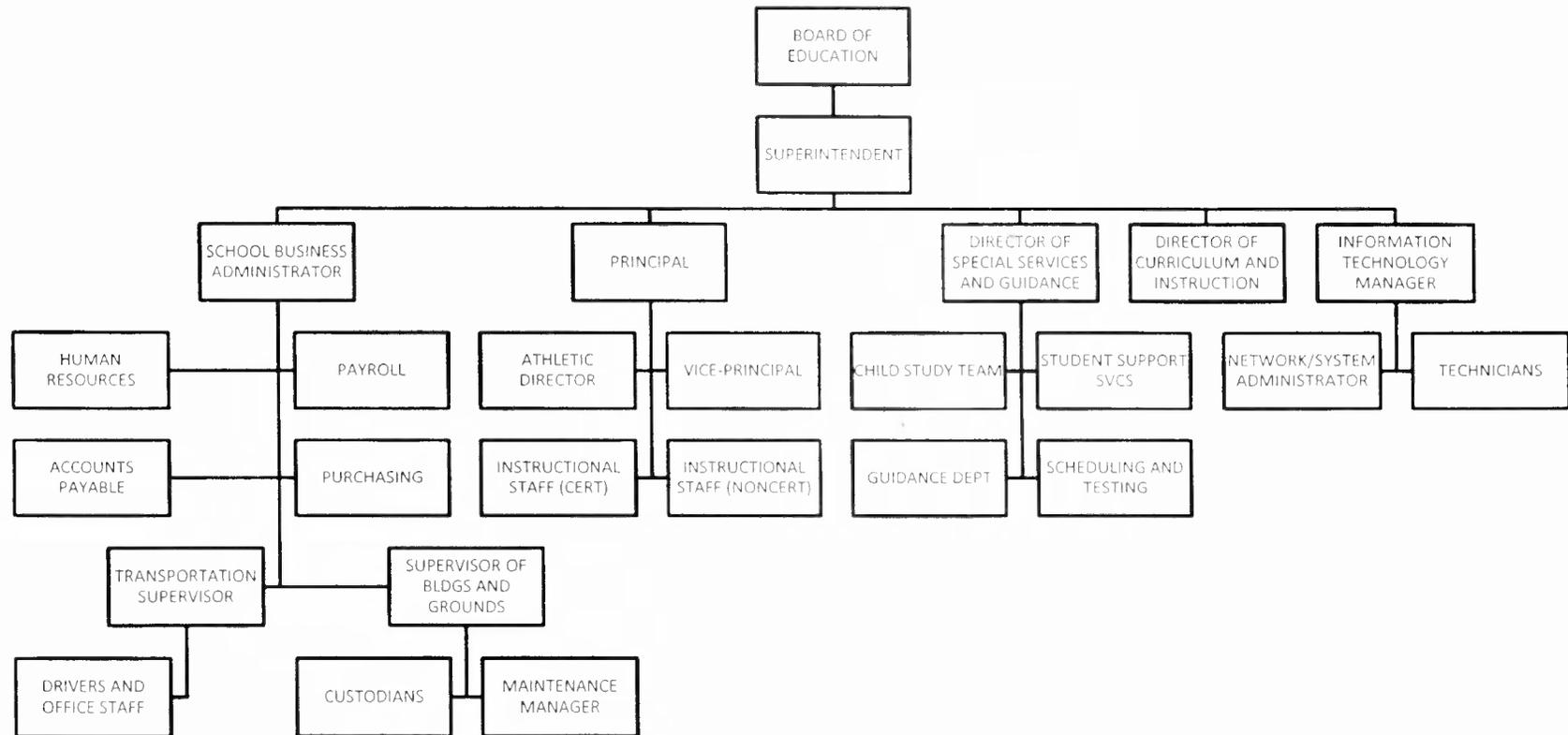
Respectfully submitted,



Daria A. Wasserbach
Superintendent of Schools



Teresa E. Barna
Board Secretary/Business Administrator



**DELAWARE VALLEY REGIONAL HIGH SCHOOL BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2013**

Name	Municipality	Term Expires
Ellen Gordon, President	Milford Borough	2013
Brett Reina, Vice-President	Holland Township	2015
A. William Dietze	Kingwood Township	2014
Debora Frank	Kingwood Township	2015
Robert Haver	Frenchtown Borough	2014
Dr. Sandra Howell	Holland Township	2013
Sharon Kelly	Alexandria Township	2015
William Martin	Holland Township	2013
David Sousa	Alexandria Township	2014

Other Officials

Dr. Elizabeth A. Nastus, Superintendent of Schools

Daria A. Wasserbach, School Business Administrator/Board Secretary

Raymond Krov, Treasurer of School Monies

Fogarty & Hara, Counselors at Law, Attorney

DELAWARE VALLEY REGIONAL HIGH SCHOOL BOARD OF EDUCATION**CONSULTANTS AND ADVISORS
JUNE 30, 2013**

Audit Firm: William Colantano, Jr. CPA
100 Route 31 North
Washington, NJ 07882

Architect: Settembrino Architects
25 Bridge Avenue, Suite 201
Red Bank, NJ 07701

Attorney: Fogarty & Hara, Counselors at Law
16-00 Route 208 South
Fair Lawn, NJ 0741

Official Depository: TD Bank
1 Royal Road
Flemington, NJ 08822

School Physician: Delaware Valley Family Health Center
200 Frenchtown Road
Milford, NJ 08848

FINANCIAL SECTION

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

100 Route 31 North
Washington, NJ 07882 - 1530
Fax # (908) 689-8388
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INDEPENDENT AUDITOR'S REPORT

October 28, 2013

Honorable President and
Members of the Board of Education
Delaware Valley Regional High
School District
County of Hunterdon, New Jersey

Report on the Financial Statements

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 Delaware Valley Regional High School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 District, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information identified 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the schedule of state financial assistance as required by NJ OMB 04-04 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the schedule of and the schedule of state financial assistance as required by NJ OMB 04-04 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

Such 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 non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the schedule of state financial assistance as required by NJ OMB 04-04 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 28, 2013 on our consideration of the 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 in considering the District's internal control over financial reporting and compliance.



William M. Colantano, Jr.
Public School Accountant
No. CS 0128

REQUIRED SUPPLEMENTARY INFORMATION-PART I

**DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
FRENCHTOWN, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED**

The discussion and analysis of the Delaware Valley Regional High School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2013 are as follows:

- In total, net position increased \$1,226, which represents a 11.8% increase from fiscal year 2012.
- General revenues accounted for \$19,038,780, or 83.31% percent of all revenues. Program specific revenues in the form of operating grants and contributions, and charges for services, accounted for \$3,812,859, or 16.69% percent of the total revenues of \$22,851,639.
- The school district had \$22,110,502 in total expenses, \$3,812,859 of these expenses were offset by program specific charges, grants or contributions. General revenues (primarily taxes) of \$19,038,780 were adequate to provide for these expenses.
- Among governmental funds, the General Fund had \$18,484,973 in revenues and \$187,582,679 in expenditures. After factoring in other financing sources of \$489,480, the General Fund's balance increased \$391,774 from fiscal year 2012. This can be explained by the effective cost cutting measures implemented by the District.

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 Delaware Valley Regional High 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 Position and Statement of Activities provide information about the activities of the whole School district, presenting both an aggregate view of the School 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 also look at the School district's most significant funds with all other non-major funds presented in total in one column. In the case of the Delaware Valley Regional High School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the questions, "How did we do financially in 2013?" The Statement of Net Position 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 takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader that, for the school district as a whole, the financial position of the school district has improved or diminished. The changes may be the result of many factors, some financial and some not. Non-financial factors include the School 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 Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental activities – All of the School 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 – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service and the Transportation Service enterprise funds are reported as business activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

The District's primary 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 the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the school district's general government operations and the basic services it provides. Governmental fund information helps you 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 Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds (Enterprise Funds)

These funds use the same basis of accounting as business-type activities and are used to account for the District's activities which operate like a business. The District has three enterprise funds. The Food Service Fund accounts for the activities of the cafeteria, the joint transportation activities servicing the District and the five elementary sending districts are recorded in the Transportation Service Fund, and the Technology Service Fund accounts for technology services provided to two of the elementary sending districts.

Fiduciary Funds

The activities in which the District acts solely as a trustee or agent for the benefit of others are reported here.

Notes to the Financial Statements

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

The School District as a Whole

The Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a government's financial position.

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

Table 1 provides a summary of the District's net position at June 30, 2013 with comparisons to June 30, 2012

Table 1
Net Position

	6/30/13	6/30/12	Variance	
			Dollars	%
Current & Other Assets	\$2,955,798	\$2,487,428	\$468,370	18.83
Capital Assets	13,305,562	13,113,482	192,080	1.46
Total Assets	<u>16,261,360</u>	<u>15,600,910</u>	<u>660,450</u>	4.23
Long-Term				
Liabilities	4,362,939	5,059,425	(696,486)	(13.77)
Other Liabilities	292,016	161,167	130,849	81.19
Total Liabilities	<u>4,654,955</u>	<u>5,220,592</u>	<u>(565,637)</u>	(10.83)
Net Position				
Net Investment in				
Capital Assets	9,909,242	9,155,873	753,369	8.23
Restricted	1,233,893	1,079,940	153,953	14.26
Unrestricted	<u>463,270</u>	<u>144,505</u>	<u>318,765</u>	220.59
Total Net				
Position	<u>\$11,606,405</u>	<u>\$10,380,318</u>	<u>\$1,226,087</u>	11.81

Total assets increased by \$660,450; as cash and cash equivalents decreased \$279,355; receivables increased \$746,911; capital assets increased \$192,080 and other assets increased \$814. Unrestricted net position, the part of net position that can be used to finance day-to-day activities without legal constraints established by parties outside of the District, increased by \$318,765.

Table 2 provides a summary of the District's changes in net position in fiscal year 2013 with comparisons to 2012.

Table 2
Changes in Net Position

	Fiscal Year Ending		Variance	
	6/30/13	6/30/12	Dollars	%
Revenues				
Program Revenues:				
Charges for Services	\$3,538,114	\$3,382,525	\$155,589	4.60
Operating Grants	274,745	400,183	(125,438)	(31.35)
General Revenues:				
Property Taxes	13,482,637	13,190,170	292,467	2.22
Unrestricted Grants	5,415,942	5,084,389	331,553	6.52
Other	140,201	35,252	104,949	297.71
Total Revenues	<u>22,851,639</u>	<u>22,092,519</u>	<u>759,120</u>	<u>3.44</u>
Program Expenses				
Instruction:				
Regular	6,562,855	6,567,284	(4,429)	(0.07)
Special	1,911,556	1,996,335	(84,779)	(4.25)
Other	1,334,004	1,344,778	(10,774)	(0.80)
Support Services:				
Tuition	1,061,429	1,020,360	41,069	4.02
Student & Instructional Staff	2,849,424	2,801,731	47,693	1.70
General & Business Administration	1,304,187	1,267,946	36,241	2.86
School Administration	599,512	537,653	61,859	11.51
Maintenance	1,744,118	1,654,596	89,522	5.41
Transportation	4,174,550	4,009,458	165,092	4.12
Food Service	435,304	380,362	54,942	14.44
Interest on Long-Term Debt	133,563	127,930	5,633	4.40
Total Expenses	<u>22,110,502</u>	<u>21,708,433</u>	<u>402,069</u>	<u>1.85</u>
Increases (Decreases) Before				
Special Items	<u>741,137</u>	<u>384,086</u>	<u>357,051</u>	<u>92.96</u>
Special Items:				
Transfers		(100,000)	100,000	(100.00)
Special Items:				
Insurance Proceeds for Storm Damage	489,480		489,480	*
Payment to Bond Agent		(114,463)	114,463	(100.00)
Gain/(Loss) on Deletion of Assets	(4,530)	(7,507)	2,977	(39.66)
Total Special Items	<u>484,950</u>	<u>(221,970)</u>	<u>706,920</u>	<u>(318.48)</u>
Increase (Decrease) in Net Position	<u>\$1,226,087</u>	<u>\$162,116</u>	<u>\$1,063,971</u>	<u>656.30</u>

Governmental Activities

Property taxes made up 69.3% percent of revenues for governmental activities for the Delaware Valley Regional High School District for fiscal year 2013. The District's total revenues were \$19,457,336 for the year ended June 30, 2013. Federal, state and local grants accounted for 27.8% percent of revenue. The total cost of all programs and services was \$18,580,332. Instruction comprises 44.4% percent of district expenses while support services comprised 55.0% percent and interest on long-term debt comprised .6%.

Business-type Activities

Revenue from the District's business-type activities (food service and transportation program) was comprised mostly of charges for services, and federal and state reimbursements.

- The Food Service Fund operated at a loss of \$43,810 for fiscal year 2013, and has a substantial fund balance of \$175,038 as of June 30, 2013. Sales revenues amounted to \$344,017 while Federal and state reimbursement for meals, including payments for free and reduced lunches, and donated commodities was \$46,872.
- The Transportation Service Fund operated at a loss of \$82,937 for fiscal year 2013. Fund balance as of June 30, 2013 of \$1,308,439 is comprised mostly of the amount invested in capital assets for the bus fleet, a transportation garage building, and other equipment assets. Unrestricted "free" fund balance of \$648,700 is available for future operations of the fund.
- The Technology Service Fund was a breakeven operation in 2013. Fees collected of \$139,281 matched the operating expenses of the fund.

Table 3 provides a summary of the District's cost of governmental services in 2013 and 2012.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	6/30/13	6/30/12	6/30/13	6/30/12
Instruction	\$9,808,415	\$9,908,397	\$9,647,184	\$9,749,742
Support Services:				
Tuition	1,061,429	1,020,360	874,973	827,038
Student & Instructional Staff	2,849,424	2,801,731	2,819,951	2,608,382
General & Business Administration	1,164,906	1,267,946	1,147,742	1,252,210
School Administration	599,512	537,653	599,512	537,498
Plant Operations & Maintenance	1,744,118	1,654,596	1,719,203	1,646,218
Pupil Transportation	1,218,965	1,166,677	1,217,875	1,162,606
Interest on Long-Term Debt	133,563	127,930	133,563	127,930
Total Expenses	\$18,580,332	\$18,485,290	\$18,160,003	\$17,911,624

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

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

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

Operation and maintenance of plant services includes expenses to keep the school grounds, building 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.

Interest on long-term debt is the cost incurred on the repayment of general obligation bonds issued to finance improvements to the school facilities.

The dependence upon tax revenue is apparent. For all activities, tax revenue support is 59.0%. The community as a whole is the primary support for the Delaware Valley Regional High School District.

The School District's Funds

Information about the District's major funds starts on page 17. All governmental funds (e.g., general fund, special revenue fund, capital projects fund and debt service fund) are accounted for using the modified accrual basis of accounting. Revenues for all governmental funds totaled \$19,306,276 and expenditures were \$19,382,646. The net increase in fund balances of \$413,110 was most significant in the General Fund, which increase by \$274,951. Effective cost cutting measures implemented by the District helped restore General Fund Surplus to a higher balance of \$1,965,141.

General Fund Budgeting Highlights

The School 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.

For the General Fund, budget based revenues amounted to \$17,088,193 which was more than original budget estimates by \$178,523. This can be explained mostly by unanticipated or unbudgeted revenue of extraordinary aid.

Capital Assets

At the end of the fiscal year 2013, the School District has \$13,305,562 invested in buildings, land, vehicles, equipment, and construction in progress. Some of the more significant asset acquisitions included a baseball field renovation project, a gymnasium and garage roof renovation project, gymnasium bleacher replacement and a gymnasium floor renovation project.

Table 4
Capital Assets at Year-end
(Net of Depreciation)

	6/30/13	6/30/12	Variance	
			Dollars	%
Land	\$36,845	\$36,845	-	0.00
Construction in Progress	262,052	5,000	257,052	5141.04
Land Improvements	753,750	706,186	47,564	6.74
Buildings & Improvements	10,756,408	10,722,159	34,249	0.32
Machinery & Equipment	771,098	760,884	10,214	1.34
Vehicles	725,409	882,408	(156,999)	(17.79)
Total	<u>\$13,305,562</u>	<u>\$13,113,482</u>	<u>\$192,080</u>	1.46

* = Undefined

At June 30, 2013, the District had \$4,362,939 in long-term liability obligations. A summary of the District's outstanding debt as of June 30, 2013 with comparisons to June 30, 2012 is provided in Table 5 below:

Table 5
Long-term Liabilities at Year-end

	6/30/13	6/30/12	Variance	
			Dollars	%
Governmental Funds:				
2003 General Obligation Bonds	-	\$460,000	\$(460,000)	(100.00)
2012 Refunding Bonds	3,055,000	3,075,000	(20,000)	(0.65)
Unamortized Bond Premium	201,814	238,232	(36,418)	(15.29)
Compensated Absences Payable	764,805	863,584	(98,779)	(11.44)
Business-Type Funds:				
Capital Leases Payable	341,320	422,609	(81,289)	(19.24)
Total	<u>\$4,362,939</u>	<u>\$5,059,425</u>	<u>\$(696,486)</u>	(13.77)

* = Undefined

Factors Bearing on the District's Future

The Delaware Valley Regional High School District is in satisfactory financial condition at this time. The School District is proud of its community support of the public schools. The School District has continued to grow its program offerings for its students while being sensitive to the taxpayers. One of the areas the District will continue to explore is the sharing of services with its constituent K-8 Districts. There is a need to update the infrastructure of the building in order to remain current. Another major concern is the continued reliance on local property taxes as a means of funding.

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors, with a general overview of the School District's finances and to show the School District's accountability for the funds it receives. If you have questions about this report or need additional information, contact the School Business Administrator, in the office of the Delaware Valley Regional High Board of Education, 19 Senator Stout Road, Frenchtown, NJ 08825.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net position 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.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2013

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash & Cash Equivalents	\$ 243,662	\$ 556,175	\$ 799,837
Internal Balances	4,675	(4,675)	
Receivables, Net	768,667	170,671	939,338
Inventory		4,066	4,066
Restricted Assets:			
Cash & Cash Equivalents	1,212,557		1,212,557
Capital Assets (Note 4):			
Land and Construction in Progress	298,897		298,897
Other Capital Assets, Net of Depreciation	11,901,702	1,104,963	13,006,665
Total Assets	14,430,160	1,831,200	16,261,360
LIABILITIES			
Accounts Payable	222,585	3,834	226,419
Accrued Interest	42,529		42,529
Deferred Revenue	20,499	2,569	23,068
Long-Term Liabilities (Note 5):			
Due Within One Year	554,478	82,874	637,352
Due Beyond One Year	3,467,141	258,446	3,725,587
Total Liabilities	4,307,232	347,723	4,654,955
NET POSITION			
Net Investment in Capital Assets	9,145,599	763,643	9,909,242
Restricted for:			
Debt Service	21,336		21,336
Legal Reserves	1,212,557		1,212,557
Unrestricted	(256,564)	719,834	463,270
TOTAL NET POSITION	\$ 10,122,928	\$ 1,483,477	\$ 11,606,405

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental Activities:								
Instruction:								
Regular	\$ 4,671,550	\$ 1,891,305	\$ 75,013	\$ 12,580		\$ (6,475,262)		\$ (6,475,262)
Special Education	1,328,591	582,965	60,382			(1,851,174)		(1,851,174)
Other Special Instruction	3,435	122		2,203		(1,354)		(1,354)
Other Instruction	989,313	341,134	11,053			(1,319,394)		(1,319,394)
Support Services:								
Tuition	1,061,429			186,456		(874,973)		(874,973)
Students & Instruction Related Services	2,018,555	830,869	17,424	12,049		(2,819,951)		(2,819,951)
General & Business Administration Services	896,848	268,058	17,164			(1,147,742)		(1,147,742)
School Administration Services	421,016	178,496				(599,512)		(599,512)
Plant Operations & Maintenance	1,508,001	236,117	10,330	14,585		(1,719,203)		(1,719,203)
Pupil Transportation	1,213,516	5,449	1,090			(1,217,875)		(1,217,875)
Interest on Long-Term Debt	133,563					(133,563)		(133,563)
Total Governmental Activities	14,245,817	4,334,515	192,456	227,873	\$ -	(18,160,003)	\$ -	(18,160,003)
Business-Type Activities:								
Food Service	435,304		344,117	46,872			(44,315)	(44,315)
Transportation	2,955,585		2,862,260				(93,325)	(93,325)
Technology Services	139,281		139,281					
Total Business-Type Activities	3,530,170	-	3,345,658	46,872	-	-	(137,640)	(137,640)
Total Primary Government	\$ 17,775,987	\$ 4,334,515	\$ 3,538,114	\$ 274,745	\$ -	(18,160,003)	(137,640)	(18,297,643)
General Revenues, Transfers & Special Items								
						12,889,207		12,889,207
						593,430		593,430
						5,415,942		5,415,942
						3,908		3,908
						134,520	1,773	136,293
						489,480		489,480
						(13,650)	9,120	(4,530)
						19,512,837	10,893	19,523,730
						1,352,834	(126,747)	1,226,087
						8,770,094	1,610,224	10,380,318
						\$ 10,122,928	\$ 1,483,477	\$ 11,606,405

