

River Dell Regional School District

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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014**

Comprehensive Annual

Financial Report

of the

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

River Edge, New Jersey

For the Fiscal Year Ended June 30, 2014

Prepared by

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

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INTRODUCTORY SECTION

RIVER DELL REGIONAL SCHOOL DISTRICT

230 Woodland Avenue, River Edge, NJ 07661

www.riverdell.org

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Business Administrator/Board Secretary

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November 28, 2014

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

Dear Board Members:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the River Dell Regional School District (the "District") for the fiscal year ended June 30, 2014. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. This report will provide the taxpayers of the River Dell Regional School District with comprehensive financial data in a format enabling them to gain an understanding of the District's financial affairs.

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

- The Introductory Section contains a Table of Contents, Letter of Transmittal, Organizational Chart, a List of Principal Officials of the district, and a list of consultants and advisors to the District;
- The Financial Section begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the District's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information of the District, generally presented on a multi-year basis;
- The Single Audit Section - The District is required to undergo an annual single audit, as required, in conformity with the provisions of the Single Audit Act of 1984, as amended, the U.S. Office Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the New Jersey OMB's Circular 04-04 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, is included in the single audit section of this report.

School District Organization

The District provides education to 1,660 students (as of June 30, 2014) in grades seven through twelve. Geographically, the District is comprised of the Boroughs of River Edge and Oradell.

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

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

Reporting Entity

The River Dell Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board's (GASB). All funds of the District are included in this report. The River Dell Regional School District Board of Education and its two schools constitute the District's reporting entity.

Economic Condition and Outlook

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

The District completed the 2013-2014 fiscal year with an enrollment of 1,660 students, which is 11 students greater than the previous year's enrollment. The following details the changes in the student average daily enrollment of the District over the last five years.

AVERAGE DAILY ENROLLMENT

Fiscal Year	Student Enrollment	Percent change
2013 - 14	1,661.7	007%
2012 - 13	1,650.5	-0.01%
2011 - 12	1,667.0	2.96%
2010 - 11	1,619.0	0.02%
2009 - 10	1,610.0	5.24%

The District, along with many other public school systems in the State, still faces some difficult economic situations in the future since the primary funding source is property tax revenue. The Board voted to approve a 2% tax levy cap, which eliminated the vote on the 2014-15 budget. Overall, total revenue for 2014-15 increased by 3.22%, while the expenditures increased by 3.05%. The District's administration is closely monitoring the cost of operations and continues to look for new funding sources in order to maintain the quality educational services that the District has been accustomed to providing.

The District's primary funding source is property tax revenue. The amount to be raised in taxes is determined by the School Board through the District's normal budgeting process. This process has always left the passage of adequate funding for the budget in doubt. On January 17, 2012, Governor Chris Christie signed into law A-4394/S-3148 (P.L. 2011, c.202), which gives local Boards of Education the option of changing the election date of school board members from April to November. As an incentive for Boards of Education to approve this money-saving idea, Districts do not have to put their budgets up for a vote by the electorate as long as it does not exceed the State mandated 2% Cap on property tax increases. The River Dell Board of Education adopted this change on January 23, 2012, and as result, the District's 2014-15 budget was adopted without voter approval.

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

Educational Program

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

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

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

Of the Class of 2014 student body, 84% are attending four-year colleges and 10% are attending two-year colleges, among them the most prestigious in the nation. The Middle States Association of College and Secondary Schools and the New Jersey Department of Education accredit River Dell. Parents, students, staff and administration all have a strong commitment to maintain high academic and ethical standards. River Dell has won several Best Practices awards from the New Jersey Department of Education, for our innovative programs including Gifted and Talented, Self Advocacy for Special Students, Sweet Tooth Enterprises (Business), Junior MBA and Production Design. We are also a United States Department of Education Blue Ribbon School of Excellence.