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	General	Special Revenue	Capital Projects	Debt Service	Total Governmental
ASSETS					
Cash & Cash Equivalents	\$ 243,662				\$ 243,662
Tax Levy Receivable	551,180			\$ 25,377	576,557
Due from Other Funds	26,685				26,685
Receivables from Other Governments:					
Federal		\$ 34,270			34,270
State	133,433				133,433
Local	9,133				9,133
Other Receivables	10,276				10,276
Restricted Cash & Equivalents	1,212,557				1,212,557
TOTAL ASSETS	\$ 2,186,926	\$ 34,270	\$ -	\$ 25,377	\$ 2,246,573
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to Other Funds		\$ 12,971		\$ 4,041	\$ 17,012
Accounts Payable	\$ 221,785	800			222,585
Deferred Revenue		20,499			20,499
Total Liabilities	221,785	34,270	\$ -	4,041	260,096
Fund Balances:					
Restricted Fund Balance:					
Excess Surplus-Designated for Subsequent Year's Expenditures	61,573				61,573
Committed Fund Balance:					
Capital Reserve Account	762,557				762,557
Maintenance Reserve Account	200,000				200,000
Emergency Reserve Account	250,000				250,000
Assigned Fund Balance:					
Year-end Encumbrances	474,242				474,242
Designated for Subsequent Year's Expenditures	137,427			21,336	158,763
Unassigned Fund Balance	79,342				79,342
Total Fund Balances	1,965,141	-	-	21,336	1,986,477
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,186,926	\$ 34,270	\$ -	\$ 25,377	\$ 2,246,573

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013
(Continued)

Total Fund Balances for Governmental Funds		\$ 1,986,477
Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:		
Capital assets used in government activities are not financial resources & therefore are not reported in the funds:		
The cost of the assets is	\$ 20,910,970	
and the accumulated depreciation is	<u>8,710,371</u>	12,200,599
Long-term liabilities, including bonds payable, are not due & payable in the current period & therefore are not reported as liabilities in the funds (See Note 5)		(4,021,619)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due		<u>(42,529)</u>
Total Net Position of Governmental Activities		<u>\$ 10,122,928</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 12,889,207			\$ 593,430	\$ 13,482,637
Tuition Charges	33,380				33,380
Interest Earned on Capital Reserve Funds	617				617
Interest on Investments	3,291				3,291
Local Contributions	70,587	\$ 18,030			88,617
Miscellaneous	71,949				71,949
Total	13,069,031	18,030	\$ -	593,430	13,680,491
State Sources	5,415,942				5,415,942
Federal Sources		209,843			209,843
Total Revenues	18,484,973	227,873	-	593,430	19,306,276
EXPENDITURES					
Current:					
Instruction:					
Regular Instruction	4,595,524	11,000			4,606,524
Special Education Instruction	1,300,227				1,300,227
Other Special Instruction	1,232	2,203			3,435
Cocurricular/School-Sponsored	936,167				936,167
Support Service & Undistributed Costs:					
Tuition	874,973	186,456			1,061,429
Student & Instruction Related Services	1,986,978	12,049			1,999,027
General & Other Administrative Services	877,580				877,580
School Administrative Services	417,994				417,994
Plant Operations & Maintenance	1,467,139				1,467,139
Pupil Transportation	1,212,426				1,212,426
Unallocated Benefits	4,071,974				4,071,974

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd)					
Capital Outlay:					
Equipment	\$ 63,366	\$ 16,165			\$ 79,531
Facilities Acquisition & Construction Services	750,118				750,118
Debt Services:					
Principal				\$ 480,000	480,000
Interest & Other Charges				92,094	92,094
Interest on NJ SDA obligations	26,981				26,981
Total Expenditures	<u>18,582,679</u>	<u>227,873</u>	<u>\$ -</u>	<u>572,094</u>	<u>19,382,646</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(97,706)</u>	<u>-</u>	<u>-</u>	<u>21,336</u>	<u>(76,370)</u>
Other Financing Sources (Uses):					
Insurance Claim Proceeds for Flooding Damage	489,480				489,480
Total Other Financing Sources (Uses)	<u>489,480</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>489,480</u>
Net Change in Fund Balances	391,774	-	-	21,336	413,110
Fund Balances, July 1	<u>1,573,367</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,573,367</u>
Fund Balances, June 30	<u>\$ 1,965,141</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,336</u>	<u>\$ 1,986,477</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

DELAWARE VALLEY REGIONAL HIGH 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, 2013

Total Net Changes in Fund Balances-Governmental Fund (from B-2)		\$ 413,110
<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. Proceeds from the disposition of assets is an other financing source in the governmental funds, while only the gain or loss is reported in the statement of activities. The difference, which is the cost basis of the assets disposed, is a reduction in the reconciliation:</p>		
Capital Outlays	\$ 829,649	
Cost Basis of Capital Assets Disposed	(13,650)	
Depreciation Expense	<u>(476,984)</u>	
		339,015
<p>Repayment of bond principal and capital lease debt are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and are not reported in the statement of activities:</p>		
Bond Principal Payments		480,000
<p>Governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred & amortized in the statement of activities:</p>		
Amortization of Bond Premium		36,418
<p>In the statement of activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.</p>		
		(14,488)
<p>In the statement of activities, compensated absences 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 earned amount, the difference is an addition to the reconciliation.</p>		
		<u>98,779</u>
Change in Net Position of Governmental Activities		<u>\$ 1,352,834</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	Business Type Activities Enterprise Funds			Total
	Food Service Fund	Transportation Service Fund	Technology Service Fund	
ASSETS				
Current Assets:				
Cash & Cash Equivalents	\$ 67,422	\$ 488,753		\$ 556,175
Receivables from Other Governments:				
State	257			257
Federal	1,958			1,958
Local		163,781	\$ 4,675	168,456
Inventory	4,066			4,066
Total Current Assets	<u>73,703</u>	<u>652,534</u>	<u>4,675</u>	<u>730,912</u>
Noncurrent Assets:				
Capital Assets	257,078	3,813,773		4,070,851
Less: Accumulated Depreciation	<u>153,174</u>	<u>2,812,714</u>		<u>2,965,888</u>
Total Noncurrent Assets	<u>103,904</u>	<u>1,001,059</u>	<u>-</u>	<u>1,104,963</u>
Total Assets	<u>177,607</u>	<u>1,653,593</u>	<u>4,675</u>	<u>1,835,875</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable		3,834		3,834
Due to Other Funds			4,675	4,675
Deferred Revenues	<u>2,569</u>			<u>2,569</u>
Total Current Liabilities	<u>2,569</u>	<u>3,834</u>	<u>4,675</u>	<u>11,078</u>
Long-Term Liabilities:				
Capital Leases-Due Within One Year		82,874		82,874
Capital Leases-Due Beyond One Year		<u>258,446</u>		<u>258,446</u>
Total Long-Term Liabilities	<u>-</u>	<u>341,320</u>	<u>-</u>	<u>341,320</u>
Total Liabilities	<u>2,569</u>	<u>345,154</u>	<u>4,675</u>	<u>352,398</u>
NET POSITION				
Net Investment in Capital Assets	103,904	659,739		763,643
Unrestricted	<u>71,134</u>	<u>648,700</u>		<u>719,834</u>
TOTAL NET POSITION	<u>\$ 175,038</u>	<u>\$ 1,308,439</u>	<u>\$ -</u>	<u>\$ 1,483,477</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Food Service Fund	Transportation Service Fund	Technology Service Fund	Total
Operating Revenues:				
Charges for Services:				
Daily Sales-Reimbursable Programs	\$ 146,287			\$ 146,287
Daily Sales-Nonreimbursable Programs	197,830			197,830
Transportation Fees		\$ 2,862,260		2,862,260
Technology Fees			\$ 139,281	139,281
Total Operating Revenues	<u>344,117</u>	<u>2,862,260</u>	<u>139,281</u>	<u>3,345,658</u>
Operating Expenses:				
Costs of Sales	176,353			176,353
Salaries	175,558	1,274,548	91,805	1,541,911
Employee Benefits	25,525	200,248	47,476	273,249
Purchased Professional/Technical Services		30,039		30,039
Purchased Property Services	7,611	49,459		57,070
Rental/Lease Payments for Vehicles		164,599		164,599
Contracted Services-Transportation		507,868		507,868
Insurance	2,231			2,231
Management Fee	8,712	5,233		13,945
Other Purchased Services	4,471	8,030		12,501
General Supplies	20,892	9,095		29,987
Transportation Supplies		93,941		93,941
Energy (Natural Gas)		6,265		6,265
Energy (Gasoline)		303,218		303,218
Depreciation	13,567	300,483		314,050
Miscellaneous	384	2,559		2,943
Total Operating Expenses	<u>435,304</u>	<u>2,955,585</u>	<u>139,281</u>	<u>3,530,170</u>
Operating Income (Loss)	<u>(91,187)</u>	<u>(93,325)</u>	<u>-</u>	<u>(184,512)</u>
Nonoperating Revenues (Expenses):				
State Sources:				
State School Lunch Program	2,147			2,147
Federal Sources:				
National School Lunch Program	31,228			31,228
Food Donation Program	13,497			13,497
Miscellaneous	505	1,268		1,773
Total Nonoperating Revenues (Expenses)	<u>47,377</u>	<u>1,268</u>	<u>-</u>	<u>48,645</u>
Other Financing Sources (Uses):				
Gain (Loss) on Disposal of Assets		9,120		9,120
Total Other Financing Sources (Uses)	<u>-</u>	<u>9,120</u>	<u>-</u>	<u>9,120</u>
Change in Net Position	(43,810)	(82,937)	-	(126,747)
Total Net Position, Beginning	<u>218,848</u>	<u>1,391,376</u>	<u>-</u>	<u>1,610,224</u>
Total Net Position, Ending	<u>\$ 175,038</u>	<u>\$ 1,308,439</u>	<u>\$ -</u>	<u>\$ 1,483,477</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Food Service Fund	Transportation Service Fund	Technology Service Fund	Total
Cash Flows from Operating Activities:				
Receipts from Services Provided	\$ 343,915	\$ 2,787,102	\$ 134,606	\$ 3,265,623
Payments to Employees	(63,782)	(1,274,548)	(91,805)	(1,430,135)
Payments for Employee Benefits		(200,248)	(47,476)	(247,724)
Payments to Food Service Mgmt Co	(334,419)			(334,419)
Payments to Vendors	(10,820)	(1,176,472)		(1,187,292)
Net Cash Provided by (Used For) Operating Activities	<u>(65,106)</u>	<u>135,834</u>	<u>(4,675)</u>	<u>66,053</u>
Cash Flows from Noncapital Financing Activities:				
State Sources	2,002			2,002
Federal Sources	30,651			30,651
General Fund Interfund Activity			4,675	4,675
Miscellaneous	505	1,268		1,773
Net Cash Provided by (Used For) Noncapital Financing Activities	<u>33,158</u>	<u>1,268</u>	<u>4,675</u>	<u>39,101</u>
Cash Flows from Capital Financing Activities:				
Proceeds from Equipment Disposal		9,120		9,120
Payment of Capital Leases		(81,289)		(81,289)
Acquisition of Equipment	(3,971)	(163,144)		(167,115)
Net Cash Provided by (Used For) Capital Financing Activities	<u>(3,971)</u>	<u>(235,313)</u>	<u>-</u>	<u>(239,284)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(35,919)	(98,211)	-	(134,130)
Cash and Cash Equivalents, Beginning	103,341	586,964	-	690,305
Cash and Cash Equivalents, Ending	<u>\$ 67,422</u>	<u>\$ 488,753</u>	<u>\$ -</u>	<u>\$ 556,175</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	\$ (91,187)	\$ (93,325)		\$ (184,512)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	13,567	300,483		314,050
Federal Food Donation Program	13,497			13,497
(Increase) Decrease in Inventory	(814)			(814)
(Increase) Decrease in Accounts Receivable		(75,158)	\$ (4,675)	(79,833)
Increase (Decrease) in Accounts Payable		3,834		3,834
Increase (Decrease) in Deferred Revenue	(169)			(169)
Net Cash Provided by (Used For) Operating Activities	<u>\$ (65,106)</u>	<u>\$ 135,834</u>	<u>\$ (4,675)</u>	<u>\$ 66,053</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2013

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Agency Funds
ASSETS			
Cash and Cash Equivalents	\$ 175,857	\$ 44,053	\$ 240,834
Total Assets	<u>175,857</u>	<u>44,053</u>	<u>\$ 240,834</u>
LIABILITIES			
Due to Other Funds			\$ 4,998
Accounts Payable	2,445		
Due to Student Groups			101,656
Payroll Deductions & Withholdings			134,180
Total Liabilities	<u>2,445</u>	<u>-</u>	<u>\$ 240,834</u>
NET POSITION			
Held in Trust for Unemployment Claims & Other Purposes	<u>\$ 173,412</u>		
Reserved for Scholarships		<u>\$ 44,053</u>	

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Unemployment Compensation Fund	Private Purpose Scholarship Fund
	<u> </u>	<u> </u>
ADDITIONS		
Contributions:		
Employees	\$ 17,622	
Other		\$ 2,633
Investment Earnings:		
Interest	171	45
Total Additions	<u>17,793</u>	<u>2,678</u>
DEDUCTIONS		
Unemployment Claims	18,151	
Scholarships Awarded		3,550
Total Deductions	<u>18,151</u>	<u>3,550</u>
Change in Net Position	(358)	(872)
Net Position, Beginning of the Year	<u>173,770</u>	<u>44,925</u>
Net Position, End of the Year	<u>\$ 173,412</u>	<u>\$ 44,053</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NOTES TO THE BASIC FINANCIAL STATEMENTS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The basic financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the District's overall financial position and results of operations.

Basic financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting Entity

The District is a Type II district located in the County of Hunterdon, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the district is to educate students in Grades 9-12. The District serves the communities of Alexandria Township, Frenchtown Borough, Holland Township, Kingwood Township and Milford Borough (the constituent districts). The District had an approximate enrollment at June 30, 2013 of 977 students.

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

1. The organization is legally separate (can sue or be sued in their own name.)
2. The District holds the corporate powers of the organization.
3. The District appoints a voting majority of the organization's board.
4. The District is able to impose its will on the organization.
5. The organization has the potential to impose a financial benefit/ burden on the District.
6. There is a fiscal dependency by the organization on the District.

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate basic financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and post employment healthcare benefits, are recorded only when payment is due.

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, 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 moneys under the established payment schedule and the unpaid amount is considered to be an accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aids.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

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

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state 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 can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes in the Special Revenue Fund.

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.

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.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2013
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Additionally, the District reports the following fund types:

Proprietary Fund Types

Proprietary Fund - The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise Fund - The Enterprise Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund, the Transportation Service Fund and the Technology Services Fund.

All proprietary funds are accounted for on a current financial resources measurement focus. This means that all assets and liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (total net position) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position

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

Building (Transportation Garage)	50 Years
Equipment (Transportation Fund)	8 Years
Equipment (Food Service Fund)	15 Years
Light Trucks & Vehicles	8 Years
Heavy Trucks & Vehicles	6 Years

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2013
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Fiduciary Fund Types

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/ or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The following is a description of the Trust and Agency Funds of the District.

Unemployment Compensation Trust Fund - This fund is used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the "Benefit Reimbursement Method."

Student Activities Agency Fund - This fund is used to account for funds derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

Payroll Agency Fund - This fund accounts for the withholding and remittance of employee salary deductions.

Private Purpose Scholarship Fund - This fund is used to account for funds donated from outside sources which are restricted for the use of student scholarships.

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's Proprietary Funds have elected not to apply the standards issued by FASB after November 30, 1989.

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 and if required, voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2013 were insignificant.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment 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.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control (Cont'd)

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. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in Governmental Funds other than the Special Revenue Fund are reported as reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the Special Revenue Fund for which the 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.

F. Tuition Receivable

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

G. Tuition Payable

Tuition charges for the fiscal years 2012-2013 and 2011-2012 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-Term Interfund Receivables/Payables

Short-Term interfund receivables/payables represents 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.

I. Inventories and Prepaid Items

Inventories and prepaid items, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as an expenditure during the year of purchase.

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as a deferred revenue as title does not pass to the school district until the commodities are used. Prepaid items in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2013.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2013
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

J. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

Assets	Years
Buildings	50
Building Improvements & Portable Classroom	20 to 50
Land Improvements	20
Maintenance Equipment	15
Furniture	20
Musical Instruments	10
Athletic Equipment	10 to 20
Audio Visual Equipment	10
Office Equipment	5 to 10
Computer Equipment	5 to 10
Buses	8
Vehicles	8

K. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board statement number 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employer's share of social security and medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the fund financial statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

L. Deferred Revenue

Deferred revenue in the General Fund and Special Revenue Fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the Special Revenue Fund.

Deferred revenue in the Enterprise Fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the Food Service Fund. Prepaid lunch debit card revenue balances at year-end are also included in deferred revenue.

M. Long-Term Obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

N. Fund Balances-Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Non-spendable—includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted—includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed—includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned—includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.
- Unassigned—includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

N. Fund Balances-Governmental Funds (Cont'd)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

O. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying basic financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

P. Allocation of Indirect Expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF pension contributions, reimbursed TPAF social security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in NJSA 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES (Cont'd)

Tax installments not paid on or before the due date are subject to interest penalties of eight percent per annum on the first \$1,500 of the delinquency and eighteen percent per annum on any amount in excess of \$1,500. Pursuant to Chapter 75, PL 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent of the amount of the delinquency. These interest and penalties are the highest permitted under the New Jersey statutes. Delinquent taxes are annually included in a tax sale in accordance with New Jersey statutes.

School taxes are guaranteed as to amount of collection by the municipality, the collection agency, and are transmitted to the school district in accordance with the schedule of tax installments as certified by the school district's Board of Education on an annual basis.

NOTE 3. DEPOSITS AND INVESTMENTS

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

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. 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.

NJSA 17:9-41 et seq establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and saving banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2013
 (Continued)

NOTE 3. DEPOSITS AND INVESTMENTS (Cont'd)

Deposits and investments at June 30, 2013 appear in the basic financial statements as summarized below:

Cash		\$ 2,473,138
	<u>Ref.</u>	
Cash:		
Governmental Funds, Balance Sheet	B-1	\$ 1,456,219
Enterprise Fund, Statement of Net Position	B-4	556,175
Fiduciary Funds, Statement of Net Position	B-7	<u>460,744</u>
 Total Cash		 <u>\$ 2,473,138</u>

Deposits – The District's carrying amount of bank deposits at June 30, 2013 is \$2,473,138 and the bank balance is \$3,034,936. Of the bank balance, \$250,000 is covered by federal depository insurance and \$2,784,936 is insured by GUDPA.

Deposit and Investment Risk

GASB Statement No. 40 "Deposit and Investment Risk Disclosures" requires state and local governments to communicate key information about deposit and investment risks. Required disclosures are as follows:

1. Custodial credit risk disclosures are required for:
 - deposits that are uninsured and either (a) uncollateralized or (b) collateralized with securities held by the pledging financial institution, or its trust department or agent but not in the government's name
 - Investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name

As the district has no such investments, this disclosure is not applicable.

2. Credit quality ratings for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. As the district has no such investments, this disclosure is not applicable.
3. Disclosure of investments by amount and issuer for any issuer that represents five percent of more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the US government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.
4. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the district has no such investments, this disclosure is not applicable.
5. Investments that are exposed to foreign currency risk should be disclosed. As the district has no such investments this disclosure is not applicable.

Concentration of Credit Risk

The State of New Jersey does not place any limit on the amount that the district may invest with any one issuer. As of June 30, 2013, the district had no investments.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

NOTE 4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets, Not Being Depreciated:				
Land	\$ 36,845			\$ 36,845
Construction in Progress	5,000	\$ 715,682	\$ 458,630	262,052
Total	<u>41,845</u>	<u>715,682</u>	<u>458,630</u>	<u>298,897</u>
Capital Assets, Being Depreciated:				
Land Improvements	1,589,630	102,000		1,691,630
Building & Improvements	16,526,652	363,440		16,890,092
Furniture & Equipment	1,891,139	107,157	45,500	1,952,796
Buses & Other Vehicles	77,555			77,555
Total	<u>20,084,976</u>	<u>572,597</u>	<u>45,500</u>	<u>20,612,073</u>
Accumulated Depreciation:				
Land Improvements	883,444	54,436		937,880
Building & Improvements	6,028,280	321,711		6,349,991
Furniture & Equipment	1,288,319	95,893	31,850	1,352,362
Vehicles	65,194	4,944		70,138
Total	<u>8,265,237</u>	<u>476,984</u>	<u>31,850</u>	<u>8,710,371</u>
Total Capital Assets, Being Depreciated, Net	<u>11,819,739</u>	<u>95,613</u>	<u>13,650</u>	<u>11,901,702</u>
Transfers	<u>-0-</u>	<u>(458,630)</u>	<u>(458,630)</u>	<u>-0-</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,861,584</u>	<u>\$ 352,665</u>	<u>\$ 13,650</u>	<u>\$ 12,200,599</u>
Business-Type Activities:				
Building & Improvements	\$ 374,000			\$ 374,000
Furniture & Equipment	386,855	\$ 46,923		433,778
Buses & Other Vehicles	3,142,881	120,192		3,263,073
Less: Accum Depreciation	<u>(2,651,838)</u>	<u>(314,050)</u>		<u>(2,965,888)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 1,251,898</u>	<u>\$ (146,935)</u>	<u>\$ -0-</u>	<u>\$ 1,104,963</u>

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction:	
Regular	\$ 197,577
Special Education	47,689
Other Special Instruction	122
Co-Curricular Activities	75,448
Support Services:	
Student & Instruction	73,329
General & Business Admin	33,372
School Administration	17,915
Plant & Maintenance	<u>31,532</u>
Total Depreciation Expense, Governmental Activities	<u>\$ 476,984</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

NOTE 5. LONG-TERM DEBT

Long-Term Liability Activity for the Year Ended June 30, 2013 is as Follows:

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds Payable	\$ 3,535,000		\$ 480,000	\$ 3,055,000	\$ 475,000
Unamortized Bond Premium	238,232		36,418	201,814	36,418
Compensated Absences Payable	<u>863,584</u>	\$ 54,843	<u>153,622</u>	<u>764,805</u>	<u>43,060</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 4,636,816</u>	<u>\$ 54,843</u>	<u>\$ 670,040</u>	<u>\$ 4,021,619</u>	<u>\$ 554,478</u>
Business-Type Activities:					
Capital Leases Payable	\$ 422,609	\$ -0-	\$ 81,289	\$ 341,320	\$ 82,874
Total Business-Type Activities	<u>\$ 422,609</u>	<u>\$ -0-</u>	<u>\$ 81,289</u>	<u>\$ 341,320</u>	<u>\$ 82,874</u>

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The unamortized bond premium is amortized over time term of the bonds. The other long-term debts are paid in the current expenditures budget of the District's general fund and transportation enterprise fund.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2013 including interest payments are listed as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 475,000	\$ 102,300	\$ 577,300
2015	490,000	88,050	578,050
2016	505,000	73,350	578,350
2017	520,000	58,200	578,200
2018	535,000	42,600	577,600
2019	<u>530,000</u>	<u>21,200</u>	<u>551,200</u>
Total	<u>\$ 3,055,000</u>	<u>\$ 385,700</u>	<u>\$ 3,440,700</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2013
 (Continued)

NOTE 5. GENERAL LONG-TERM DEBT (Cont'd)

General Obligation Bonds – General obligation school building bonds payable at June 30, 2013, with their outstanding balances are comprised of the following individual issues:

\$3,075,000 – 2012 general obligation refunding bonds, due in annual installments of \$20,000 to \$535,000 beginning January 15, 2013, through January 15, 2019 interest from 2.00% to 4.00% \$ 3,055,000

Advance Refunding of School Bond Series 2003

Defeasance of Debt-On April 17, 2012, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust with an escrow agent to provide for all future debt service payments of the 2003 series bonds. As a result, the portion of the 2003 series bonds to be refunded are considered defeased and both the trust account cash and investment balance asset and the liability for those bonds has been removed from the financial statements. At June 30, 2013, outstanding bonds in the amount of \$3,134,000 are considered defeased. The bonds were redeemed through the escrow account on January 15, 2013.

Capital Leases Payable

The District is leasing six school buses totaling \$492,609 under a capital lease, The following is a schedule of the future minimum lease payments under the capital lease and the net minimum lease payment at June 30,2013:

<u>Year Ending June 30,</u>	<u>General Fund</u>
2014	\$ 89,530
2015	89,530
2016	89,530
2017	89,530
Total Minimum Lease Payments	<u>358,120</u>
Amount Representing Interest	<u>16,800</u>
Present Value of Minimum Leases Payments	<u>\$ 341,320</u>

The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2013 is \$75,789,695. General obligation debt at June 30, 2013 is \$3,055,000, resulting in a legal debt margin of \$72,734,695.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

NOTE 6. PENSION PLANS

Description of Systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Prudential Financial for the Division of Pension and Benefits. The Teachers' Pension and Annuity Fund retirement system is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees Retirement System and Defined Contribution Retirement Program are considered cost sharing multiple-employer plans.

A. Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund was established in January, 1955 under the provisions of NJSA 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

B. Public Employees' Retirement System - The Public Employees' Retirement System was established in January, 1955 under the provisions of NJSA 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

C. Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch 92, PL 2007 and expanded under the provisions of Ch 89, PL 2008 and Ch 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$7,700 in 2012) but who earn salary of at least \$5,000 annually are eligible to participate. The program administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcrp.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (cont'd)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statement and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

Significant Legislation

During the year ended June 30, 1997, legislation was enacted authorizing the New Jersey Economic Development Authority (the "Authority") to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. On June 30, 1997, the Authority issued bonds pursuant to this legislation and \$1,547,688,633 and \$241,106,642 from the proceeds of the bonds were deposited into the investment account of TPAF and PERS, respectively.

As a result of additional legislation enacted during the year ended June 30, 1997 (Ch 115, PL 1997), the asset valuation method was changed from market related value to full market value for the valuation reports dated March 31, 1996. The legislation also provides for a reduction in the normal contributions of the State to the systems from excess assets for FY's 1997 and 1998, and local employers for FY 1999, and, thereafter, authorizes the State Treasurer to reduce the normal contributions of State and local employers to the systems, to the extent possible, from up to 100% of excess assets through FY 2003, and on a declining maximum percentage of excess thereafter.

Due to the enactment of the legislation described above, the State of New Jersey's portion of the unfunded accrued liability under each retirement system was eliminated except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for TPAF and PERS were reduced.

Contribution Requirements

The contribution policy is set by state statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Significant legislation which became effective October 1, 2011 will gradually increase the employee contribution rate for PERS and TPAF members. Effective October 1, 2011 the rate increased from 5.50% to 6.50% of annual contractual compensation for employees enrolled in the TPAF and PERS pension plans. The rate will increase each year on the first of July over a seven year phase-in period until the withholding rate reaches 7.50% effective July 1, 2018. Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. Employers are required to contribute at an actuarially determined rate in TPAF, PERS and DCRP. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits and post-retirement medical premiums. Under current statute, the Board is a noncontributing employer of the TPAF.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

Contribution Requirements (cont'd)

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

Year Funding	TPAF Retirement Benefit Costs	Percentage of APC Contributed
06/30/13	\$ 857,172	100%
06/30/12	621,026	100%
06/30/11	452,175	100%

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed
06/30/13	\$ 269,772	100%
06/30/12	272,159	100%
06/30/11	319,374	100%

During the year ended June 30, 2013, the State of New Jersey contributed \$454,885 to the TPAF for post-retirement medical benefits and \$20,108 for the non-contributory insurance premiums, and \$382,179 for normal pension costs and accrued liability on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$459,674 during the year ended June 30, 2013 for the employer's share of social security contributions for TPAF members calculated on their base salaries. These amounts have been included in the basic financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 27.

NOTE 7. POST-RETIREMENT BENEFITS

Chapter 384 of PL 1987 and Ch 6 of PL 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after reaching age 60 and accumulating 25 years of credited service or on a disability retirement. PL 2007, Ch 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside 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, 2012, there were 97,661 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Ch 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

The State is also responsible for the cost attributable to Ch 126, PL 1992, 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. In fiscal year 2012, the State paid \$146.6 million toward Ch 126 benefits for 16,618 eligible retired members.

GASB Statement 45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District's only material OPEB obligation is for healthcare provided to eligible retirees through the NJ State Health Benefits Program.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

NOTE 7. POST-RETIREMENT BENEFITS (Cont'd)

Plan Description-The School District contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer definer benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under NJSA 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The school district adopted a resolution to participate in the SHBP. The States Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.nj.gov/treasury/pensions/audit-rpts-2012/shbp-12.pdf

Funding Policy-Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Information regarding the State's annual contributions, annual OPEB cost and net OPEB obligations is available through the State as noted in the previous paragraph.

NOTE 8. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403 (b). The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Oppeheimer
AXA Equilable
Metropolitan Life Ins Co
Lincoln Investment Planning
Variable Annuity Life Ins Co/AIG

NOTE 9. INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of June 30, 2013 is as follows:

	Receivable Fund	Payable Fund
General Fund	\$ 26,685	
Special Revenue Fund		\$ 12,971
Debt Service Fund		4,041
Net Payroll Agency Fund		4,998
Technology Service Fund		4,675
Total	<u>\$ 26,685</u>	<u>\$ 26,685</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2013
 (Continued)

NOTE 9. INTERFUND RECEIVABLES AND PAYABLES

The balance due from the Net Payroll Agency Fund to the General Fund of \$4,998 represents an imprest balance of \$5,000. The balance due from the Special Revenue Fund to the General Fund represents a loan from the General Fund of \$12,971 due to cash flow issues related to the delayed receipt of grant revenues.

The balance due from the Debt Service Fund to the General Fund represents a loan from the General Fund of \$4,041 due to cash flow issues related to the delayed receipt of the tax levy from one of the constituent municipalities. The balance due from the Technology Service Fund to the General Fund represents a loan from the General Fund of \$4,675 due to cash flow issues related to the delayed receipt of service revenues.

All interfund balances should be liquidated within one year, except the net payroll imprest balance which is a continuous loan to maintain a minimum balance in the bank account less bank fees of \$2 charged to the General Fund budget.

NOTE 10. INVENTORY

Inventory in the Food Service Fund at June 30, 2013 consisted of the following:

Food	\$	2,716
Supplies		1,350
	\$	4,066

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the basic financial statements.

NOTE 11. CONTINGENT LIABILITIES

The District is involved in various legal proceedings that are incidental to its operations. These legal proceedings are not likely to have a material adverse effect on the financial position of the School District.

NOTE 12. 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 and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. There was no significant reduction in insurance coverage from coverage in the prior year. The District did not have any insurance settlements, which exceeded insurance coverage for the past three years. A complete schedule of insurance coverage can be found in the Statistical Section of the Comprehensive Annual Financial Report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2013
 (Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the NJ 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, and interest earnings, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's unemployment trust fund for the current and previous two years:

Fiscal Year	District Contrib	Interest Earnings	Employee Contrib	Amount Reimbursed	Ending Balance
2012-2013	\$ -0-	\$ 171	\$ 17,622	\$ 18,151	\$ 173,412
2011-2012	100,000	156	17,774	92,797	173,770
2010-2011	350,052	112	16,079	218,605	148,637

NOTE 13. LEGAL RESERVE ACCOUNTS

A capital reserve account was established by the District by for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the districts approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. 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 NJSA 19:60-2. Pursuant to NJAC 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per NJSA 18A:7F-41(a) & 41(b) to deposit to the legal reserves by board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$132,000 to their Capital Reserve account by board resolution in June 2013 as summarized in the following schedule.

The following schedule is a summarization of the Legal Reserve Accounts:

Legal Reserve Type	Beginning Balance	District Contribution	Interest Earnings	Withdrawals	Ending Balance
Capital	\$ 629,940	\$ 132,000	\$ 617		\$ 762,557
Emergency	250,000				250,000
Maintenance	200,000				200,000
Total	\$ 1,079,940	\$ 132,000	\$ 617	\$ -0-	\$ 1,212,557

The June 30, 2013 LRFP balance of local support costs of uncompleted capital projects at June 30, 2013 exceeded the balance in the capital reserve account.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

NOTE 14. FUND BALANCES-GAAP BASIS

As described in Note 1 N-Fund Equity (Fund Balance) may be restricted, committed or assigned. An analysis of the General Fund Balance on June 30, 2013 and 2012 is as follows:

	<u>2013</u>	<u>2012</u>
Restricted:		
Excess Surplus-Represents amount in excess of allowable percentage of expenditures. In accordance with state statute, the excess surplus is designated for utilization in succeeding year's budgets		\$ 61,573
Excess Surplus-Designated for Subsequent Year's Expenditures-Amount appropriated in the succeeding year's budget to reduce tax requirements	\$ 61,573	
Committed:		
Capital Reserve Account-represents funds restricted to capital projects in the Districts Long Range Facilities Plan	762,557	629,940
Maintenance Reserve-Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (NJSA18A:76-9)	200,000	200,000
Emergency Reserve-Represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education	250,000	250,000
Assigned:		
Year End Encumbrance-Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30,	474,242	315,447
Designated for Subsequent User's Expenditures-Amount appropriated in the succeeding year's budget to reduce tax requirements	137,427	100,000
Unassigned:		
Undesignated-Represents fund balance which has not been restricted or designated	<u>444,183</u>	<u>390,598</u>
Total Fund Balance	<u>\$ 2,329,982</u>	<u>\$ 1,947,558</u>

NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended by PL 2004, Ch 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance 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, 2013 is \$-0-.

NOTE 16: SUBSEQUENT EVENTS

The District has evaluated subsequent events through October 28, 2013, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2013
 (Continued)

NOTE 17: RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

The following is a list of recent accounting pronouncements which are not yet effective as of the year end date of this report:

In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 65 "Items Previously Reported as Assets and Liabilities". This statement, which clarifies the reporting requirements related to deferred assets and liabilities, is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the District's financial reporting.

In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 66 "Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62". This statement, which resolves conflicts between Statements No. 10 and No. 54 provides more flexibility in fund classifications for risk based activities, is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the District's financial reporting.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67 "Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25". This statement, which is effective for fiscal periods beginning after June 15, 2013, is not anticipated to have any effect on the District's financial reporting.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, is not anticipated to have any effect on the District's financial reporting.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69 "Government Combinations and Disposals of Government Operations". This statement, which is effective for fiscal periods beginning after December 15, 2013, is not anticipated to have any effect on the District's financial reporting.

In April 2013, the Governmental Accounting Standards Board (GASB) issued Statement No.70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees". This statement, which is effective for fiscal periods beginning after June 15, 2013, is not anticipated to have any effect on the District's financial reporting.

NOTE 18. RESTATEMENT OF PRIOR YEAR NET POSITION

During the fiscal year ending June 30, 2013, the District has determined that a restatement of its prior year net position is necessary. Due to changes in accounting principles resulting from the issuance of Government Accounting Standards Board's (GASB) Statement No. 65, debt issuance costs are now recognized as an expense in the period incurred. The following is a summary of the District's restatement of net position as of June 30, 2012:

	Governmental Activities
Net Position, June 30, 2012 as Originally Stated	\$ 8,863,453
Less: Expensing of Bond Issuance Costs in Prior Periods	93,359
Net Position, June 30, 2012 as Restated	\$ 8,770,094

REQUIRED SUPPLEMENTARY INFORMATION-PART II

BUDGETARY COMPARISON SCHEDULES

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 12,889,207		\$ 12,889,207	\$ 12,889,207	
Tuition from Other LEAs Within the State	30,000		30,000	33,380	\$ 3,380
Interest on Investments	3,000		3,000	3,291	291
Interest Earned on Capital Reserve Funds	1,000		1,000	617	(383)
Building Use Rental Fees				1,000	1,000
Prior Year Expense Restitution Recovery				5,500	5,500
Miscellaneous-Unrestricted	7,000		7,000	65,449	58,449
Total	<u>12,930,207</u>	<u>\$ -</u>	<u>12,930,207</u>	<u>12,998,444</u>	<u>68,237</u>
State Sources:					
Categorical Special Education Aid	588,875		588,875	588,875	
Equalization Aid	3,206,350		3,206,350	3,206,350	
Categorical Security Aid	73,727		73,727	73,727	
Categorical Transportation Aid	110,508		110,508	110,508	
Extraordinary Special Education Costs Aid				96,484	96,484
Nonpublic Transportation Aid				13,802	13,802
On-Behalf TPAF Pension Contribution				402,287	402,287
On-Behalf TPAF Post Retirement Medical Benefits				454,885	454,885
Reimbursed TPAF Social Security Contribution				459,674	459,674
Total	<u>3,979,460</u>	<u>-</u>	<u>3,979,460</u>	<u>5,406,592</u>	<u>1,427,132</u>
TOTAL REVENUES	<u>\$ 16,909,667</u>	<u>\$ -</u>	<u>\$ 16,909,667</u>	<u>\$ 18,405,036</u>	<u>\$ 1,495,369</u>
EXPENDITURES					
Current:					
Regular Programs:					
Instruction:					
Salaries of Teachers:					
Grades 9-12	\$ 3,877,293	\$ (96,040)	\$ 3,781,253	\$ 3,781,252	\$ 1
Home Instruction:					
Salaries of Teachers	21,000	1,445	22,445	22,444	1
Purchased Professional Educational Services	40,000	(19,646)	20,354	20,353	1
Other Purchased Services	5,000	(3,898)	1,102	1,101	1
Undistributed Instruction:					
Other Salaries for Instruction	85,178	1,820	86,998	86,996	2
Purchased Professional Educational Services	7,250	(5,245)	2,005	2,005	
Other Purchased Services	217,896	184,092	401,988	389,650	12,338
General Supplies	363,004	(69,857)	293,147	281,534	11,613
Textbooks	91,051	(81,977)	9,074	9,074	
Other Objects	3,797	(2,682)	1,115	1,115	
Total	<u>4,711,469</u>	<u>(91,988)</u>	<u>4,619,481</u>	<u>4,595,524</u>	<u>23,957</u>
Special Education-Instruction:					
Multiple Disabilities:					
Salaries of Teachers	86,782	(440)	86,342	86,342	
Other Salaries for Instruction	83,972	(32,995)	50,977	50,977	
General Supplies	3,640	1,564	5,204	5,201	3
Other Objects	210		210	185	25
Total	<u>174,604</u>	<u>(31,871)</u>	<u>142,733</u>	<u>142,705</u>	<u>28</u>
Resource Room/Resource Center:					
Salaries of Teachers	798,211	(11,061)	787,150	787,150	
Other Salaries for Instruction	287,668	(35,670)	251,998	251,979	19
General Supplies	5,000	(2,890)	2,110	2,009	101
Other Objects	177		177		177
Total	<u>1,091,056</u>	<u>(49,621)</u>	<u>1,041,435</u>	<u>1,041,138</u>	<u>297</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Autism:					
Salaries of Teachers	\$ 65,662	\$ 579	\$ 66,241	\$ 66,240	\$ 1
Other Salaries for Instruction	49,828	654	50,482	49,116	1,366
General Supplies	1,000	115	1,115	1,028	87
Other Objects	200	(115)	85		85
Total	116,690	1,233	117,923	116,384	1,539
Total Special Education-Instruction	1,382,350	(80,259)	1,302,091	1,300,227	1,864
Basic Skills/Remedial-Instruction:					
General Supplies	2,300	(1,068)	1,232	1,232	
Total	2,300	(1,068)	1,232	1,232	-
Bilingual Education-Instruction:					
General Supplies	500	(500)			
Total	500	(500)	-	-	-
School Sponsored Co/Extra Curricular Activities:					
Salaries	158,266	(9,174)	149,092	149,092	
Purchased Services	3,500	5,203	8,703	8,703	
Supplies & Materials	6,800	(5,866)	934	934	
Other Objects	1,350	(681)	669	669	
Total	169,916	(10,518)	159,398	159,398	-
School Sponsored Athletics:					
Salaries	579,796	24,672	604,468	603,517	951
Purchased Services	51,490	(10,990)	40,500	40,365	135
Supplies & Materials	118,185	16,534	134,719	98,877	35,842
Other Objects	22,780	(3,770)	19,010	19,010	
Transfers to Cover Deficit (Agency Funds)	37,586	(22,586)	15,000	15,000	
Total	809,837	3,860	813,697	776,769	36,928
Total Instruction	\$ 7,076,372	\$ (180,473)	\$ 6,895,899	\$ 6,833,150	\$ 62,749
Undistributed Expenditures:					
Instruction-Tuition:					
Other LEAs Within the State-Regular	\$ 25,475	\$ (22,625)	\$ 2,850	\$ 2,850	
Other LEAs Within the State-Special	74,000	(35,850)	38,150	37,000	1,150
County Vocational School Districts-Regular	240,984	(6,993)	233,991	233,984	7
CSSD and Regional Day Schools	72,765	(10,006)	62,759	39,992	22,767
Private Schools for Disabled Within the State	577,423	(104,476)	472,947	452,601	20,346
Tuition-Other	52,029	56,517	108,546	108,546	
Total	1,042,676	(123,433)	919,243	874,973	44,270
Health Services:					
Salaries	144,112		144,112	143,406	706
Purchased Professional & Technical Services	13,275		13,275	4,300	8,975
Other Purchased Services	1,500		1,500		1,500
Supplies & Materials	15,145		15,145	10,920	4,225
Other Objects	560		560		560
Total	174,592	-	174,592	158,626	15,966
Speech, OT, PT & Related Services:					
Salaries	67,247	(4,377)	62,870	62,870	
Purchased Professional Educational Services	41,500	(5,032)	36,468	15,205	21,263
Supplies & Materials		82	82	82	
Total	108,747	(9,327)	99,420	78,157	21,263