River Dell offers its students a variety of rigorous academic courses, which stress writing, computer and research skills in all disciplines. Most of our students far exceed minimum graduation requirements. As previously noted, 94% of the Class of 2014 pursued higher education, with 84% of students attending a four-year college/university. Noteworthy programs/requirements include:

All students are required to take four years of English, which includes a choice of senior Language Arts courses. In addition, approximately 19% of seniors also take AP English or Syracuse University Project Advance English. Electives include Media/TV Production, which links English and Technology. In addition to required World Cultures and US History, social studies electives include Psychology, Sociology and European History. Our laboratory-based Chemistry, Physics and Biology are offered at levels ranging from College Prep to AP. Science electives include Forensic Science and Human Physiology. Mathematics courses range from Algebra I to AP Calculus. World languages are offered at various levels. Languages include Mandarin Chinese, Italian and Spanish. Each year students participate in a statewide Foreign Language Competition, sponsored by Rider University. The Related Arts Department has a wide selection of electives culminating in AP Studio Art, which requires a professional portfolio.

The District has highly competent teaching, supervisory and administrative staff with approximately 42.9% of our 168 certified staff (73.8% hold Masters Degrees) engaging in postgraduate studies beyond the masters level, while 2.9% hold earned doctoral degrees. This staff continues to refine its expertise and competency through ongoing staff development at local seminars, conferences and educational institutions.

Financial Information

Internal Accounting and Budgetary Control - Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

1. The cost of controls should not exceed the benefits likely to be derived; and
2. The valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control system is also subject to periodic evaluation by the District's management.

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

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

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

Cash Management

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

Risk Management

The District carries various forms of insurance, including but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents and fidelity bonds. A schedule of insurance coverage is found in Exhibit J-20.