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Guidance:					
Salaries of Other Professional Staff	\$ 419,982	\$ 5,053	\$ 425,035	\$ 425,035	
Salaries of Secretarial & Clerical Assistants	84,321	2,575	86,896	86,896	
Other Salaries	33,503	10,985	44,488	44,488	
Other Purchased Professional & Technical Services	24,250	9,497	33,747	33,658	\$ 89
Other Purchased Services	3,200	6,432	9,632	9,631	1
Supplies & Materials	20,000	(13,398)	6,602	6,602	
Other Objects	2,500	(2,475)	25	25	
Total	587,756	18,669	606,425	606,335	90
Child Study Teams:					
Salaries of Other Professional Staff	389,186	(68)	389,118	389,114	4
Salaries of Secretarial & Clerical Assistants	40,093	765	40,858	40,853	5
Other Salaries	12,000	(1,718)	10,282	10,278	4
Purchased Professional Educational Services	4,200	14,160	18,360	18,360	
Other Purchased Professional & Technical Services		1,165	1,165	1,165	
Miscellaneous Purchased Services	28,000	(7,640)	20,360	20,182	178
Supplies and Materials	8,000	(763)	7,237	7,153	84
Other Objects	1,500		1,500	1,202	298
Total	482,979	5,901	488,880	488,307	573
Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	122,679	2,672	125,351	124,179	1,172
Salaries of Other Professional Staff	22,431	2,225	24,656	24,656	
Salaries of Secretarial & Clerical Assistants	42,776	1,395	44,171	44,170	1
Other Purchases Services	700	4,792	5,492	4,669	823
Supplies & Materials	1,800	57	1,857	1,542	315
Other Objects	2,000	(300)	1,700	889	811
Total	192,386	10,841	203,227	200,105	3,122
Educational Media Services /School Library:					
Salaries	66,647	47,963	114,610	114,281	329
Salaries of Technology Coordinators	190,216	57,559	247,775	247,775	
Purchased Professional & Technical Services	3,000	(685)	2,315	2,093	222
Other Purchased Services	500	1,184	1,684	1,669	15
Supplies & Materials	55,000	178	55,178	55,177	1
Other Objects	100		100	50	50
Total	315,463	106,199	421,662	421,045	617
Instructional Staff Training Services:					
Salaries of Other Professional Staff		31,387	31,387	31,387	
Purchased Professional Educational Services	35,000	(32,820)	2,180	2,180	
Other Purchased Services		38	38	38	
Supplies & Materials	6,750	(5,951)	799	798	1
Total	41,750	(7,346)	34,404	34,403	1
Support Services General Administration:					
Salaries	202,899	2,766	205,665	205,665	
Legal Services	50,000	(8,510)	41,490	41,481	9
Audit Fees	30,000	(1,500)	28,500	28,500	
Architectural/Engineering Services	52,597	(11,195)	41,402	29,952	11,450
Other Purchased Professional Services	5,540	23,191	28,731	17,031	11,700
Communications & Telephone	43,670	23,220	66,890	63,758	3,132
Board of Education Other Purchased Services	2,500	(427)	2,073	2,073	
Miscellaneous Purchased Services	69,564	(7,496)	62,068	61,936	132
General Supplies	3,700	13,112	16,812	16,780	32
Board of Education In-House Training/Meeting Supplies	1,200	590	1,790	1,788	2
Judgments Against the School District		840	840	840	
Miscellaneous Expenditures	3,250	3,550	6,800	6,789	11
Board of Education Membership Dues & Fees	14,755	(4,085)	10,670	10,669	1
Total	479,675	34,056	513,731	487,262	26,469

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Support Services School Administration:					
Salaries of Principals/Ass't Principals/Program Directors	\$ 231,088	\$ 3,800	\$ 234,888	\$ 234,888	
Salaries of Secretarial & Clerical Assistants	116,962	18,152	135,114	135,114	
Other Salaries	5,000	(3,700)	1,300		\$ 1,300
Purchased Professional and Technical Services	4,000	6,329	10,329	10,329	
Other Purchased Services	10,500	(32)	10,468	10,417	51
Supplies & Materials	17,366	8,931	26,297	25,796	501
Other Objects	4,200	(2,750)	1,450	1,450	
Total	389,116	30,730	419,846	417,994	1,852
Central Services:					
Salaries	276,010	(43,770)	232,240	232,240	
Purchased Professional Services	1,000	61,235	62,235	62,234	1
Purchased Technical Services	24,935	35,085	60,020	10,275	49,745
Miscellaneous Purchased Services	1,600	(411)	1,189	1,188	1
Supplies & Materials	6,900	9,050	15,950	15,950	
Miscellaneous Expenditures	1,250	75	1,325	1,325	
Total	311,695	61,264	372,959	323,212	49,747
Administrative Information Technology:					
Salaries	48,365	1	48,366	48,366	
Other Purchased Services		21,484	21,484	8,651	12,833
Supplies & Materials		89	89	89	
Total	48,365	21,574	69,939	57,106	12,833
Required Maintenance for School Facilities:					
Salaries	132,131	(179)	131,952	131,951	1
Cleaning, Repair, & Maintenance Services	91,205	81,477	172,682	102,261	70,421
General Supplies	30,564	(7,755)	22,809	10,337	12,472
Other Objects	350	(350)			
Total	254,250	73,193	327,443	244,549	82,894
Custodial Services:					
Salaries	319,711	13,927	333,638	333,541	97
Purchased Professional and Technical Services	5,800	(2,576)	3,224	3,223	1
Cleaning, Repair, & Maintenance Services	73,640	25,647	99,287	87,924	11,363
Insurance	110,000	(502)	109,498	108,411	1,087
Miscellaneous Purchased Services	2,500	(1,130)	1,370	803	567
General Supplies	51,551	33,467	85,018	84,683	335
Energy (Natural Gas)	1,000	237	1,237	1,237	
Energy (Electricity)	265,000	(58,007)	206,993	200,339	6,654
Energy (Oil)	192,000	35,322	227,322	227,322	
Other Objects	1,000	602	1,602	1,602	
Total	1,022,202	46,987	1,069,189	1,049,085	20,104
Care and Upkeep of Grounds:					
Salaries	113,292	10,113	123,405	123,063	342
Cleaning, Repair, & Maintenance Services	6,000	7,562	13,562	13,562	
General Supplies	18,050	(2,760)	15,290	14,475	815
Total	137,342	14,915	152,257	151,100	1,157
Security:					
Purchased Professional and Technical Services	6,000	(6,000)			
Cleaning, Repair, & Maintenance Services	19,000	490	19,490	19,488	2
General Supplies	11,487	19,980	31,467	2,917	28,550
Total	36,487	14,470	50,957	22,405	28,552

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Student Transportation Services:					
Contracted Services-Aid In Lieu of Payments- Nonpublic Schools	\$ 53,040	\$ (37,044)	\$ 15,996	\$ 9,282	\$ 6,714
Contracted Services (Between Home & School)-Vendors	119,800	(107,580)	12,220	12,216	4
Contracted Services (Other than Between Home & School)-Vendors		123,525	123,525	123,522	3
Contracted Services (Regular Students)- ESC'S & CTSA'S	692,070	(30,765)	661,305	661,305	
Contracted Services (Special Education Students)- ESC'S & CTSA'S	436,000	8,160	444,160	406,101	38,059
Total	<u>1,300,910</u>	<u>(43,704)</u>	<u>1,257,206</u>	<u>1,212,426</u>	<u>44,780</u>
Unallocated Benefits-Employee Benefits:					
Social Security Contribution	239,000	(5,244)	233,756	227,198	6,558
Other Retirement Contributions-PERS	279,372	(9,242)	270,130	269,772	358
Other Retirement Contributions-Regular		1,008	1,008	1,006	2
Unemployment Compensation	160,000	(155,139)	4,861		4,861
Workmen's Compensation	90,843	(27,558)	63,285	63,285	
Health Benefits	2,294,360	(377,374)	1,916,986	1,916,986	
Tuition Reimbursement	30,000	(7,135)	22,865	16,348	6,517
Other Employee Benefits	64,400	196,133	260,533	260,533	
Total	<u>3,157,975</u>	<u>(384,551)</u>	<u>2,773,424</u>	<u>2,755,128</u>	<u>18,296</u>
On-Behalf TPAF Pension Contribution				402,287	(402,287)
On-Behalf TPAF Post Retirement Medical Benefits				454,885	(454,885)
Reimbursed TPAF Social Security Contribution				459,674	(459,674)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,316,846</u>	<u>(1,316,846)</u>
Total Undistributed Expenditures	<u>\$ 10,084,366</u>	<u>\$ (129,562)</u>	<u>\$ 9,954,804</u>	<u>\$ 10,899,064</u>	<u>\$ (944,260)</u>
TOTAL CURRENT	<u>\$ 17,160,738</u>	<u>\$ (310,035)</u>	<u>\$ 16,850,703</u>	<u>\$ 17,732,214</u>	<u>\$ (881,511)</u>
CAPITAL OUTLAY					
Equipment:					
Grades 9-12		\$ 12,731	\$ 12,731		\$ 12,731
School-Sponsored/Other Instructional Programs	\$ 17,759	26,933	44,692	\$ 44,692	
Undistributed Expenditures:					
Support Services-Instructional Staff		6,690	6,690	6,690	
Administrative Information Technology		2,089	2,089	2,089	
Custodial Services		21,973	21,973	4,405	17,568
Security		5,490	5,490	5,490	
Total	<u>17,759</u>	<u>75,906</u>	<u>93,665</u>	<u>63,366</u>	<u>30,299</u>
Facilities Acquisition & Construction Services:					
Other Purchased Professional & Technical Services		172,571	172,571	86,351	86,220
Construction Services	118,636	97,979	216,615	87,287	129,328
Land Improvements		26,415	26,415	26,413	2
Assessment for Debt Service on SDA Funding	26,981		26,981	26,981	
Total	<u>145,617</u>	<u>296,965</u>	<u>442,582</u>	<u>227,032</u>	<u>215,550</u>
TOTAL CAPITAL OUTLAY	<u>\$ 163,376</u>	<u>\$ 372,871</u>	<u>\$ 536,247</u>	<u>\$ 290,398</u>	<u>\$ 245,849</u>
TOTAL EXPENDITURES	<u>\$ 17,324,114</u>	<u>\$ 62,836</u>	<u>\$ 17,386,950</u>	<u>\$ 18,022,612</u>	<u>\$ (635,662)</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (414,447)	\$ (62,836)	\$ (477,283)	\$ 382,424	\$ 859,707
Fund Balances, July 1	1,947,558		1,947,558	1,947,558	
Fund Balances, June 30	<u>\$ 1,533,111</u>	<u>\$ (62,836)</u>	<u>\$ 1,470,275</u>	<u>\$ 2,329,982</u>	<u>\$ 859,707</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	\$ (315,447)		\$ (315,447)	\$ (315,447)	
Increase in Capital Reserve	1,000	\$ 131,617	132,617	132,617	
Budgeted Fund Balance	<u>(100,000)</u>	<u>(194,453)</u>	<u>(294,453)</u>	<u>565,254</u>	<u>\$ 859,707</u>
TOTAL	<u>\$ (414,447)</u>	<u>\$ (62,836)</u>	<u>\$ (477,283)</u>	<u>\$ 382,424</u>	<u>\$ 859,707</u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Excess Surplus:	
Prior Year-Designated for 2013-2014 Budget	\$ 61,573
Committed Fund Balance:	
Capital Reserve	762,557
Maintenance Reserve	200,000
Emergency Reserve	250,000
Assigned Fund Balance:	
Year-End Encumbrances	474,242
Designated for Subsequent Year's Budget	137,427
Unassigned Fund Balance	<u>444,183</u>
	2,329,982
Reconciliation to Governmental Statements (GAAP):	
Last State Aid Payment not Recognized on GAAP Basis	<u>(364,841)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 1,965,141</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(NOT APPLICABLE TO THIS REPORT)

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources	\$ 36,122		\$ 36,122	\$ 18,030	\$ (18,092)
Federal Sources	212,251		212,251	212,251	
TOTAL REVENUES	<u>\$ 248,373</u>	<u>\$ -</u>	<u>\$ 248,373</u>	<u>\$ 230,281</u>	<u>\$ (18,092)</u>
EXPENDITURES					
Instruction:					
Salaries	\$ 11,000		\$ 11,000	\$ 11,000	
Other Purchased Services	186,681		186,681	186,456	\$ 225
General Supplies	31,817	\$ (16,373)	15,444	2,203	13,241
Totals	<u>229,498</u>	<u>(16,373)</u>	<u>213,125</u>	<u>199,659</u>	<u>13,466</u>
Support Services:					
Salaries					
Personal Services Employee Benefits	2,200	208	2,408	2,408	
Other Purchased Services	12,049		12,049	12,049	
Supplies & Materials	4,626		4,626		4,626
Total	<u>18,875</u>	<u>208</u>	<u>19,083</u>	<u>14,457</u>	<u>4,626</u>
Facility Acquisition & Construction Services:					
Instructional Equipment		1,580	1,580	1,580	
Non-Instructional Equipment		14,585	14,585	14,585	
Total	<u>-</u>	<u>16,165</u>	<u>16,165</u>	<u>16,165</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 248,373</u>	<u>\$ -</u>	<u>\$ 248,373</u>	<u>\$ 230,281</u>	<u>\$ 18,092</u>

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE

Explanation of Differences Between Budgetary Inflows and Outflows
and GAAP Revenues and Expenditures:

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 18,405,036	\$ 230,281
Difference-Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding Encumbrances Current Year		(2,408)
Donations of capital assets are not recognized for budgetary basis purposes but treated as revenues and additional expenditures for GAAP purposes	70,587	
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State Aid Receivable Prior Year	374,191	
State Aid Receivable Current Year	(364,841)	
Total Revenues (GAAP Basis)	\$ 18,484,973	\$ 227,873
Uses/Outflows of Resources		
Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 18,022,612	\$ 230,281
Differences-Budget to GAAP:		
Insurance claim recovery for flooding damage costs incurred is treated as "Other Financing Sources" and increases expenditures for GAAP purposes	489,480	
Donations of capital assets are not recognized for budgetary basis purposes but treated as revenues and additional expenditures for GAAP purposes	70,587	
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		(2,408)
Total Expenditures (GAAP Basis)	\$ 18,582,679	\$ 227,873

OTHER SUPPLEMENTAL INFORMATION

SCHOOL LEVEL SCHEDULES

(NOT APPLICABLE TO THIS REPORT)

SPECIAL REVENUE FUND

DETAIL STATEMENTS

The special revenue fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>NCLB Title I</u>	<u>NCLB Title II A</u>	<u>IDEA Basic</u>	<u>Local Grants</u>	<u>Totals</u>
REVENUES					
Local Sources				\$ 18,030	\$ 18,030
Federal Sources	\$ 13,746	\$ 12,049	\$ 186,456		212,251
Total Revenues	<u>\$ 13,746</u>	<u>\$ 12,049</u>	<u>\$ 186,456</u>	<u>\$ 18,030</u>	<u>\$ 230,281</u>
EXPENDITURES					
Instruction:					
Salaries	\$ 11,000				\$ 11,000
Other Purchased Services			\$ 186,456		186,456
General Supplies	338			\$ 1,865	2,203
Total	<u>11,338</u>	<u>\$ -</u>	<u>186,456</u>	<u>1,865</u>	<u>199,659</u>
Support Services:					
Personal Services-Employee Benefits	2,408				2,408
Other Purchased Services		12,049			12,049
Total	<u>2,408</u>	<u>12,049</u>	<u>-</u>	<u>-</u>	<u>14,457</u>
Facilities Acquisition & Construction Services:					
Instructional Equipment				1,580	1,580
Non-Instructional Equipment				14,585	14,585
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,165</u>	<u>16,165</u>
Total Expenditures	<u>\$ 13,746</u>	<u>\$ 12,049</u>	<u>\$ 186,456</u>	<u>\$ 18,030</u>	<u>\$ 230,281</u>

CAPITAL PROJECTS FUND

DETAIL STATEMENTS

(NOT APPLICABLE TO THIS REPORT)

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.

PROPRIETARY FUND

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 COMBINING STATEMENT OF FUND NET POSITION
 ENTERPRISE FUNDS
 JUNE 30, 2013

	Food Service Fund	Transportation Service Fund	Technology Service Fund	Total
ASSETS				
Current Assets:				
Cash & Cash Equivalents	\$ 67,422	\$ 488,753		\$ 556,175
Receivables from Other Governments:				
State	257			257
Federal	1,958			1,958
Local		163,781	\$ 4,675	168,456
Inventory	4,066			4,066
Total Current Assets	<u>73,703</u>	<u>652,534</u>	<u>4,675</u>	<u>730,912</u>
Noncurrent Assets:				
Capital Assets	257,078	3,813,773		4,070,851
Less: Accumulated Depreciation	<u>153,174</u>	<u>2,812,714</u>		<u>2,965,888</u>
Total Noncurrent Assets	<u>103,904</u>	<u>1,001,059</u>	-	<u>1,104,963</u>
Total Assets	<u>177,607</u>	<u>1,653,593</u>	<u>4,675</u>	<u>1,835,875</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable		3,834		3,834
Due to Other Funds			4,675	4,675
Deferred Revenues	2,569			2,569
Total Current Liabilities	<u>2,569</u>	<u>3,834</u>	<u>4,675</u>	<u>11,078</u>
Long-Term Liabilities:				
Capital Leases-Due Within One Year		82,874		82,874
Capital Leases-Due Beyond One Year		258,446		258,446
Total Long-Term Liabilities	<u>-</u>	<u>341,320</u>	<u>-</u>	<u>341,320</u>
Total Liabilities	<u>2,569</u>	<u>345,154</u>	<u>4,675</u>	<u>352,398</u>
NET POSITION				
Net Investment in Capital Assets	103,904	659,739		763,643
Unrestricted	<u>71,134</u>	<u>648,700</u>		<u>719,834</u>
TOTAL NET POSITION	<u>\$ 175,038</u>	<u>\$ 1,308,439</u>	<u>\$ -</u>	<u>\$ 1,483,477</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Food Service Fund	Transportation Service Fund	Technology Service Fund	Total
Operating Revenues:				
Charges for Services:				
Daily Sales-Reimbursable Programs	\$ 146,287			\$ 146,287
Daily Sales-Nonreimbursable Programs	197,830			197,830
Transportation Fees		\$ 2,862,260		2,862,260
Technology Fees			\$ 139,281	139,281
Total Operating Revenues	<u>344,117</u>	<u>2,862,260</u>	<u>139,281</u>	<u>3,345,658</u>
Operating Expenses:				
Costs of Sales	176,353			176,353
Salaries	175,558	1,274,548	91,805	1,541,911
Employee Benefits	25,525	200,248	47,476	273,249
Purchased Professional/Technical Services		30,039		30,039
Purchased Property Services	7,611	49,459		57,070
Rental/Lease Payments for Vehicles		164,599		164,599
Contracted Services-Transportation		507,868		507,868
Insurance	2,231			2,231
Management Fee	8,712	5,233		13,945
Other Purchased Services	4,471	8,030		12,501
General Supplies	20,892	9,095		29,987
Transportation Supplies		93,941		93,941
Energy (Natural Gas)		6,265		6,265
Energy (Gasoline)		303,218		303,218
Depreciation	13,567	300,483		314,050
Miscellaneous	384	2,559		2,943
Total Operating Expenses	<u>435,304</u>	<u>2,955,585</u>	<u>139,281</u>	<u>3,530,170</u>
Operating Income (Loss)	<u>(91,187)</u>	<u>(93,325)</u>	<u>-</u>	<u>(184,512)</u>
Non-Operating Revenues (Expenses):				
State Sources:				
State School Lunch Program	2,147			2,147
Federal Sources:				
National School Lunch Program	31,228			31,228
Food Donation Program	13,497			13,497
Miscellaneous	505	1,268		1,773
Total Non-Operating Revenues (Expenses)	<u>47,377</u>	<u>1,268</u>	<u>-</u>	<u>48,645</u>
Other Financing Sources (Uses):				
Gain (Loss) on Disposal of Assets		9,120		9,120
Total Other Financing Sources (Uses)	<u>-</u>	<u>9,120</u>	<u>-</u>	<u>9,120</u>
Change in Net Position	(43,810)	(82,937)	-	(126,747)
Total Net Position, Beginning	<u>218,848</u>	<u>1,391,376</u>	<u>-</u>	<u>1,610,224</u>
Total Net Position, Ending	<u>\$ 175,038</u>	<u>\$ 1,308,439</u>	<u>\$ -</u>	<u>\$ 1,483,477</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Food Service Fund	Transportation Service Fund	Technology Service Fund	Total
Cash Flows from Operating Activities:				
Receipts from Services Provided	\$ 343,915	\$ 2,787,102	\$ 134,606	\$ 3,265,623
Payments to Employees	(63,782)	(1,274,548)	(91,805)	(1,430,135)
Payments for Employee Benefits		(200,248)	(47,476)	(247,724)
Payments to Food Service Mgmt Co	(334,419)			(334,419)
Payments to Vendors	(10,820)	(1,176,472)		(1,187,292)
Net Cash Provided by (Used For) Operating Activities	<u>(65,106)</u>	<u>135,834</u>	<u>(4,675)</u>	<u>66,053</u>
Cash Flows from Noncapital Financing Activities:				
State Sources	2,002			2,002
Federal Sources	30,651			30,651
General Fund Interfund Activity			4,675	4,675
Miscellaneous	505	1,268		1,773
Net Cash Provided by (Used For) Noncapital Financing Activities	<u>33,158</u>	<u>1,268</u>	<u>4,675</u>	<u>39,101</u>
Cash Flows from Capital Financing Activities:				
Proceeds from Equipment Disposal		9,120		9,120
Payment of Capital Leases		(81,289)		(81,289)
Acquisition of Equipment	(3,971)	(163,144)		(167,115)
Net Cash Provided by (Used For) Capital Financing Activities	<u>(3,971)</u>	<u>(235,313)</u>	<u>-</u>	<u>(239,284)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(35,919)	(98,211)	-	(134,130)
Cash and Cash Equivalents, Beginning	103,341	586,964	-	690,305
Cash and Cash Equivalents, Ending	<u>\$ 67,422</u>	<u>\$ 488,753</u>	<u>\$ -</u>	<u>\$ 556,175</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	\$ (91,187)	\$ (93,325)		\$ (184,512)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	13,567	300,483		314,050
Federal Food Donation Program	13,497			13,497
(Increase) Decrease in Inventory	(814)			(814)
(Increase) Decrease in Accounts Receivable		(75,158)	\$ (4,675)	(79,833)
Increase (Decrease) in Accounts Payable		3,834		3,834
Increase (Decrease) in Deferred Revenue	(169)			(169)
Net Cash Provided by (Used For) Operating Activities	<u>\$ (65,106)</u>	<u>\$ 135,834</u>	<u>\$ (4,675)</u>	<u>\$ 66,053</u>

FIDUCIARY FUND

DETAIL STATEMENTS

Fiduciary Fund are used to account for funds received by the school district as an agent for individuals, private organizations, other governments and/or other funds.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY FUND NET POSITION
JUNE 30, 2013

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Student Activity Agency Fund	Payroll Agency Fund	Total
ASSETS					
Cash & Cash Equivalents	\$ 175,857	\$ 44,053	\$ 101,656	\$ 139,178	\$ 460,744
Total Assets	<u>175,857</u>	<u>44,053</u>	<u>101,656</u>	<u>139,178</u>	<u>460,744</u>
LIABILITIES					
Due to Other Funds				4,998	4,998
Accounts Payable	2,445				2,445
Due to Student Groups			101,656		101,656
Payroll Deductions & Withholdings				134,180	134,180
Total Liabilities	<u>2,445</u>	<u>-</u>	<u>101,656</u>	<u>139,178</u>	<u>243,279</u>
NET POSITION					
Held in Trust for Unemployment Claims	173,412				173,412
Reserved for Scholarships		44,053			44,053
Total Net Position	<u>\$ 173,412</u>	<u>\$ 44,053</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,465</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Totals
ADDITIONS			
Contributions:			
Employees	\$ 17,622		\$ 17,622
Other		\$ 2,633	2,633
Investment Earnings:			
Interest	171	45	216
Total Additions	<u>17,793</u>	<u>2,678</u>	<u>20,471</u>
DEDUCTIONS			
Unemployment Claims	18,151		18,151
Scholarships Awarded		3,550	3,550
Total Deductions	<u>18,151</u>	<u>3,550</u>	<u>21,701</u>
Change in Net Position	(358)	(872)	(1,230)
Net Position, Beginning of the Year	<u>173,770</u>	<u>44,925</u>	<u>218,695</u>
Net Position, End of the Year	<u>\$ 173,412</u>	<u>\$ 44,053</u>	<u>\$ 217,465</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Balance 07/01/12	Additions	Deletions	Balance 06/30/13
ASSETS				
Cash & Cash Equivalents	\$ 118,876	\$ 167,587	\$ 184,807	\$ 101,656
TOTAL ASSETS	<u>\$ 118,876</u>	<u>\$ 167,587</u>	<u>\$ 184,807</u>	<u>\$ 101,656</u>
LIABILITIES				
Due to Student Groups:				
Student Activities	\$ 96,201	\$ 127,634	\$ 131,135	\$ 92,700
Athletic Activities	<u>22,675</u>	<u>39,953</u>	<u>53,672</u>	<u>8,956</u>
TOTAL LIABILITIES	<u>\$ 118,876</u>	<u>\$ 167,587</u>	<u>\$ 184,807</u>	<u>\$ 101,656</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
PAYROLL AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Balance 07/01/12	Additions	Deletions	Balance 06/30/13
ASSETS				
Cash & Cash Equivalents	\$ 149,207	\$ 11,982,798	\$ 11,992,827	\$ 139,178
TOTAL ASSETS	\$ 149,207	\$ 11,982,798	\$ 11,992,827	\$ 139,178
LIABILITIES				
Due to Other Funds	\$ 5,000		\$ 2	\$ 4,998
Payroll Deductions & Withholdings:				
Net Payroll		\$ 6,936,701	6,936,701	
Payroll Agency	144,207	5,046,097	5,056,124	134,180
TOTAL LIABILITIES	\$ 149,207	\$ 11,982,798	\$ 11,992,827	\$ 139,178

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, obligations under capital leases, and early retirement program.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2013

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/12	Issued	Retired	Balance 06/30/13
			Date	Amount					
Construction and Equipment Additions and Renovations to Delaware Valley Regional High School	12/15/03	\$ 6,719,000				\$ 460,000		\$ 460,000	
Refunding of Outstanding 2003 School Bonds	04/17/12	3,075,000	01/15/14	\$ 475,000	3.00%	<u>3,075,000</u>	<u>\$ -</u>	<u>20,000</u>	<u>\$ 3,055,000</u>
			01/15/15	490,000					
			01/15/16	505,000					
			01/15/17	520,000	4.00%				
			01/15/18	535,000					
			01/15/19	530,000					
						<u>\$ 3,535,000</u>	<u>\$ -</u>	<u>\$ 480,000</u>	<u>\$ 3,055,000</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 LONG-TERM DEBT
 TRANSPORTATION SERVICE ENTERPRISE FUND
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
 JUNE 30, 2013

	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance 07/01/12</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Balance 06/30/13</u>
Six 54-Passenger Buses	1.95%	\$ 492,609	<u>\$ 422,609</u>		<u>\$ 81,289</u>	<u>\$ 341,320</u>
			<u>\$ 422,609</u>	<u>\$ -</u>	<u>\$ 81,289</u>	<u>\$ 341,320</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 593,430		\$ 593,430	\$ 593,430	
Total Revenues	<u>593,430</u>	<u>\$ -</u>	<u>593,430</u>	<u>593,430</u>	<u>\$ -</u>
EXPENDITURES					
Regular Debt Service:					
Interest on Bonds	133,430	(20,000)	113,430	92,094	21,336
Redemption of Principal	460,000	20,000	480,000	480,000	
Total Expenditures	<u>593,430</u>	<u>-</u>	<u>593,430</u>	<u>572,094</u>	<u>21,336</u>
Net Change in Fund Balances	-	-	-	21,336	21,336
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,336</u>	<u>\$ 21,336</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Budgeted Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,336</u>	<u>\$ 21,336</u>

STATISTICAL SECTION

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATISTICAL SECTION J SERIES

CONTENTS	PAGE
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	J-1 to J-6
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-7 to J-28
DEBT CAPACITY	
These schedules contain trend 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.	J-29 to J-36
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-37 to J-38
OPERATING INFORMATION	
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.	J-39 to J-43

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant year. The District implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
GOVERNMENT ACTIVITIES										
Net Investment in Capital Assets	\$ (3,315,736)	\$ 1,239,450	\$ 7,467,414	\$ 7,410,446	\$ 7,515,354	\$ 8,099,215	\$ 7,870,924	\$ 8,112,333	\$ 8,326,584	\$ 9,145,599
Restricted	6,766,437	2,682,711	675,012	342,260	414,767	409,822	1,180,548	1,018,760	1,079,940	1,233,893
Unrestricted	(495,061)	(811,781)	(656,172)	(242,311)	344,121	(454,258)	(807,965)	(534,523)	(543,071)	(256,564)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 2,955,640	\$ 3,110,380	\$ 7,486,254	\$ 7,510,395	\$ 8,274,242	\$ 8,054,779	\$ 8,243,507	\$ 8,596,570	\$ 8,863,453	\$ 10,122,928
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	\$ 54,871	\$ 42,617	\$ 110,810	\$ 1,748,569	\$ 1,575,731	\$ 1,448,001	\$ 1,216,045	\$ 994,299	\$ 829,289	\$ 763,643
Restricted		44,282	86,449							
Unrestricted	213,893	266,476	322,622	226,774	362,644	505,995	546,074	627,333	780,935	719,834
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 268,764	\$ 353,375	\$ 519,881	\$ 1,975,343	\$ 1,938,375	\$ 1,953,996	\$ 1,762,119	\$ 1,621,632	\$ 1,610,224	\$ 1,483,477
DISTRICT-WIDE										
Net Investment in Capital Assets	\$ (3,260,865)	\$ 1,282,067	\$ 7,578,224	\$ 9,159,015	\$ 9,091,085	\$ 9,547,216	\$ 9,086,969	\$ 9,106,632	\$ 9,155,873	\$ 9,909,242
Restricted	6,766,437	2,726,993	761,461	342,260	414,767	409,822	1,180,548	1,018,760	1,079,940	1,233,893
Unrestricted	(281,168)	(545,305)	(333,550)	(15,537)	706,765	51,737	(261,891)	92,810	237,864	463,270
TOTAL DISTRICT-WIDE	\$ 3,224,404	\$ 3,463,755	\$ 8,006,135	\$ 9,485,738	\$ 10,212,617	\$ 10,008,775	\$ 10,005,626	\$ 10,218,202	\$ 10,473,677	\$ 11,606,405

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

EXPENSES	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities:										
Instruction:										
Regular	\$ 4,216,171	\$ 5,925,095	\$ 6,233,389	\$ 6,780,613	\$ 6,123,448	\$ 6,577,636	\$ 6,806,737	\$ 5,921,348	\$ 6,567,284	\$ 6,562,855
Special Education	1,071,739	1,207,999	1,231,620	1,039,752	1,539,537	1,624,178	2,019,811	1,991,378	1,996,335	1,911,556
Other Special Education	49,659	68,783	70,123	419,015	117,212	80,560	107,967	93,999	17,721	3,557
Other Instruction	722,007	891,945	950,336	1,209,911	1,275,918	1,351,133	1,345,429	1,406,839	1,327,057	1,330,447
Support Services:										
Tuition	743,305	565,875	818,795	972,416	1,032,040	1,031,523	909,236	864,066	1,020,360	1,061,429
Student & Instruction Related Services	1,513,267	1,848,917	1,836,939	1,920,718	2,489,857	2,435,152	2,541,581	2,589,517	2,801,731	2,849,424
General & Business Administrative Services	1,229,518	1,179,815	889,437	880,731	996,228	1,016,561	1,150,911	1,157,946	1,174,587	1,164,906
School Administration	731,551	433,081	588,060	666,853	529,411	514,981	582,320	532,398	537,653	599,512
Plant Operations & Maintenance	1,124,910	1,544,209	1,726,611	1,880,252	1,717,260	1,713,875	1,616,202	1,641,870	1,654,596	1,744,118
Pupil Transportation	1,043,730	617,611	972,369	1,083,017	1,280,005	1,484,905	1,188,704	1,080,191	1,166,677	1,218,965
Interest on Long Term Debt	244,884	371,895	53,665	106,024	197,316	183,150	169,723	189,607	127,930	133,563
Unallocated Depreciation			175,090	243,208						
Total Governmental Activities Expenses	<u>12,690,741</u>	<u>14,655,225</u>	<u>15,546,434</u>	<u>17,202,510</u>	<u>17,298,232</u>	<u>18,013,654</u>	<u>18,438,621</u>	<u>17,469,159</u>	<u>18,391,931</u>	<u>18,580,332</u>
Business-Type Activities:										
Food Services	264,076	277,178	286,688	312,198	384,704	413,719	324,654	355,819	380,362	435,304
Transportation	645,992	906,305	849,286	1,830,070	2,665,156	2,654,001	2,650,246	2,777,759	2,842,781	2,955,585
Information Technology									33,570	139,281
Total Business-Type Activities	<u>910,068</u>	<u>1,183,483</u>	<u>1,135,974</u>	<u>2,142,268</u>	<u>3,049,860</u>	<u>3,067,720</u>	<u>2,974,900</u>	<u>3,133,578</u>	<u>3,256,713</u>	<u>3,530,170</u>
TOTAL DISTRICT EXPENSES	<u>\$ 13,600,809</u>	<u>\$ 15,838,708</u>	<u>\$ 16,682,408</u>	<u>\$ 19,344,778</u>	<u>\$ 20,348,092</u>	<u>\$ 21,081,374</u>	<u>\$ 21,413,521</u>	<u>\$ 20,602,737</u>	<u>\$ 21,648,644</u>	<u>\$ 22,110,502</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Continued)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
Regular Instruction					\$ 22,432	\$ 19,490	\$ 13,253	\$ 11,222	\$ 57,945	\$ 75,013
Special Education Instruction								32,083	57,070	60,382
Other Instruction					2,776		7,255	16,085	13,349	11,053
Student & Instructional Related Services					2,286	3,418		43,700	60,680	17,424
General & Business Administration Services						638	1,502	1,960	15,736	17,164
School Administration Services									155	
Plant Operations & Maintenance	\$ 5,294				61,924	16,187	18,500	5,860	8,378	10,330
Pupil Transportation					4,344		1,202	350	4,071	1,090
Operating Grants & Contributions	2,138,609	\$ 2,091,335	\$ 2,226,585	\$ 2,632,756	232,660	258,297	507,226	525,359	356,282	227,873
Total Governmental Activities Program Revenues	2,143,903	2,091,335	2,226,585	2,632,756	326,422	298,030	548,938	636,619	573,666	420,329
Business-Type Activities:										
Charges for Services:										
Food Service	267,236	286,143	263,397	283,412	329,418	302,877	328,379	318,602	319,010	344,117
Transportation	670,834	952,847	893,868	1,619,009	2,644,070	2,675,802	2,438,329	2,593,507	2,846,131	2,862,260
Information Technology									33,570	139,281
Operating Grants & Contributions	29,144			30,580	34,404	34,102	39,057	39,158	43,901	46,872
Total Business-Type Activities	967,214	1,238,990	1,157,265	1,933,001	3,007,892	3,012,781	2,805,765	2,951,267	3,242,612	3,392,530
TOTAL DISTRICT PROGRAM REVENUES	\$ 3,111,117	\$ 3,330,325	\$ 3,383,850	\$ 4,565,757	\$ 3,334,314	\$ 3,310,811	\$ 3,354,703	\$ 3,587,886	\$ 3,816,278	\$ 3,812,859
NET (EXPENSES) REVENUES										
Governmental Activities	\$ (10,546,838)	\$ (12,563,890)	\$ (13,319,849)	\$ (14,569,754)	\$ (16,971,810)	\$ (17,715,624)	\$ (17,889,683)	\$ (16,832,540)	\$ (17,818,265)	\$ (18,160,003)
Business-Type Activities	57,146	55,507	21,291	(209,267)	(41,968)	(54,939)	(169,135)	(182,311)	(14,101)	(137,640)
TOTAL DISTRICT NET EXPENSES	\$ (10,489,692)	\$ (12,508,383)	\$ (13,298,558)	\$ (14,779,021)	\$ (17,013,778)	\$ (17,770,563)	\$ (18,058,818)	\$ (17,014,851)	\$ (17,832,366)	\$ (18,297,643)

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Continued)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
GENERAL REVENUES, SPECIAL ITEMS AND TRANSFERS										
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 8,383,708	\$ 9,171,116	\$ 9,993,982	\$ 10,974,948	\$ 11,565,442	\$ 11,774,649	\$ 12,339,722	\$ 12,658,311	\$ 12,636,477	\$ 12,889,207
Property Taxes Levied for Debt Service		580,532	558,418	584,115	586,905	589,200	591,000	162,305	553,693	593,430
Unrestricted Grants & Contributions	2,805,100	2,812,758	5,302,355	3,483,358	5,420,415	5,042,621	5,192,310	4,551,441	5,084,389	5,415,942
Investment Earnings	22,057	105,578	39,164	15,461	114,611	43,642	18,339	13,662	3,879	3,908
Miscellaneous Income	114,938	77,750	166,343	194,610	48,284	20,662	26,811	152,531	31,311	134,520
Transfers Out			(31,859)	(30,650)		(6,752)	(90,000)	(350,052)	(100,000)	
Special Item-Payment to Bond Agent									(114,463)	
Special Item-Adjustment to Capital Asset Appraisal Report			1,696,502	1,514,099						
Special Item-Insurance Proceeds for Storm Damage										489,480
Special Item-Gain (Loss) on Sale, Trade-in or Disposal of Capital Assets	8,350						229	(2,595)	(10,138)	(13,650)
Total Governmental Activities	<u>11,334,153</u>	<u>12,747,734</u>	<u>17,724,905</u>	<u>16,735,941</u>	<u>17,735,657</u>	<u>17,464,022</u>	<u>18,078,411</u>	<u>17,185,603</u>	<u>18,085,148</u>	<u>19,512,837</u>
Business-Type Activities:										
Miscellaneous Income								24	62	1,773
Transfers In (Out)			31,859	30,650			(20,929)			
Special Item-Prior Year Accounts Payable Canceled					5,000					
Special Item-Gain (Loss) on Deletion of Assets						2,100	(1,813)	41,800	2,631	9,120
Special Item-Adjustment to Capital Asset Appraisal Report			84,174							
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>116,033</u>	<u>30,650</u>	<u>5,000</u>	<u>2,100</u>	<u>(22,742)</u>	<u>41,824</u>	<u>2,693</u>	<u>10,893</u>
TOTAL DISTRICT GENERAL REVENUES, SPECIAL ITEMS AND TRANSFERS	<u>\$ 11,334,153</u>	<u>\$ 12,747,734</u>	<u>\$ 17,840,938</u>	<u>\$ 16,766,591</u>	<u>\$ 17,740,657</u>	<u>\$ 17,466,122</u>	<u>\$ 18,055,669</u>	<u>\$ 17,227,427</u>	<u>\$ 18,087,841</u>	<u>\$ 19,523,730</u>
CHANGE IN NET POSITION										
Governmental Activities	\$ 787,315	\$ 183,844	\$ 4,405,056	\$ 2,166,187	\$ 763,847	\$ (251,602)	\$ 188,728	\$ 353,063	\$ 266,883	\$ 1,352,834
Business-Type Activities	57,146	55,507	137,324	(178,617)	(36,968)	(52,839)	(191,877)	(140,487)	(11,408)	(126,747)
TOTAL DISTRICT CHANGE IN NET POSITION	<u>\$ 844,461</u>	<u>\$ 239,351</u>	<u>\$ 4,542,380</u>	<u>\$ 1,987,570</u>	<u>\$ 726,879</u>	<u>\$ (304,441)</u>	<u>\$ (3,149)</u>	<u>\$ 212,576</u>	<u>\$ 255,475</u>	<u>\$ 1,226,087</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund:										
Restricted	\$ 620,914	\$ 352,580	\$ 204,214	\$ 256,402	\$ 278,624	\$ 123,471			\$ 61,573	\$ 61,573
Committed			175,049	185,413	266,901	261,956	\$ 738,130	\$ 979,338	1,079,940	1,212,557
Assigned				73,988	472,069	83,886	157,619	275,460	415,447	611,669
Unassigned	181,184	109,512	127,180	156,431	141,962	(108,657)	(98,936)	43,618	16,407	79,342
Total General Fund	\$ 802,098	\$ 462,092	\$ 506,443	\$ 672,234	\$ 1,159,556	\$ 360,656	\$ 796,813	\$ 1,298,416	\$ 1,573,367	\$ 1,965,141
All Other Governmental Funds:										
Restricted, Reported in:										
Capital Projects Fund	\$ 6,145,523	\$ 2,330,131	\$ 295,749	\$ 497,934	\$ 469,422	\$ 469,422	\$ 39,422			
Assigned, Reported in:										
Debt Service Fund	22,057	22,038	(19)				430,000	\$ 39,422		\$ 21,336
Total All Other Governmental Funds	\$ 6,167,580	\$ 2,352,169	\$ 295,730	\$ 497,934	\$ 469,422	\$ 469,422	\$ 469,422	\$ 39,422	\$ -	\$ 21,336

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:										
Tax Levy	\$ 8,383,708	\$ 9,751,648	\$ 10,552,400	\$ 11,559,063	\$ 12,152,347	\$ 12,363,849	\$ 12,930,722	\$ 12,820,616	\$ 13,190,170	\$ 13,482,637
Tuition Charges	6,500		13,650		19,125	16,779	5,910	32,083	36,100	33,380
Transportation					4,122					
Interest Earnings	33,086	71,041	124,421	160,122	114,611	43,642	18,339	13,662	3,879	3,908
Local Contributions										88,617
Miscellaneous	117,553	112,287	67,436	49,949	85,970	32,789	39,637	234,645	31,123	71,949
State Sources	4,671,505	4,649,799	4,819,462	5,302,945	5,420,415	5,042,621	4,609,802	4,551,441	4,936,247	5,415,942
State Sources-Capital Projects		15,448	2,471,754	602,491						
Federal Sources	265,704	209,742	208,542	210,678	232,660	249,372	1,083,960	474,221	500,523	209,843
Total Revenues	13,478,056	14,809,965	18,257,665	17,885,248	18,029,250	17,749,052	18,688,370	18,126,668	18,698,042	19,306,276
Expenditures:										
Instruction:										
Regular Instruction	4,149,112	4,314,727	4,528,593	4,728,433	4,523,475	4,797,391	4,864,422	4,181,001	4,502,117	4,595,524
Special Education Instruction	697,572	779,093	898,446	981,866	1,131,213	1,169,436	1,340,851	1,301,265	1,324,608	1,300,227
Other Special Instruction	49,659	51,814	52,831	55,804	55,270	54,368	57,124	56,642	1,202	1,232
School Sponsored/Other Instructional	620,550	777,794	773,919	919,147	950,464	979,914	967,303	974,219	909,491	936,167
Support Services:										
Tuition	743,305	565,875	818,795	972,416	854,155	846,625	726,403	676,314	827,038	874,973
Student & Inst Related Services	1,189,562	1,434,484	1,397,993	1,426,458	1,764,487	1,789,464	1,731,990	1,678,011	1,807,074	1,986,978
General Administration	364,786	374,668	417,102	399,572	475,723	489,489	439,976	423,540	491,409	497,262
School Administration Services	485,278	370,500	380,485	410,291	421,487	378,140	404,820	382,939	372,540	417,994
Central Services	252,380	307,729	325,957	315,485	276,230	250,605	317,615	300,959	308,711	323,212
Administrative Information Technology					33,419	54,830	114,343	133,569	49,241	57,106
Plant Operations & Maintenance	1,021,913	1,479,909	1,515,096	1,635,004	1,518,779	1,474,730	1,359,046	1,368,422	1,373,582	1,467,139
Pupil Transportation	872,328	721,458	663,752	820,972	1,326,312	1,492,902	1,118,302	1,068,736	1,161,492	1,212,426
Employee Benefits	1,448,197	1,739,569	2,063,878	2,111,442	1,842,507	2,397,139	2,592,791	2,851,246	3,000,071	2,755,128
On-Behalf TPAF Pension & Social Security Contributions	818,298	827,232	957,825	1,403,712	1,427,202	926,084	933,278	906,187	1,077,768	1,316,846
Capital Outlay	258,743	594,607	144,069	110,902	121,640	592,586	98,485	250,493	189,844	813,484
Special Revenue Funds	178,175	214,532	212,542	210,678	232,660	258,297	507,226	525,359	356,282	227,873
Capital Projects Fund	573,477	3,830,840	4,506,136	400,306	28,512				72,356	
Debt Service:										
Principal		325,000	355,000	370,000	385,000	400,000	415,000	430,000	445,000	480,000
Interest & Other Charges		255,551	225,475	214,115	201,905	189,200	176,000	196,111	167,775	119,075
Total Expenditures	13,723,335	18,965,382	20,237,894	17,486,603	17,570,440	18,541,200	18,164,975	17,705,013	18,437,601	19,382,646
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(245,279)	(4,155,417)	(1,980,229)	398,645	458,810	(792,148)	523,395	421,655	260,441	(76,370)
Other Financing Sources (Uses):										
Proceeds from Bond Issue	6,719,000									
Proceeds from Refunding Bond Issue									3,075,000	
Premium on Refunding Bond Issue									245,819	
Payment to Refunding Bond Agent									(3,248,463)	
Proceeds from Sale of Capital Assets							2,762		2,732	
Insurance Claim Proceeds for Flood Damage										489,480
Transfers In (Out)			(31,859)	(30,650)		(6,752)	(90,000)	(350,052)	(100,000)	
Total Other Financing Sources (Uses)	6,719,000	-	(31,859)	(30,650)	-	(6,752)	(87,238)	(350,052)	(24,912)	489,480
Net Change in Fund Balances	\$ 6,473,721	\$ (4,155,417)	\$ (2,012,088)	\$ 367,995	\$ 458,810	\$ (798,900)	\$ 436,157	\$ 71,603	\$ 235,529	\$ 413,110
Debt Service as a Percentage of Non-capital Expenditures	0.00%	4.16%	3.87%	3.56%	3.49%	3.39%	3.38%	3.73%	3.50%	3.34%