Independent Audit

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

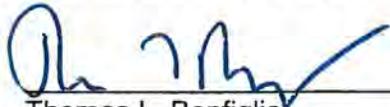
Acknowledgements

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

Respectfully submitted,

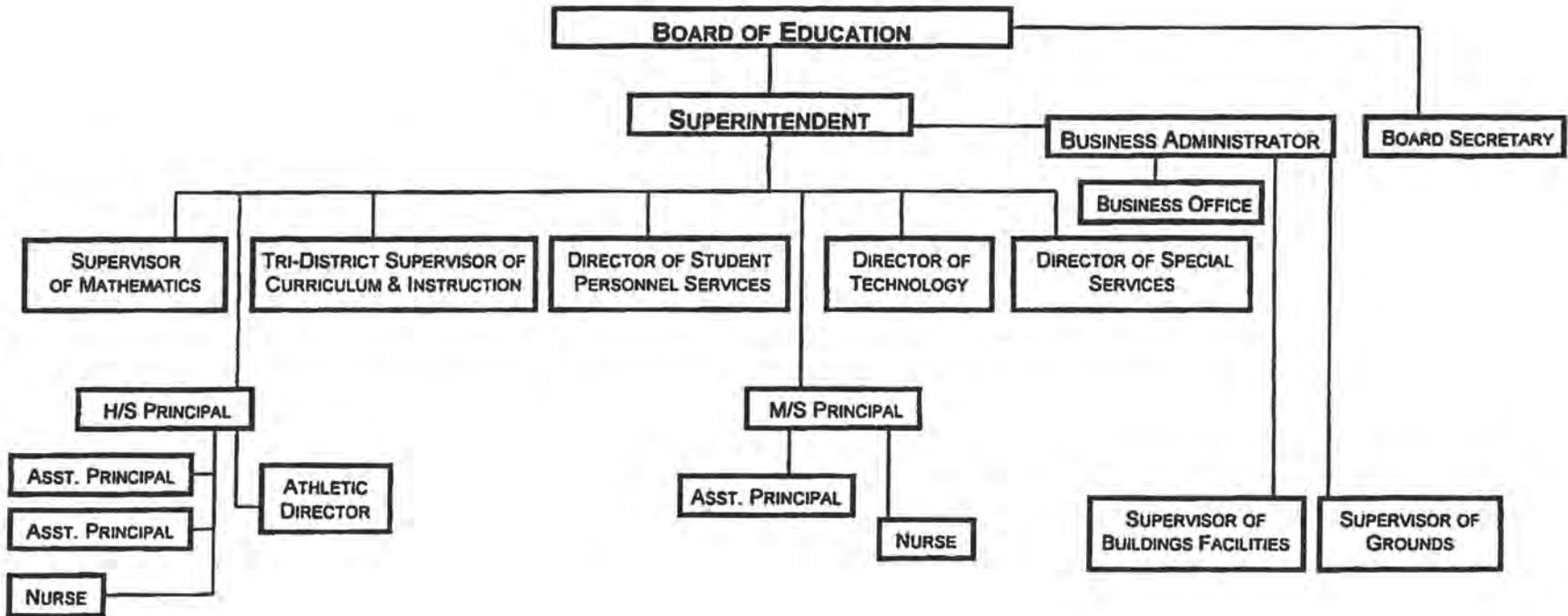


Patrick J. Fletcher
Superintendent of Schools



Thomas L. Bonfiglio
Business Administrator/Board Secretary

LINE OF RESPONSIBILITY



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

RIVER DELL REGIONAL SCHOOL DISTRICT
BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2014

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Joseph Manzelli, Jr., President (River Edge)	December 31, 2015
Alan Feigenson, Vice President (Oradell)	December 31, 2016
Patricia Almberg (River Edge)	December 31, 2014
Anthony Barbary (River Edge)	December 31, 2014
Vacant (Oradell)	December 31, 2014
Patrick Gallagher (Oradell)	December 31, 2015
Stephanie Hartman (River Edge)	December 31, 2016
Barbara Kuchar (Oradell)	December 31, 2016
Claudia O'Neill (River Edge)	December 31, 2015

OTHER OFFICIALS

Patrick J. Fletcher, Superintendent of Schools
Thomas L. Bonfiglio, Business Administrator/Board Secretary
Irwin S. Cohen, Treasurer of School Moneys
Rodney T. Hara, Esq., Legal Counsel

RIVER DELL REGIONAL SCHOOL DISTRICT
BOARD OF EDUCATION

Consultants and Advisors

Audit Firm

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

Attorney

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

Official Depository

TD Bank
126 North Washington Avenue
Bergenfield, New Jersey 07621

FINANCIAL SECTION

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
River Dell Regional School District
County of Bergen
River Edge, 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 River Dell Regional School District (the School District), in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School District'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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 that 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 River Dell Regional School District, in the County of Bergen, State of New Jersey, as of June 30, 2014, 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 as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise River Dell Regional School District's basic financial statements. The introductory section, combining and individual fund financial statements, financial schedules, statistical section, and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 fund financial statements and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

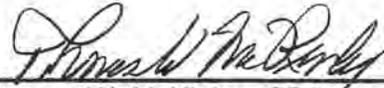
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2014 on our consideration of River Dell Regional School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering River Dell Regional School District's internal control over financial reporting and compliance.



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



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

Fairfield, New Jersey
November 28, 2014

REQUIRED SUPPLEMENTARY INFORMATION - PART I

**RIVER DELL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED**

The discussion and analysis of River Dell Regional School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2014 are as follows:

- In total, net position increased by \$620,856, which represents a 3.18% increase from 2013.
- General revenues accounted for \$29,869,877 of revenue or 89% of the total revenue.
- Program specific revenues in the form of charges for services, capital grants and operating grants and contributions accounted for \$3,811,468 or 11% of total revenues of \$33,681,345.
- Total assets of governmental activities decreased by \$413,587 as cash increased by \$394,219; receivables increased by \$13,555, and capital assets decreased by \$821,361.
- The District had \$33,060,489 in expenses; only \$3,811,468 of these expenses was offset by program specific charges for services, grants, or contributions. General revenues (primarily taxes) of \$29,869,877 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$30,987,179 in revenues and \$30,719,066 in expenditures. The General Fund's fund balance increased by \$243,113 over 2012-2013, now totaling \$2,353,427.
- In December 2013, the District infused \$13,240 for capital outlay construction from the General Fund Balance.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

**RIVER DELL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

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 District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2013-2014?" 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 considers all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