Source: District Records

NOTE: Non-capital expenditures are total expenditures less capital outlay, capital projects fund, and debt service.
Central Service and Administrative Information Technology 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.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 LOCAL TAX LEVY BY CONSTITUENT DISTRICT
 LAST SIX FISCAL YEARS

Fiscal Year	Township of Alexandria	Borough of Frenchtown	Township of Holland	Township of Kingwood	Borough of Milford	Totals
2008	\$ 4,377,008	\$ 900,748	\$ 3,495,843	\$ 2,696,960	\$ 681,788	\$ 12,152,347
2009	4,463,637	755,988	3,674,898	2,748,636	720,690	12,363,849
2010	4,745,522	749,212	3,827,215	2,915,082	693,691	12,930,722
2011	4,372,776	710,294	3,871,780	3,069,781	795,985	12,820,616
2012	4,337,911	655,433	4,079,543	3,340,691	776,592	13,190,170
2013	4,726,575	713,973	3,979,402	3,459,339	603,348	13,482,637

Source: District Records

Note: Information prior to fiscal year 2008 is unavailable

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND-OTHER LOCAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Description	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Interest Income	\$ 33,086	\$ 71,041	\$ 119,170	\$ 155,025	\$ 114,611	\$ 43,642	\$ 18,339	\$ 13,662	\$ 3,879	\$ 3,908
Tuition	6,500		13,650		19,125	16,779	5,910	32,083	36,100	33,380
Book Fines					2,286	1,857	2,871	1,811	563	484
Prior Year:										
Outstanding Checks Canceled					12,611		6,032	3,950	9,274	
Refunds					15,723	560	15,379	19,102	6,933	15,147
Accounts Payable Canceled							2,120		2,498	6,348
Sale of Surplus Equipment	8,350				222	120				6,230
Transportation					4,122					
Building Use Rental Income	5,294				33,307	1,100	5,550	5,325	400	1,000
Donations						16,214		2,000	100	70,587
Prior Year Expense Insurance & Restitution Recovery								129,400	6,500	5,500
Advanced Placement Testing Fees								21,691		
Technology Student User Fees										36,720
Miscellaneous:										
Account Balances Canceled					4,262					417
Refunds					12,749	74			176	
Miscellaneous	81,852	9,714	38,774	49,949	4,810	3,939	1,911	228	778	103
Annual Totals	<u>\$ 135,082</u>	<u>\$ 80,755</u>	<u>\$ 171,594</u>	<u>\$ 204,974</u>	<u>\$ 223,828</u>	<u>\$ 84,285</u>	<u>\$ 58,112</u>	<u>\$ 229,252</u>	<u>\$ 67,201</u>	<u>\$ 179,824</u>

Sources: District Records

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY-ALL CONSTITUENT DISTRICTS
 LAST TEN FISCAL YEARS

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Vacant Land	\$ 53,014,993	\$ 71,769,879	\$ 75,428,179	\$ 83,396,300	\$ 74,728,800	\$ 66,839,400	\$ 58,521,900	\$ 52,832,600	\$ 50,270,900	\$ 48,539,200
Residential	1,496,838,350	1,642,067,600	1,667,358,600	1,949,119,300	1,983,441,800	1,999,400,800	1,934,002,200	1,943,464,700	1,930,780,900	1,921,569,100
Farm-Regular	209,137,300	222,408,200	235,005,000	303,512,600	313,057,500	322,024,300	310,206,800	311,591,200	314,133,600	315,570,700
Farm-Qualified	10,280,555	10,162,514	22,365,552	12,716,896	12,547,319	12,517,939	12,444,181	12,438,433	12,448,351	12,379,332
Commercial	91,760,753	93,349,373	92,724,673	113,482,558	112,788,758	118,843,658	111,884,758	112,262,958	111,870,858	112,145,458
Industrial	50,614,860	48,910,360	41,157,260	43,855,850	43,672,450	33,135,550	32,080,250	31,626,150	30,745,250	29,245,250
Apartment	12,323,100	12,145,100	12,111,800	12,449,380	12,449,380	12,776,000	12,131,400	12,100,800	12,100,800	12,100,800
Total Assessed Value	1,923,969,911	2,100,813,026	2,146,151,064	2,518,532,884	2,552,686,007	2,565,537,647	2,471,271,489	2,476,316,841	2,462,350,659	2,451,549,840
Public Utilities (a)	6,054,439	6,251,785	6,023,757	6,669,891	6,507,280	6,224,110	6,817,385	6,628,715	6,739,778	5,973,226
Net Valuation Taxable	\$ 1,930,024,350	\$ 2,107,064,811	\$ 2,152,174,821	\$ 2,525,202,775	\$ 2,559,193,287	\$ 2,571,761,757	\$ 2,478,088,874	\$ 2,482,945,556	\$ 2,469,090,437	\$ 2,457,523,066
Estimated Actual County Equalized Value	\$ 2,067,204,295	\$ 2,320,891,611	\$ 2,569,718,167	\$ 2,831,345,195	\$ 2,828,793,819	\$ 2,762,640,809	\$ 2,744,512,632	\$ 2,617,660,326	\$ 2,483,110,721	\$ 2,375,458,520
Percentage of Net Valuation to Estimated Actual County Equalized Value	93.36%	90.79%	83.75%	89.19%	90.47%	93.09%	90.29%	94.85%	99.44%	103.45%
Regional High School Tax Rate by Constituent District:										
Alexandria Township	\$ 0.44	\$ 0.48	\$ 0.52	\$ 0.56	\$ 0.55	\$ 0.57	\$ 0.53	\$ 0.52	\$ 0.57	\$ 0.59
Frenchtown Borough	\$ 0.47	\$ 0.50	\$ 0.53	\$ 0.61	\$ 0.50	\$ 0.50	\$ 0.47	\$ 0.44	\$ 0.48	\$ 0.52
Holland Township	\$ 0.49	\$ 0.42	\$ 0.46	\$ 0.46	\$ 0.48	\$ 0.50	\$ 0.50	\$ 0.53	\$ 0.52	\$ 0.50
Kingwood Township	\$ 0.71	\$ 0.76	\$ 0.79	\$ 0.39	\$ 0.39	\$ 0.41	\$ 0.51	\$ 0.55	\$ 0.57	\$ 0.59
Milford Borough	\$ 0.46	\$ 0.50	\$ 0.46	\$ 0.57	\$ 0.59	\$ 0.59	\$ 0.68	\$ 0.66	\$ 0.51	\$ 0.52

Source: Municipal Tax Assessors

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

(a) Taxable value of machinery, implements and equipments of telephone and messenger system companies

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY BY CONSTITUENT DISTRICT-
 ALEXANDRIA TOWNSHIP
 LAST TEN FISCAL YEARS

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Vacant Land	\$ 19,513,914	\$ 36,947,000	\$ 42,729,100	\$ 33,421,700	\$ 27,780,400	\$ 23,145,300	\$ 19,873,200	\$ 14,932,700	\$ 13,406,100	\$ 12,754,400
Residential	570,932,700	580,220,100	591,260,800	613,108,800	644,944,300	653,844,600	661,048,700	670,392,500	661,932,700	654,129,600
Farm-Regular	92,534,800	93,233,700	102,581,300	110,104,700	114,371,300	119,772,700	120,545,600	121,687,600	122,866,700	123,550,900
Farm-Qualified	4,190,318	4,063,271	4,053,249	3,972,780	3,864,670	3,962,339	3,957,181	4,037,633	4,082,151	4,052,732
Commercial	21,808,288	22,067,188	21,353,888	21,479,488	21,719,788	21,679,788	21,720,188	21,752,488	21,045,588	20,957,488
Industrial	2,534,800	2,534,800	2,534,800	2,534,800	2,534,800	2,534,800	2,534,800	2,534,800	2,534,800	1,034,800
Apartment	418,900	418,900	418,900	418,900	418,900	418,900	418,900	418,900	418,900	418,900
Total Assessed Value	711,933,720	739,484,959	764,932,037	785,041,168	815,634,158	825,358,427	830,098,569	835,756,621	826,286,939	816,898,820
Public Utilities (a)	1,882,252	1,934,337	1,952,128	2,004,605	1,769,750	1,515,311	1,960,839	2,175,745	2,293,602	2,109,187
Net Valuation Taxable	\$ 713,815,972	\$ 741,419,296	\$ 766,884,165	\$ 787,045,773	\$ 817,403,908	\$ 826,873,738	\$ 832,059,408	\$ 837,932,366	\$ 828,580,541	\$ 819,008,007
Estimated Actual County Equalized Value	\$ 642,283,188	\$ 706,071,605	\$ 835,122,231	\$ 893,908,093	\$ 916,853,752	\$ 900,393,499	\$ 884,510,905	\$ 855,451,114	\$ 802,261,594	\$ 777,229,047
Percentage of Net Valuation to Estimated Actual County Equalized Value	111.14%	105.01%	91.83%	88.05%	89.15%	91.83%	94.07%	97.95%	103.28%	105.38%
Total Regional High School Tax Rate (b)	\$ 0.44	\$ 0.48	\$ 0.52	\$ 0.56	\$ 0.55	\$ 0.57	\$ 0.53	\$ 0.52	\$ 0.57	\$ 0.59

*

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation
 Re-assessment occurs when the County Board of Taxation requests Treasury to order a re-assessment

(a) Taxable value of machinery, implements and equipments of telephone and messenger system companies

(b) Tax rates are per \$100

* Revalued/Reassessed

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY BY CONSTITUENT DISTRICT-
 FRENCHTOWN BOROUGH
 LAST TEN FISCAL YEARS

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Vacant Land	\$ 3,806,500	\$ 2,704,600	\$ 2,617,100	\$ 2,554,500	\$ 2,554,500	\$ 2,608,300	\$ 2,505,100	\$ 2,505,100	\$ 2,505,100	\$ 2,505,100
Residential	108,585,800	108,135,800	108,765,800	108,162,700	108,094,600	108,052,500	109,384,700	108,678,000	108,976,400	108,741,700
Farm-Regular	898,600	898,600	898,600	898,600	898,600	898,600	898,600	898,600	898,600	898,600
Farm-Qualified	27,705	76,805	76,805	52,749	52,749	14,200	14,700	14,700	14,700	14,700
Commercial	26,794,400	26,621,400	26,699,600	26,662,500	28,085,300	27,687,500	26,861,900	26,785,700	26,737,800	26,737,800
Industrial	3,622,350	3,726,350	3,726,350	3,726,350	3,726,350	3,726,350	3,726,350	3,726,350	3,726,350	3,726,350
Apartment	6,867,600	6,867,600	6,834,300	6,119,880	6,119,880	6,446,500	6,045,500	6,045,500	6,045,500	6,045,500
Total Assessed Value	150,602,955	149,031,155	149,618,555	148,177,279	149,531,979	149,433,950	149,436,850	148,653,950	148,904,450	148,669,750
Public Utilities (a)	611,511	881,591	970,914	945,769	1,059,003	1,130,900	889,485	725,240	592,657	489,679
Net Valuation Taxable	\$ 151,214,466	\$ 149,912,746	\$ 150,589,469	\$ 149,123,048	\$ 150,590,982	\$ 150,564,850	\$ 150,326,335	\$ 149,379,190	\$ 149,497,107	\$ 149,159,429
Estimated Actual County Equalized Value	\$ 129,596,570	\$ 142,156,740	\$ 166,760,565	\$ 180,920,032	\$ 189,110,834	\$ 182,114,565	\$ 177,418,076	\$ 171,957,166	\$ 166,644,863	\$ 159,392,422
Percentage of Net Valuation to Estimated Actual County Equalized Value	116.68%	105.46%	90.30%	82.42%	79.63%	82.68%	84.73%	86.87%	89.71%	93.58%
Total Regional High School Tax Rate (b)	\$ 0.47	\$ 0.50	\$ 0.53	\$ 0.61	\$ 0.50	\$ 0.50	\$ 0.47	\$ 0.44	\$ 0.48	\$ 0.52

*

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation
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(a) Taxable value of machinery, implements and equipments of telephone and messenger system companies

(b) Tax rates are per \$100

* Revalued/Reassessed

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY BY CONSTITUENT DISTRICT-
 HOLLAND TOWNSHIP
 LAST TEN FISCAL YEARS

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Vacant Land	\$ 15,662,100	\$ 19,866,700	\$ 18,740,600	\$ 15,993,100	\$ 13,910,600	\$ 13,960,200	\$ 13,623,600	\$ 12,898,800	\$ 11,043,000	\$ 10,255,300
Residential	504,186,100	631,566,600	637,852,300	646,038,300	644,816,900	646,967,000	646,506,300	646,373,000	646,768,800	643,244,500
Farm-Regular	52,317,000	64,036,700	66,490,700	66,731,500	72,529,100	73,861,100	75,961,400	75,820,600	74,547,600	75,823,800
Farm-Qualified	2,527,500	2,514,200	2,428,000	2,402,600	2,619,500	2,615,500	2,588,800	2,555,100	2,519,600	2,579,300
Commercial	14,981,200	16,210,700	16,221,100	16,192,600	16,192,600	16,150,100	16,302,400	16,202,400	16,745,200	16,745,200
Industrial	27,813,300	26,004,800	17,736,700	17,736,700	17,716,700	14,480,500	14,480,500	14,026,400	13,145,500	13,145,500
Apartment	587,900	409,900	409,900	409,900	409,900	409,900	409,900	409,900	409,900	409,900
Total Assessed Value	618,075,100	760,609,600	759,879,300	765,504,700	768,195,300	768,444,300	769,872,900	768,286,200	765,179,600	762,203,500
Public Utilities (a)	2,212,182	2,196,628	1,901,237	1,865,780	1,915,521	1,952,899	2,066,917	1,938,850	1,948,801	1,671,889
Net Valuation Taxable	\$ 620,287,282	\$ 762,806,228	\$ 761,780,537	\$ 767,370,480	\$ 770,110,821	\$ 770,397,199	\$ 771,939,817	\$ 770,225,050	\$ 767,128,401	\$ 763,875,389
Estimated Actual County Equalized Value	\$ 656,913,449	\$ 759,926,853	\$ 808,243,008	\$ 876,204,072	\$ 854,549,495	\$ 830,689,491	\$ 832,100,698	\$ 783,944,071	\$ 746,069,777	\$ 691,448,812
Percentage of Net Valuation to Estimated Actual County Equalized Value	94.42%	100.38%	94.25%	87.58%	90.12%	92.74%	92.77%	98.25%	102.82%	110.47%
Total Regional High School Tax Rate (b)	\$ 0.49	\$ 0.42	\$ 0.46	\$ 0.46	\$ 0.48	\$ 0.50	\$ 0.50	\$ 0.53	\$ 0.52	\$ 0.50

*

Source: Municipal Tax Assessor

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(a) Taxable value of machinery, implements and equipments of telephone and messenger system companies

(b) Tax rates are per \$100

* Revalued/Reassessed

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY BY CONSTITUENT DISTRICT-
 KINGWOOD TOWNSHIP
 LAST TEN FISCAL YEARS

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Vacant Land	\$ 10,409,379	\$ 9,292,379	\$ 9,344,079	\$ 29,392,700	\$ 28,977,700	\$ 24,913,500	\$ 19,877,000	\$ 19,848,200	\$ 20,682,400	\$ 20,444,100
Residential	223,549,850	232,456,100	236,095,900	486,985,900	490,067,000	494,471,800	421,467,300	422,700,800	417,770,800	420,624,300
Farm-Regular	62,229,900	62,830,700	63,625,900	124,369,300	123,850,000	126,078,000	111,387,300	111,775,600	114,411,900	113,888,600
Farm-Qualified	3,504,032	3,476,438	15,775,698	6,256,967	5,970,400	5,910,000	5,862,400	5,809,900	5,810,800	5,711,500
Commercial	15,903,295	16,010,415	16,010,415	36,682,000	34,335,100	40,870,300	34,544,300	35,078,200	34,583,000	34,945,700
Industrial	8,325,610	8,325,610	8,840,610	11,539,200	11,539,200	10,401,900	9,346,600	9,346,600	9,346,600	9,346,600
Apartment	1,210,500	1,210,500	1,210,500	2,262,500	2,262,500	2,262,500	2,018,900	1,988,300	1,988,300	1,988,300
Total Assessed Value	325,132,566	333,602,142	350,903,102	697,488,567	697,001,900	704,908,000	604,503,800	606,547,600	604,593,800	606,949,100
Public Utilities (a)	1,040,047	947,193	947,193	1,622,202	1,526,249	1,359,500	1,639,850	1,559,512	1,663,096	1,480,282
Net Valuation Taxable	\$ 326,172,613	\$ 334,549,335	\$ 351,850,295	\$ 699,110,769	\$ 698,528,149	\$ 706,267,500	\$ 606,143,650	\$ 608,107,112	\$ 606,256,896	\$ 608,429,382
Estimated Actual County Equalized Value	\$ 508,082,317	\$ 577,613,171	\$ 615,263,836	\$ 716,228,633	\$ 717,447,587	\$ 704,115,651	\$ 697,511,612	\$ 660,555,194	\$ 639,241,772	\$ 629,713,705
Percentage of Net Valuation to Estimated Actual County Equalized Value	64.20%	57.92%	57.19%	97.61%	97.36%	100.31%	86.90%	92.06%	94.84%	96.62%
Total Regional High School Tax Rate (b)	\$ 0.71	\$ 0.76	\$ 0.79	\$ 0.39	\$ 0.39	\$ 0.41	\$ 0.51	\$ 0.55	\$ 0.57	\$ 0.59

*

*

Source: Municipal Tax Assessor

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(a) Taxable value of machinery, implements and equipments of telephone and messenger system companies

(b) Tax rates are per \$100

* Revalued/Reassessed

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY BY CONSTITUENT DISTRICT-
 MILFORD BOROUGH
 LAST TEN FISCAL YEARS

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Vacant Land	\$ 3,623,100	\$ 2,959,200	\$ 1,997,300	\$ 2,034,300	\$ 1,505,600	\$ 2,212,100	\$ 2,643,000	\$ 2,647,800	\$ 2,634,300	\$ 2,580,300
Residential	89,583,900	89,689,000	93,383,800	94,823,600	95,519,000	96,064,900	95,595,200	95,320,400	95,332,200	94,829,000
Farm-Regular	1,157,000	1,408,500	1,408,500	1,408,500	1,408,500	1,413,900	1,413,900	1,408,800	1,408,800	1,408,800
Farm-Qualified	31,000	31,800	31,800	31,800	40,000	15,900	21,100	21,100	21,100	21,100
Commercial	12,273,570	12,439,670	12,439,670	12,465,970	12,455,970	12,455,970	12,455,970	12,444,170	12,759,270	12,759,270
Industrial	8,318,800	8,318,800	8,318,800	8,318,800	8,155,400	1,992,000	1,992,000	1,992,000	1,992,000	1,992,000
Apartment	3,238,200	3,238,200	3,238,200	3,238,200	3,238,200	3,238,200	3,238,200	3,238,200	3,238,200	3,238,200
Total Assessed Value	118,225,570	118,085,170	120,818,070	122,321,170	122,322,670	117,392,970	117,359,370	117,072,470	117,385,870	116,828,670
Public Utilities (a)	308,447	292,036	252,285	231,535	236,757	265,500	260,294	229,368	241,622	222,189
Net Valuation Taxable	\$ 118,534,017	\$ 118,377,206	\$ 121,070,355	\$ 122,552,705	\$ 122,559,427	\$ 117,658,470	\$ 117,619,664	\$ 117,301,838	\$ 117,627,492	\$ 117,050,859
Estimated Actual County Equalized Value	\$ 130,328,771	\$ 135,123,242	\$ 144,328,527	\$ 164,084,365	\$ 150,832,151	\$ 145,327,603	\$ 152,971,341	\$ 145,752,781	\$ 128,892,715	\$ 117,674,534
Percentage of Net Valuation to Estimated Actual County Equalized Value	90.95%	87.61%	83.89%	74.69%	81.26%	80.96%	76.89%	80.48%	91.26%	99.47%
Total Regional High School Tax Rate (b)	\$ 0.46	\$ 0.50	\$ 0.46	\$ 0.57	\$ 0.59	\$ 0.59	\$ 0.68	\$ 0.66	\$ 0.51	\$ 0.52

*

Source: Municipal Tax Assessor

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(a) Taxable value of machinery, implements and equipments of telephone and messenger system companies

(b) Tax rates are per \$100

* Revalued/Reassessed

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 DIRECT AND OVERLAPPING PROPERTY TAX RATES BY CONSTITUENT DISTRICT-
 ALEXANDRIA TOWNSHIP
 LAST TEN FISCAL YEARS
 (RATE PER \$100 OF ASSESSED VALUE)

Assessment Year	School District Direct Rate						Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-7)		Direct School Tax Rate	Municipality	County		
			Total Regional High School Tax Rate						
2004	\$ 0.41	\$ 0.03	\$ 0.44	\$ 0.85	\$ 0.19	\$ 0.36	\$ 1.84		
2005	0.45	0.03	0.48	0.85	0.19	0.36	1.88		
2006	0.49	0.03	0.52	0.88	0.21	0.39	2.00		
2007	0.53	0.03	0.56	0.90	0.21	0.38	2.05		
2008	0.52	0.03	0.55	0.91	0.21	0.37	2.04		
2009	0.54	0.03	0.57	0.91	0.21	0.38	2.07		
2010	0.52	0.01	0.53	0.95	0.21	0.36	2.05		
2011	0.50	0.02	0.52	0.93	0.21	0.35	2.01		
2012	0.54	0.03	0.57	0.96	0.21	0.34	2.08		
2013	0.57	0.02	0.59	0.97	0.21	0.34	2.11		

Sources: Municipal Tax Collector

NOTE: NJSA 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 pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- (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.