**RIVER DELL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

Governmental Funds

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

Proprietary Funds

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

The School District as a Whole

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

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

**TABLE 1
NET POSITION**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>		<u>Amount Change</u>	<u>% Change</u>
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>		
Assets:								
Current and Other Assets	\$ 3,422,918	\$ 3,015,144	\$ 157,264	\$ 126,714	\$ 3,580,182	\$ 3,141,858	\$ 438,324	13.95%
Capital Assets	30,777,230	31,598,591	17,577	21,175	30,794,807	31,619,766	(824,959)	-2.61%
Total Assets	34,200,148	34,613,735	174,841	147,889	34,374,989	34,761,624	(386,635)	-1.11%
Liabilities:								
Long-term Liabilities	10,780,077	11,805,192			10,780,077	11,805,192	(1,025,115)	-8.68%
Other Liabilities	2,608,345	2,453,201			2,608,345	2,453,201	155,144	6.32%
Total Liabilities	13,388,422	14,258,393			13,388,422	14,258,393	(869,971)	-6.10%
Deferred Inflows	858,400	995,920			858,400	995,920	(137,520)	
Net Position:								
Invested in Capital Assets, Net of Debt	18,168,830	17,772,671	17,577	21,175	18,186,407	17,793,846	392,561	2.21%
Restricted	1,820,577	1,597,794			1,820,577	1,597,794	222,783	13.94%
Unrestricted	(36,081)	(11,043)	157,264	126,714	121,183	115,671	5,512	4.77%
Total Net Position	\$ 19,953,326	\$ 19,359,422	\$ 174,841	\$ 147,889	\$ 20,128,167	\$ 19,507,311	\$ 620,856	3.18%

The District's combined net position of \$20,128,167 on June 30, 2014 results in an increase of 3.18% from the prior year.

**RIVER DELL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

The School District as a Whole (Continued)

Table 2 shows changes in net position for fiscal years 2014 and 2013.

	Table 2 Changes in Net Position		Amount Change	% Change
	2014	2013		
Revenues:				
Program Revenues:				
Charges for Services	\$ 427,057	\$ 431,290	\$ (4,233)	-0.98%
Operating Grants and Contributions	3,384,411	3,889,169	(504,758)	-12.98%
General Revenues:				
Property Taxes	28,480,243	27,626,756	853,487	3.09%
Grants and Entitlements	634,225	650,725	(16,500)	-2.54%
Other	755,409	912,798	(157,389)	-17.24%
Total Revenues	33,681,345	33,510,738	170,607	0.51%
Program Expenses:				
Instruction	17,744,728	17,653,308	91,419	0.52%
Support Services:				
Tuition	2,145,846	2,311,184	(165,338)	-7.15%
Pupils and Instructional Staff	3,804,569	3,609,269	195,300	5.41%
General Administration, School Administration, Central Services, Information Technology and Maintenance of Facilities	6,683,994	6,558,678	125,316	1.91%
Pupil Transportation	575,346	584,705	(9,359)	-1.60%
Interest on Debt	347,461	498,525	(151,064)	-30.30%
Unallocated Depreciation and Loss on Disposal of Assets	1,481,046	1,004,379	476,667	47.46%
Enterprise Fund	277,499	277,142	357	0.13%
Total Expenses	33,060,489	32,497,191	563,298	1.73%
Increase in Net Position	\$ 620,856	\$ 1,013,547	\$ (392,691)	-38.74%

Governmental Activities

The District's total governmental activities revenues were \$33,376,894 for the year ended June 30, 2014. Property taxes made up 85.33% of revenues for governmental activities for the River Dell Regional School District for fiscal year 2014. Federal and state grants accounted for another 10.14% of governmental activities revenues.

The total cost of all governmental activities programs and services was \$32,782,990. Instruction comprises 54.13% of District expenses.

**RIVER DELL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

Business - Type Activities

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

- Food service - had an operating profit of \$7,247 reported by the management company, which was offset by year-end depreciation, inventory, and other adjustments.