* Revalued / Reassessed

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 DIRECT AND OVERLAPPING PROPERTY TAX RATES BY CONSTITUENT DISTRICT-
 FRENCHTOWN BOROUGH
 LAST TEN FISCAL YEARS
 (RATE PER \$100 OF ASSESSED VALUE)

Assessment Year	School District Direct Rate							Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-7)		Overlapping Rates			
			Total Regional High School Tax Rate	Direct School Tax Rate	Municipality	County		
2004	* \$ 0.44	\$ 0.03	\$ 0.47	\$ 0.91	\$ 0.40	\$ 0.35	\$ 2.13	
2005	0.47	0.03	0.50	0.95	0.44	0.36	2.25	
2006	0.50	0.03	0.53	0.99	0.50	0.40	2.42	
2007	0.58	0.03	0.61	1.05	0.55	0.40	2.61	
2008	0.48	0.02	0.50	1.08	0.54	0.42	2.54	
2009	0.48	0.02	0.50	1.12	0.56	0.42	2.60	
2010	0.46	0.01	0.47	1.17	0.60	0.41	2.65	
2011	0.42	0.02	0.44	1.19	0.62	0.40	2.65	
2012	0.46	0.02	0.48	1.21	0.65	0.40	2.74	
2013	0.50	0.02	0.52	1.24	0.67	0.40	2.83	

Sources: Municipal Tax Collector

NOTE: NJSA 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 pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 DIRECT AND OVERLAPPING PROPERTY TAX RATES BY CONSTITUENT DISTRICT-
 HOLLAND TOWNSHIP
 LAST TEN FISCAL YEARS
 (RATE PER \$100 OF ASSESSED VALUE)

Assessment Year	School District Direct Rate						Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-7)		Overlapping Rates		
			Total Regional High School Tax Rate	Direct School Tax Rate	Municipality	County	
2004	\$ 0.46	\$ 0.03	\$ 0.49	\$ 1.00		\$ 0.44	\$ 1.93
2005	* 0.40	0.02	0.42	0.88		0.38	1.68
2006	0.44	0.02	0.46	0.96		0.38	1.80
2007	0.44	0.02	0.46	0.99		0.38	1.83
2008	0.46	0.02	0.48	1.00		0.37	1.85
2009	0.48	0.02	0.50	1.05		0.37	1.92
2010	0.49	0.01	0.50	1.08		0.37	1.95
2011	0.51	0.02	0.53	1.09		0.35	1.97
2012	0.50	0.02	0.52	1.08		0.34	1.94
2013	0.48	0.02	0.50	1.11		0.33	1.94

Sources: Municipal Tax Collector

NOTE: NJSA 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 pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- (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.

* Revalued / Reassessed

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 DIRECT AND OVERLAPPING PROPERTY TAX RATES BY CONSTITUENT DISTRICT-
 KINGWOOD TOWNSHIP
 LAST TEN FISCAL YEARS
 (RATE PER \$100 OF ASSESSED VALUE)

Assessment Year	School District Direct Rate						Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-7)		Overlapping Rates		
			Total Regional High School Tax Rate	Direct School Tax Rate	Municipality	County	
2004	\$ 0.67	\$ 0.04	\$ 0.71	\$ 1.24	\$ 0.22	\$ 0.63	\$ 2.80
2005	0.72	0.04	0.76	1.36	0.31	0.65	3.08
2006	0.75	0.04	0.79	1.37	0.30	0.62	3.08
2007	* 0.37	0.02	0.39	0.72	0.17	0.34	1.62
2008	0.37	0.02	0.39	0.74	0.19	0.34	1.66
2009	0.39	0.02	0.41	0.75	0.19	0.34	1.69
2010	* 0.50	0.01	0.51	0.90	0.22	0.39	2.02
2011	0.53	0.02	0.55	0.89	0.22	0.37	2.03
2012	0.54	0.03	0.57	0.91	0.23	0.37	2.08
2013	0.57	0.02	0.59	0.90	0.23	0.38	2.10

Sources: Municipal Tax Collector

NOTE: NJSA 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 pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- (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.

* Revalued / Reassessed

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 DIRECT AND OVERLAPPING PROPERTY TAX RATES BY CONSTITUENT DISTRICT-
 MILFORD BOROUGH
 LAST TEN FISCAL YEARS
 (RATE PER \$100 OF ASSESSED VALUE)

Assessment Year	School District Direct Rate			Overlapping Rates			Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-7) Total Regional High School Tax Rate	Direct School Tax Rate	Municipality	County	
2004	\$ 0.43	\$ 0.03	\$ 0.46	\$ 1.18	\$ 0.45	\$ 0.45	\$ 2.54
2005	0.47	0.03	0.50	1.18	0.45	0.42	2.55
2006	0.44	0.02	0.46	1.23	0.51	0.42	2.62
2007	0.54	0.03	0.57	1.27	0.60	0.43	2.87
2008	0.56	0.03	0.59	1.30	0.64	0.40	2.93
2009	0.56	0.03	0.59	1.41	0.68	0.42	3.10
2010	0.67	0.01	0.68	1.48	0.68	0.44	3.28
2011	0.63	0.03	0.66	1.48	0.68	0.42	3.24
2012	0.49	0.02	0.51	1.50	0.69	0.38	3.08
2013	0.50	0.02	0.52	1.54	0.70	0.35	3.11

Sources: Municipal Tax Collector

NOTE: NJSA 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 pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

(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.

* Revalued / Reassessed

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAXPAYERS BY CONSTITUENT DISTRICT-
 ALEXANDRIA TOWNSHIP
 CURRENT YEAR AND NINE YEARS PRIOR

	2013			2004		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Individual Property Owner #1	\$ 6,569,500	1	0.80%	\$ 6,182,300	1	0.87%
Sky Manor Airport Partners LLC	2,661,900	2	0.33%			
Columbia Gas Transmission	2,571,488	3	0.31%	2,571,488	3	0.36%
United Telephone Company	1,930,413	4	0.24%	1,841,283	4	0.26%
Abplanalp c/o J Veneruso, Esq.	1,686,300	5	0.21%			
Manchanda Shapiro Rauch LLC	1,541,000	6	0.19%	1,541,000	5	0.22%
Desapio Properties #Six	1,486,900	7	0.18%			
Individual Property Owner #2	1,387,100	8	0.17%	3,561,300	2	0.50%
Individual Property Owner #3	1,359,200	9	0.17%	1,235,400	8	0.17%
Individual Property Owner #4	1,341,500	10	0.16%	1,229,700	9	0.17%
Saphire Inc c/o Riverside Jeans				1,486,900	6	0.21%
Toll NJ II LP				1,263,400	7	0.18%
Individual Property Owner #5				1,207,300	10	0.17%
	<u>\$ 22,535,301</u>		<u>2.76%</u>	<u>\$ 22,120,071</u>		<u>3.11%</u>

Source: Municipal Tax Assessor

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAXPAYERS BY CONSTITUENT DISTRICT-
 FRENCHTOWN BOROUGH
 CURRENT YEAR AND NINE YEARS PRIOR

	2013			2004		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
	Frenchtown Associates LLC	\$ 2,950,000	1	1.98%	\$ 3,390,100	1
Frenchtown Properties LLC	2,145,200	2	1.44%			
Frenchtown Barn Center LLC	1,500,000	3	1.01%	1,113,600	4	0.74%
Davon LLC	977,200	4	0.66%	977,200	5	0.65%
Bridge Race Properties c/o Williams	972,200	5	0.65%	972,200	6	0.64%
Individual Property Owner #1	830,800	6	0.56%	830,800	10	0.55%
Warren House LLC	809,900	7	0.54%			
Traub Holdings LLC	758,400	8	0.51%			
B & B Properties LLC	748,500	9	0.50%			
T2 Services Inc	724,700	10	0.49%			
Individual Property Owner #2				2,041,200	2	1.35%
Individual Property Owner #3				1,586,300	3	1.05%
United Telephone Company of NJ				896,118	7	0.59%
Individual Property Owner #4				877,600	8	0.58%
Thompson Realty				835,000	9	0.55%
	<u>\$ 12,416,900</u>		<u>8.34%</u>	<u>\$ 13,520,118</u>		<u>8.94%</u>

Source: Municipal Tax Assessor

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAXPAYERS BY CONSTITUENT DISTRICT-
 HOLLAND TOWNSHIP
 CURRENT YEAR AND NINE YEARS PRIOR

	2013			2004		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Genon Energy Services	\$ 8,000,000	1	1.05%	\$ 18,606,800	1	3.00%
Oak Hill Golf Club	5,168,000	2	0.68%	4,096,300	3	0.66%
Individual Property Owner	3,268,000	3	0.43%			
Georgia Pacific Corporation	2,845,900	4	0.37%			
Columbia Gas	2,206,500	5	0.29%	2,191,700	5	0.35%
Fiberville Estates	1,973,700	6	0.26%			
Individual Property Owner	1,672,700	7	0.22%			
KJA Holdings Inc.	1,349,500	8	0.18%			
Verizon-NJ	1,340,627	9	0.18%	1,876,706	6	0.30%
Individual Property Owner	1,151,800	10	0.15%			
Fibermark				7,502,800	2	1.21%
SV Partnership				2,686,000	4	0.43%
Individual Property Owner				1,421,800	7	0.23%
Riegel Federated Credit Union				1,226,300	8	0.20%
Individual Property Owner				1,195,800	9	0.19%
Hunterdon Capital				1,130,300	10	0.18%
	<u>\$ 28,976,727</u>		<u>3.81%</u>	<u>\$ 41,934,506</u>		<u>6.75%</u>

Source: Municipal Tax Assessor

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAXPAYERS BY CONSTITUENT DISTRICT-
 KINGWOOD TOWNSHIP
 CURRENT YEAR AND NINE YEARS PRIOR

	2013			2004		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Buckeye Pipeline Co	\$ 4,575,000	1	0.75%	\$ 2,325,300	2	0.71%
Route 12 Business Park LLC	4,188,100	2	0.69%			
Mel Chemicals Inc.	3,463,700	3	0.57%			
Buckeye Pipeline Co	3,040,000	4	0.50%			
Perini Properties Inc	2,895,500	5	0.48%			
869 Associates LLC	2,324,100	6	0.38%			
Individual Property Owner #1	1,650,800	7	0.27%	2,100,000	3	0.64%
Frenchtown ii Solar LLC	1,500,000	8	0.25%			
880 State Highway 12 LLC	1,486,000	9	0.24%			
Individual Property Owner #2	1,435,800	10	0.24%	1,079,800	5	0.33%
Magnesium Elektron Inc.				3,768,400	1	1.16%
Lutz Welding & Fabricating				1,783,100	4	0.55%
United Telephone Company of NJ				1,004,249	6	0.31%
Individual Property Owner #3				913,500	7	0.28%
Individual Property Owner #4				791,500	8	0.24%
Razberry's Inc				743,900	9	0.23%
Individual Property Owner #5				737,900	10	0.23%
	<u>\$ 26,559,000</u>		<u>4.37%</u>	<u>\$ 15,247,649</u>		<u>4.67%</u>

Source: Municipal Tax Assessor

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAXPAYERS BY CONSTITUENT DISTRICT-
 MILFORD BOROUGH
 CURRENT YEAR AND NINE YEARS PRIOR

	2013			2004		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Pine Crest Village Associates c/o Branch	\$ 3,238,200	1	2.77%	\$ 3,238,200	2	2.73%
International Paper Company	1,336,600	2	1.14%			
Hunterdon Medical Center	1,131,000	3	0.97%	1,131,000	3	0.95%
60 Bridge Street LLC #1	805,500	4	0.69%			
60 Bridge Street LLC #2	702,100	5	0.60%			
Peter Trustee Kerl	573,700	6	0.49%			
Individual Property Owner #1	539,100	7	0.46%			
Stem Brothers	523,700	8	0.45%	623,700	5	0.53%
Individual Property Owner #2	504,800	9	0.43%			
Little Kids NJ Partnership	462,500	10	0.40%			
Royal Blue Papers Incorporated				7,500,000	1	6.33%
Hudson United Bank				702,100	4	0.59%
Individual Property Owner #3				573,700	6	0.48%
Adams Bakery Corp				490,400	7	0.41%
Milford Marketplace				462,500	8	0.39%
Individual Property Owner #4				461,700	7	0.39%
Individual Property Owner #5				458,800	10	0.39%
	<u>\$ 9,817,200</u>		<u>8.40%</u>	<u>\$ 15,642,100</u>		<u>13.19%</u>

Source: Municipal Tax Assessor

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS-
ALL CONSTITUENT DISTRICTS
LAST TEN YEARS

Year Ending December 31,	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy (a)	
		Amount	Percentage of Levy
2003	\$ 37,219,141	\$ 36,049,953	96.86%
2004	41,253,387	39,816,461	96.52%
2005	44,234,125	42,855,912	96.88%
2006	48,153,176	46,150,813	95.84%
2007	49,666,924	48,061,258	96.77%
2008	50,410,019	48,733,738	96.67%
2009	51,616,219	49,927,007	96.73%
2010	52,304,396	50,848,046	97.22%
2011	52,389,218	50,920,236	97.20%
2012	52,530,174	51,183,005	97.44%

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

(a) School taxes are collected by the municipal tax collector. Under New Jersey State 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.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
BY CONSTITUENT DISTRICT-ALEXANDRIA TOWNSHIP
LAST TEN FISCAL YEARS

Year Ending December 31,	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy (a)	
		Amount	Percentage of Levy
2003	\$ 12,223,629	\$ 11,942,207	97.69%
2004	13,397,029	13,068,375	97.55%
2005	14,437,176	14,044,869	97.28%
2006	15,931,698	15,474,906	97.13%
2007	16,649,297	16,157,347	97.05%
2008	16,864,974	16,357,947	96.99%
2009	17,244,150	16,796,794	97.41%
2010	17,108,149	16,736,531	97.83%
2011	16,814,218	16,484,702	98.04%
2012	17,240,449	16,920,099	98.14%

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

(a) School taxes are collected by the municipal tax collector. Under New Jersey State 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.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
BY CONSTITUENT DISTRICT-FRENCHTOWN BOROUGH
LAST TEN FISCAL YEARS

Year Ending December 31,	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy (a)	
		Amount	Percentage of Levy
2003	\$ 2,961,135	\$ 2,876,298	97.13%
2004	3,221,596	3,065,440	95.15%
2005	3,380,115	3,276,470	96.93%
2006	3,648,964	3,459,905	94.82%
2007	3,920,222	3,736,078	95.30%
2008	3,852,232	3,741,706	97.13%
2009	3,925,744	3,642,780	92.79%
2010	3,982,690	3,753,793	94.25%
2011	3,969,209	3,662,420	92.27%
2012	4,101,468	3,874,442	94.46%

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

(a) School taxes are collected by the municipal tax collector. Under New Jersey State 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.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
BY CONSTITUENT DISTRICT-HOLLAND TOWNSHIP
LAST TEN FISCAL YEARS

Year Ending December 31,	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy (a)	
		Amount	Percentage of Levy
2003	\$ 10,787,163	\$ 10,472,000	97.08%
2004	12,270,594	11,936,109	97.27%
2005	12,945,989	12,659,114	97.78%
2006	13,824,703	13,489,252	97.57%
2007	14,126,824	13,825,854	97.87%
2008	14,326,777	13,990,030	97.65%
2009	14,783,316	14,476,124	97.92%
2010	15,104,272	14,801,704	98.00%
2011	15,216,041	14,971,324	98.39%
2012	14,931,139	14,704,177	98.48%

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

(a) School taxes are collected by the municipal tax collector. Under New Jersey State 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.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
BY CONSTITUENT DISTRICT-KINGWOOD TOWNSHIP
LAST TEN FISCAL YEARS

Year Ending December 31,	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy (a)	
		Amount	Percentage of Levy
2003	\$ 8,759,756	\$ 8,511,868	97.17%
2004	9,341,808	8,995,984	96.30%
2005	10,365,736	10,032,517	96.79%
2006	11,482,594	10,736,432	93.50%
2007	11,426,531	11,075,341	96.93%
2008	11,742,295	11,327,917	96.47%
2009	12,016,948	11,452,551	95.30%
2010	12,253,395	11,821,890	96.48%
2011	12,574,328	12,112,601	96.33%
2012	12,635,478	12,203,574	96.58%

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

(a) School taxes are collected by the municipal tax collector. Under New Jersey State 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.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
BY CONSTITUENT DISTRICT-MILFORD BOROUGH
LAST TEN FISCAL YEARS

Year Ending December 31,	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy (a)	
		Amount	Percentage of Levy
2003	\$ 2,487,458	\$ 2,247,580	90.36%
2004	3,022,360	2,750,553	91.01%
2005	3,105,109	2,842,942	91.56%
2006	3,265,217	2,990,318	91.58%
2007	3,544,050	3,266,638	92.17%
2008	3,623,741	3,316,138	91.51%
2009	3,646,061	3,558,758	97.60%
2010	3,855,890	3,734,128	96.84%
2011	3,815,422	3,689,189	96.69%
2012	3,621,640	3,480,713	96.11%

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

(a) School taxes are collected by the municipal tax collector. Under New Jersey State 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.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	Governmental Activities				Business-Type Activities	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2004	\$ 6,719,000		\$ 246,026			\$ 6,965,026	0.71%	\$ 415
2005	6,394,000		158,914			6,552,914	0.65%	390
2006	6,039,000		64,907	\$ 1,600,000		7,703,907	0.76%	457
2007	5,669,000		27,766			5,696,766	0.52%	336
2008	5,284,000					5,284,000	0.45%	309
2009	4,884,000					4,884,000	0.41%	286
2010	4,469,000					4,469,000	0.40%	261
2011	4,039,000					4,039,000	0.36%	242
2012	3,535,000		422,609			3,957,609	0.35%	238
2013	3,055,000		341,320			3,396,320	N/A	206

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

(a) See Exhibit J-37 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(b) Includes Early Retirement Incentive Plan (ERIP) Refunding

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions			
2004	\$ 6,719,000		\$ 6,719,000	0.35%	\$ 400
2005	6,394,000		6,394,000	0.30%	380
2006	6,039,000		6,039,000	0.28%	358
2007	5,669,000		5,669,000	0.22%	334
2008	5,284,000		5,284,000	0.21%	309
2009	4,884,000		4,884,000	0.19%	286
2010	4,469,000		4,469,000	0.18%	261
2011	4,039,000		4,039,000	0.16%	242
2012	3,535,000		3,535,000	0.14%	212
2013	3,055,000		3,055,000	0.12%	186

NOTES: (1) Details regarding the district's outstanding debt can be found in the notes to the financial statements.

(a) See Exhibit J-7 for property tax data.

(b) Population data can be found in Exhibit J-37.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT BY CONSTITUENT DISTRICT-
 ALEXANDRIA TOWNSHIP
 AS OF DECEMBER 31, 2012

	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
GOVERNMENTAL UNIT			
Debt Repaid with Property Taxes:			
Local School District Debt	\$ 2,080,000	100.00	\$ 2,080,000
Regional High School District Debt	3,535,000	32.65	1,154,241
County General Obligation Debt	69,903,571	3.67	<u>2,564,670</u>
Subtotal Overlapping Debt			5,798,911
Municipality Direct Debt			<u>5,950,000</u>
Total Direct and Overlapping Debt			<u>\$ 11,748,911</u>

Sources: Assessed value data used to estimate applicable percentages provided by the county Board of Taxation. Debt outstanding data provided by each governmental unit.

NOTE: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the municipality. 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.

- (a) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT BY CONSTITUENT DISTRICT-
 FRENCHTOWN BOROUGH
 AS OF DECEMBER 31, 2012

GOVERNMENTAL UNIT	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
Local School District Debt	\$ 514,000	100.00	\$ 514,000
Regional High School District Debt	3,535,000	6.65	234,973
County General Obligation Debt	69,903,571	0.75	522,099
Subtotal Overlapping Debt			1,271,072
Municipality Direct Debt			17,823,124
Total Direct and Overlapping Debt			<u>\$ 19,094,196</u>

Sources: Assessed value data used to estimate applicable percentages provided by the county Board of Taxation. Debt outstanding data provided by each governmental unit.

NOTE: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the municipality. 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.

- (a) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT BY CONSTITUENT DISTRICT-
 HOLLAND TOWNSHIP
 AS OF DECEMBER 31, 2012

	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Overlapping Debt
GOVERNMENTAL UNIT			
Debt Repaid with Property Taxes:			
Regional High School District Debt	\$ 3,535,000	29.74	\$ 1,051,409
County General Obligation Debt	69,903,571	3.34	2,336,182
Subtotal Overlapping Debt			3,387,591
Municipality Direct Debt			155,492
Total Direct and Overlapping Debt			\$ 3,543,083

Sources: Assessed value data used to estimate applicable percentages provided by the county Board of Taxation. Debt outstanding data provided by each governmental unit.

NOTE: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the municipality. 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.

(a) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT BY CONSTITUENT DISTRICT-
 KINGWOOD TOWNSHIP
 AS OF DECEMBER 31, 2012

GOVERNMENTAL UNIT	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
Local School District Debt	\$ 2,250,000	100.00	\$ 2,250,000
Regional High School District Debt	3,535,000	25.71	908,933
County General Obligation Debt	69,903,571	2.89	<u>2,019,607</u>
Subtotal Overlapping Debt			5,178,540
Municipality Direct Debt			<u>3,410,099</u>
Total Direct and Overlapping Debt			<u>\$ 8,588,639</u>

Sources: Assessed value data used to estimate applicable percentages provided by the county Board of Taxation. Debt outstanding data provided by each governmental unit.

NOTE: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the municipality. 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.

- (a) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT BY CONSTITUENT DISTRICT-
MILFORD BOROUGH
AS OF DECEMBER 31, 2012

	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
GOVERNMENTAL UNIT			
Debt Repaid with Property Taxes:			
Local School District Debt	\$ 620,822	100.00	\$ 620,822
Regional High School District Debt	3,535,000	5.45	192,793
County General Obligation Debt	69,903,571	0.59	<u>412,048</u>
Subtotal Overlapping Debt			1,225,663
Municipality Direct Debt			<u>8,844,511</u>
Total Direct and Overlapping Debt			<u>\$ 10,070,174</u>

Sources: Assessed value data used to estimate applicable percentages provided by the county Board of Taxation. Debt outstanding data provided by each governmental unit.

NOTE: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the municipality. 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.

- (a) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION,
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2013

Equalized Valuation Basis- All Constituent Districts

2012	\$	2,403,450,846
2011		2,524,448,489
2010		2,651,070,127
		<u>7,578,969,462</u>

Average Equalized Valuation of Taxable Property

	\$	2,526,323,154
--	----	---------------

Debt Limit (3.0% of Average Equalization Value)

	\$	75,789,695	(a)
--	----	------------	-----

Total Net Debt Applicable to Limit

		3,055,000
--	--	-----------

Legal Debt Margin

	\$	72,734,695
--	----	------------

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit	\$ 49,791,220	\$ 56,363,496	\$ 63,730,851	\$ 71,698,403	\$ 78,820,849	\$ 83,261,784	\$ 83,850,857	\$ 81,655,498	\$ 78,254,366	\$ 75,789,695
Total Net Debt Applicable	<u>6,719,000</u>	<u>6,394,000</u>	<u>6,039,000</u>	<u>5,669,000</u>	<u>5,284,000</u>	<u>4,884,000</u>	<u>4,469,000</u>	<u>4,039,000</u>	<u>3,535,000</u>	<u>3,055,000</u>
Legal Debt Margin	<u>\$ 43,072,220</u>	<u>\$ 49,969,496</u>	<u>\$ 57,691,851</u>	<u>\$ 66,029,403</u>	<u>\$ 73,536,849</u>	<u>\$ 78,377,784</u>	<u>\$ 79,381,857</u>	<u>\$ 77,616,498</u>	<u>\$ 74,719,366</u>	<u>\$ 72,734,695</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	13.49%	11.34%	9.48%	7.91%	6.70%	5.87%	5.33%	4.95%	4.52%	4.03%

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN YEARS

Constituent District	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
SCHOOL DISTRICT POPULATION (a)										
Alexandria Township	4,901	4,912	4,947	5,029	5,118	5,134	5,145	4,939	4,926	4,869
Frenchtown Borough	1,509	1,495	1,486	1,477	1,473	1,467	1,467	1,374	1,369	1,354
Holland Township	5,239	5,243	5,246	5,252	5,260	5,253	5,268	5,291	5,278	5,194
Kingwood Township	3,948	3,962	3,971	3,999	4,032	4,055	4,057	3,844	3,834	3,826
Milford Borough	1,192	1,193	1,199	1,205	1,200	1,194	1,192	1,234	1,231	1,208
	<u>16,789</u>	<u>16,805</u>	<u>16,849</u>	<u>16,962</u>	<u>17,083</u>	<u>17,103</u>	<u>17,129</u>	<u>16,682</u>	<u>16,638</u>	<u>16,451</u>
PERSONAL INCOME (b)										
Alexandria Township	\$ 288,355,236	\$ 295,501,008	\$ 296,226,360	\$ 325,305,894	\$ 350,009,784	\$ 358,183,778	\$ 338,360,925	\$ 331,174,767	\$ 333,539,460	N/A
Frenchtown Borough	88,783,524	89,937,705	88,981,680	95,541,222	100,735,524	102,348,189	96,477,255	92,130,822	92,694,990	N/A
Holland Township	308,241,804	315,413,637	314,130,480	339,730,872	359,720,880	366,486,051	346,450,020	354,777,423	357,373,380	N/A
Kingwood Township	232,284,528	238,349,958	237,783,480	258,679,314	275,740,416	282,905,185	266,808,605	257,751,732	259,600,140	N/A
Milford Borough	70,132,512	71,769,687	71,796,120	77,946,630	82,065,600	83,301,798	78,391,880	82,743,402	83,351,010	N/A
	<u>\$ 987,797,604</u>	<u>\$ 1,010,971,995</u>	<u>\$ 1,008,918,120</u>	<u>\$ 1,097,203,932</u>	<u>\$ 1,168,272,204</u>	<u>\$ 1,193,225,001</u>	<u>\$ 1,126,488,685</u>	<u>\$ 1,118,578,146</u>	<u>\$ 1,126,558,980</u>	N/A
PER CAPITA PERSONAL INCOME (c)										
County of Hunterdon	\$ 58,836	\$ 60,159	\$ 59,880	\$ 64,686	\$ 68,388	\$ 69,767	\$ 65,765	\$ 67,053	\$ 67,710	N/A
UNEMPLOYMENT RATE (d)										
Alexandria Township	5.3%	4.4%	4.6%	5.7%	4.9%	6.4%	11.4%	11.7%	11.5%	11.8%
Frenchtown Borough	4.4%	3.6%	4.1%	3.1%	2.7%	3.5%	6.4%	6.6%	6.5%	6.7%
Holland Township	3.6%	3.9%	3.2%	4.0%	3.5%	4.5%	8.2%	8.4%	8.2%	8.4%
Kingwood Township	5.7%	4.7%	3.4%	3.8%	3.3%	4.3%	7.8%	8.0%	7.8%	8.0%
Milford Borough	4.2%	3.6%	3.8%	6.2%	5.4%	7.0%	12.4%	12.7%	12.5%	12.9%

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development
- (b) Personal Income has been estimated based upon the municipal population and per capita personal income presented
- (c) Per Capita Personal Income by County Estimated Based Upon the 2010 Census Published by the US Bureau of Economic Analysis
- (d) Unemployment Data Provided by the NJ Dept of Labor and Workforce Development

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2013			2004		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 FULL TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 LAST NINE FISCAL YEARS

FUNCTION/PROGRAM	2005	2006	2007	2008	2009	2010	2011	2012	2013
Instruction:									
Regular	57.0	59.0	65.0	61.5	64.0	61.0	52.5	56.0	55.0
Special Education	13.0	14.0	14.0	16.5	14.0	34.0	31.0	28.0	25.8
Other Instruction	6.0	6.0	6.0	7.5	9.0	1.0	2.0	2.5	3.0
Support Services:									
Student and Instruction Related Services	25.0	29.0	24.0	32.5	32.0	23.3	23.3	24.3	23.8
General Administration	5.0	5.0	4.0	4.0	4.0	1.5	1.5	1.5	1.5
School Administration Services	7.0	7.0	6.0	6.0	6.0	5.0	4.0	5.0	5.0
Central Services	3.0	3.0	3.0	3.0	3.0	3.5	3.5	3.5	3.5
Administrative Information Technology						1.0	0.5	0.5	0.5
Plant Operations and Maintenance	9.0	10.0	10.0	10.0	10.0	10.5	9.5	11.0	10.5
Pupil Transportation	27.0	41.0	45.0	55.0	50.0	37.0	31.0	32.0	37.0
Total	<u>152.0</u>	<u>174.0</u>	<u>177.0</u>	<u>196.0</u>	<u>192.0</u>	<u>177.8</u>	<u>158.8</u>	<u>164.3</u>	<u>165.5</u>

Sources: District Personnel Records

Note: Information prior to fiscal year 2005 is unavailable

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher-Student Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2004	950	\$ 12,891,115	\$ 13,570	-3.15%	92	1 to 10.00	905.5	859.3	6.58%	94.90%
2005	946	13,959,384	14,756	8.74%	76	1 to 12.45	912.0	865.0	0.72%	94.85%
2006	970	15,007,214	15,471	4.85%	79	1 to 12.48	931.0	900.0	2.08%	96.67%
2007	1,005	16,391,280	16,310	5.42%	85	1 to 11.82	951.5	902.2	2.20%	94.82%
2008	989	16,833,383	17,021	4.36%	85.5	1 to 11.57	987.4	928.8	3.77%	94.07%
2009	977	17,359,414	17,768	4.39%	87	1 to 11.23	955.5	905.1	-3.23%	94.73%
2010	1,018	17,475,490	17,166	-3.39%	87	1 to 11.70	965.9	914.2	1.09%	94.65%
2011	1,002	16,779,242	16,746	-2.45%	85.5	1 to 11.91	1,002.4	946.9	3.78%	94.46%
2012	972	17,513,459	18,018	7.60%	86.5	1 to 11.24	943.4	895.8	-5.89%	94.95%
2013	977	17,953,922	18,377	1.99%	85.25	1 to 11.46	961.3	908.0	1.90%	94.46%

Source: District Records

(a) Operating expenditures equal total expenditures less debt service, capital projects and capital outlay.

(b) Teaching staff includes only full-time equivalents or certificated staff.

(c) Average Daily Enrollment and Average Daily Attendance are obtained from the year end School Register Summary report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST NINE FISCAL YEARS

<u>District Building</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>	<u>2013</u>
Delaware Valley Regional High School (1958)	150,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000
Capacity (students)	840	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020
Average Daily Enrollment	946	970	1,005	989	977	945	1,002	943	966

Number of Schools at June 30, 2013
High School = 1

Source: District Facilities Office

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

Note: Information prior to fiscal year 2005 is unavailable

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS

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

*School Facilities

Fiscal Year Ended	Delaware Valley Regional High School	Total
2004	\$ 62,115	\$ 62,115
2005	59,364	59,364
2006	72,985	72,985
2007	64,470	64,470
2008	199,868	199,868
2009	186,197	186,197
2010	159,439	159,439
2011	239,246	239,246
2012	179,706	179,706
2013	244,549	244,549
	<u>\$ 1,467,939</u>	<u>\$ 1,467,939</u>

*School facilities as defined under
EFCFA (NJAC 6A:26-1.2 &
NJAC 6:24-1.3)

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2013
(UNAUDITED)

	<u>Coverage</u>	<u>Deductible</u>
School Commercial Package Policy-NJ School Boards Assoc		
Insurance Group:		
Property-Blanket Building & Contents	\$ 55,755,101	\$ 5,000
Equipment Breakdown	100,000,000	5,000
Comprehensive General Liability	10,000,000	
Automobile	10,000,000	1,000
Blanket Position Bond	100,000	1,000
Public Employees' Faithful Performance-Selective Insurance Company:		
Business Administrator	250,000	
Treasurer	200,000	
School Board Legal Liability-NJ School Boards Assoc		
Insurance Group:		
Policy Limit	1,000,000	5,000
Worker's Compensation-NJ School Boards Assoc		
Insurance Group:		
Employers Liability	2,000,000	
Student Accident Insurance-NJ School Boards Assoc		
Insurance Group through Merkel Insurance Company:		
Policy Limit	5,000,000	25,000

Source: District Records

SINGLE AUDIT SECTION

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

100 Route 31 North
Washington, NJ 07882 - 1530
Fax # (908) 689-8388
(908) 689-5002

INDEPENDENT AUDITOR'S REPORT

October 28, 2013

Honorable President and
Members of the Board of Education
Delaware Valley Regional High
School District
County of Hunterdon, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, 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 Delaware Valley Regional High School District, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements, and have issued our report thereon dated October 28, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board of Education's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



William M. Colantano, Jr.
Public School Accountant
No. CS 0128

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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INDEPENDENT AUDITOR'S REPORT

October 28, 2013

Honorable President and
Members of the Board of Education
Delaware Valley Regional High
School District
County of Hunterdon, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Delaware Valley Regional High School District's (the District) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey OMB State Grant Compliance Supplement that could have a direct and material effect on each of the Board of Education's major federal and state programs for the year ended June 30, 2013. The Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. 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; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB 04-04. Those standards, OMB Circular A-133 and NJ OMB 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education'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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of The Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB 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's internal control over compliance.

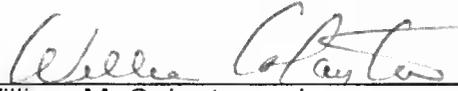
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedules of Expenditures of Federal Awards Required by OMB Circular A-133
and Expenditures of State Financial Assistance Required by NJ OMB 04-04**

We have audited the financial statements of the District as of and for the year ended June 30, 2013, and have issued our report thereon dated October 28, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and NJ Circular 04-04 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



William M. Colantano, Jr.
Public School Accountant
No. CS 0128

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, SCHEDULE A
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2012	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2013		
											Accounts Receivable	Deferred Revenue	Due to Grantor
US Department of Education Passed Through State Department of Education: Special Revenue Fund													
NCLB Title I Part A	84.010A	NCLB-105012	\$ 13,641	09/01/2011-08/31/2012	\$ (2,200)		\$ 2,200						
NCLB Title I Part A	84.010A	NCLB-105013	13,746	09/01/2012-08/31/2013				\$ 13,746			\$ (13,746)		
NCLB Title II Part A	84.367A	NCLB-105013	12,049	09/01/2012-08/31/2013				12,049			(12,049)		
IDEA Basic	84.027	IDEA-105013	186,456	09/01/2012-08/31/2013			177,981	186,456			(8,475)		
Total Special Revenue Fund					(2,200)	\$ -	180,181	212,251	\$ -	\$ -	(34,270)	\$ -	\$ -
US Department of Agriculture Passed Through State Department of Agriculture: Enterprise Fund:													
Food Donation Program	10.550	N/A	17,709	07/01/2011-06/30/2012	959			959					
Food Donation Program	10.550	N/A	13,529	07/01/2012-06/30/2013			13,529	12,538				991	
National School Lunch Program	10.555	N/A	24,158	07/01/2011-06/30/2012	(1,381)		1,381						
National School Lunch Program	10.555	N/A	31,228	07/01/2012-06/30/2013			29,270	31,228			(1,958)		
Total Enterprise Fund					(422)	-	44,180	44,725	-	-	(1,958)	991	-
TOTAL FEDERAL FINANCIAL ASSISTANCE					<u>\$ (2,622)</u>	<u>\$ -</u>	<u>\$ 224,361</u>	<u>\$ 256,976</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (36,228)</u>	<u>\$ 991</u>	<u>\$ -</u>

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, SCHEDULE B
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2012		Cash Received	Budgetary Expenditure	Repayment/ Adjustment	Balance June 30, 2013			MEMO		
				Deferred Rev. (Accts. Rec.)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures	
<u>State Department of Education</u>														
General Fund:														
Equalization Aid	13-495-034	\$ 3,206,350	07/01/2012-											
	-5120-078		06/30/2013			\$ 3,206,350	\$ 3,206,350					\$ 293,962	\$ 3,206,350	
Categorical Special Education Aid	13-495-034	588,875	07/01/2012-											
	-5120-089		06/30/2013			588,875	588,875					53,989	588,875	
Categorical Transportation Aid	13-495-034	110,508	07/01/2012-											
	-5120-014		06/30/2013			110,508	110,508					10,131	110,508	
Categorical Security Aid	13-495-034	73,727	07/01/2012-											
	-5120-084		06/30/2013			73,727	73,727					6,759	73,727	
Extraordinary Special Education Costs Aid	12-100-034	50,544	07/01/2011-											
	-5120-473		06/30/2012	\$ (50,544)		50,544							50,544	
Extraordinary Special Education Costs Aid	13-100-034	96,484	07/01/2012-											
	-5120-473		06/30/2013				96,484		\$ (96,484)				96,484	
Nonpublic Remote Transportation Aid	12-495-034	11,292	07/01/2011-											
	-5120-014		06/30/2012	(11,292)		11,292							11,292	
Nonpublic Remote Transportation Aid	13-495-034	13,802	07/01/2012-											
	-5120-014		06/30/2013				13,802		(13,802)				13,802	
On-Behalf TPAF Pension Contribution- Post Retirement Medical	13-495-034	454,885	07/01/2012-											
	-5095-001		06/30/2013			454,885	454,885						454,885	
On-Behalf TPAF Pension Contribution- Non-Contributory Insurance	13-495-034	20,108	07/01/2012-											
	-5095-007		06/30/2013			20,108	20,108						20,108	
On-Behalf TPAF Pension Contribution- Normal Costs and Accrued Liability	13-495-034	382,179	07/01/2012-											
	-5095-006		06/30/2013			382,179	382,179						382,179	
Reimbursed TPAF Social Security Contribution	12-495-034	456,742	07/01/2011-											
	-5095-002		06/30/2012	(23,061)		23,061							456,742	
Reimbursed TPAF Social Security Contribution	13-495-034	459,674	07/01/2012-											
	-5095-002		06/30/2013			436,527	459,674		(23,147)				459,674	
Total General Fund				<u>(84,897)</u>	<u>\$ -</u>	<u>5,358,056</u>	<u>5,406,592</u>	<u>\$ -</u>	<u>(133,433)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>364,841</u>	<u>5,925,170</u>	
<u>State Department of Agriculture</u>														
Enterprise Fund:														
State School Lunch Program	12-100-010	1,948	07/01/2011-											
	-3350-023		06/30/2012	(112)		112							1,948	
State School Lunch Program	13-100-010	2,147	07/01/2012-											
	-3350-023		06/30/2013			1,890	2,147		(257)				2,147	
Total Enterprise Fund				<u>(112)</u>	<u>-</u>	<u>2,002</u>	<u>2,147</u>	<u>-</u>	<u>(257)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,095</u>	
TOTAL STATE FINANCIAL ASSISTANCE				<u>\$ (85,009)</u>	<u>\$ -</u>	<u>\$ 5,360,058</u>	<u>\$ 5,408,739</u>	<u>\$ -</u>	<u>\$ (133,690)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 364,841</u>	<u>\$ 5,929,265</u>	

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2013

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP OF BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison schedules 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 last state aid payment in the current budget year, which is mandated pursuant to PL 2003, Ch 97 (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferred and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$9,350 for the general fund and (\$2,408) for the Special Revenue Fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Local</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund			\$ 5,415,042	\$ 5,415,042
Special Revenue Fund	\$ 18,030	\$ 209,843		227,873
Food Service Fund		44,725	2,147	46,872
	<u>\$ 18,030</u>	<u>\$ 254,568</u>	<u>\$ 5,417,189</u>	<u>\$ 5,689,787</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2013

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

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2013. TPAF Social Security Contribution 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, 2013.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Federal Awards (Cont'd)

Dollar Threshold used to Distinguish Between
Type A and Type B Programs: NOT APPLICABLE

Auditee qualified as a low-risk auditee Yes No

State Awards

Dollar Threshold used to Distinguish Between
Type A and Type B Programs: \$ 300,000

Auditee Qualified as low-risk auditee X Yes No

Type of Auditor's Report Issued on Compliance
for Major Programs: Unmodified

Internal Control Over Major Programs:

1. Material weakness(es) identified? Yes X No

2. Reportable conditions identified
that are not considered to be material
weaknesses? Yes X No

Any Audit Findings Disclosed That are Required
to be Reported in Accordance with NJ OMB
Circular Letter 04-04? Yes X No

Identification of Major Programs:

<u>GMIS Numbers</u>	<u>Amount</u>	<u>Name of State Program</u>
13-495-034-5095-002	\$ 459,674	Reimbursed TPAF Social Security Aid
13-495-034-5120-014	110,508	Categorical Transportation Aid
13-495-034-5120-089	588,875	Categorical Special Education Aid
13-495-034-5120-078	3,206,350	Equalization Aid

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

SECTION II-FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended June 30, 2013.

SECTION III-FEDERAL AWARDS AND STATE FINANCIAL
ASSISTANCE FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs for the year ended June 30, 2013.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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There were no prior year findings or questioned costs.