Governmental Activities

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

Table 3

	Total Cost of Services 2014	Net Cost of Services 2014	Total Cost of Services 2013	Net Cost of Services 2013	Amount Change Total Cost of Services	Amount Change Net Cost of Services
Instruction	\$ 17,744,728	\$ 15,305,740	\$ 17,653,309	\$ 14,791,106	\$ 91,419	\$ 514,634
Support Services:						
Tuition	2,145,846	2,076,059	2,311,184	2,201,771	(165,338)	(125,712)
Pupils and Instructional Staff	3,804,569	3,061,544	3,609,269	2,859,661	195,300	201,883
General Administration, School Administration, Central Services, Administrative Information Technology and Maintenance of Facilities	6,683,994	6,403,777	6,558,678	6,240,965	125,316	162,812
Pupil Transportation	575,346	575,346	584,705	584,705	(9,359)	(9,359)
Interest on Debt	347,461	347,461	498,525	498,525	(151,064)	(151,064)
Depreciation and Disposal Equipment Loss	1,481,046	1,481,046	1,004,379	1,004,379	476,667	476,667
Total Expenses	\$ 32,782,990	\$ 29,250,973	\$ 32,220,049	\$ 28,181,112	\$ 562,941	\$ 1,069,861

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

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

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

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

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

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

**RIVER DELL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$33,254,288 and expenditures were \$32,986,175. The net increase in fund balance for the year, \$243,113, was all in the General Fund, after a transfer out of \$25,000.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following table presents a summary of the revenues of the governmental funds for the general fund, special revenue fund and debt service fund for the fiscal year ended June 30, 2014, and the amount and percentage of increases and decreases in relation to prior year revenues. The capital projects fund has been excluded, as these revenues vary substantially from year to year.

<u>Revenue</u>	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2012-13</u>	<u>Percent Of Increase (Decrease)</u>
Local Sources	\$ 29,235,652	87.92 %	\$ 696,098	2.44 %
State Sources	3,531,281	10.62	(463,697)	(11.61) %
Federal Sources	487,355	1.47	(57,561)	(10.56) %
Total	\$ 33,254,288	100.00 %	\$ 174,840	0.53 %

The increase in revenue from local sources of \$696,098 is primarily due to an increase in local tax levy and the receipt of donated assets. The increase in local revenue was needed to fund the additional expenditures associated with higher operating costs and the minimal increases in state aid.

Revenues from state sources decreased by \$463,697. On-Behalf TPAF pension contributions, post-retirement medical and reimbursed TPAF social security contributions decreased by a total amount of \$268,307 (which is off-set by an equal decrease in expenditures). The other state aid recorded in the general fund and special revenue fund decreased by \$195,390 is the result of state aid decreases compared to the prior year.

Federal revenues decreased by \$57,561, due to the decreased funding for the I.D.E.A - Part B grant of \$41,987, and a decrease in other grants of \$15,574.

**RIVER DELL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

The School District's Funds (Continued)

The following table presents a summary of the general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2014 and the amount of increases and decreases in relation to prior year expenditures.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2012-13</u>	<u>Percent of Increase (Decrease)</u>
Current Expense:				
Instruction	\$ 13,283,705	40.27 %	\$ 315,112	2.43 %
Undistributed Expenditures	16,802,710	50.93 %	(47,361)	(0.28) %
Capital Outlay	632,651	1.92 %	241,170	61.60 %
Special Revenue	707,580	2.15 %	(303,058)	(29.99) %
Debt Service	<u>1,559,529</u>	<u>4.73 %</u>	<u>(1,294,110)</u>	<u>(45.35) %</u>
Total	<u>\$ 32,986,175</u>	<u>100.00 %</u>	<u>\$ (1,088,247)</u>	<u>(3.19) %</u>

Changes in expenditures were the results of varying factors. Current expense primarily increased due to increases in salaries, employee benefits and repair costs. Additionally, on-behalf TPAF pension contributions, post-retirement medical and reimbursed TPAF social security contributions decreased by a total amount of \$268,307, (which is off-set by an equal decrease in revenues). The net increase in instruction and undistributed expenditures of \$267,751 is primarily the result of increases of salaries and benefits costs of additional teachers and staff along with additional repairs. Capital outlay increased \$241,170 in the current year largely as a result of electrical upgrades at the middle school in the current year. Debt service decreased \$1,294,110 due to the change in current year principal and interest charges and bond refunding costs in March 2013 of the prior year.

The \$303,058 decrease in special revenue fund expenditures is primarily due to decreased funding of the I.D.E.A. Part B federal grant program of \$41,987 and the \$260,000 value of donated assets in the prior year.

General Fund Budgeting Highlights

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

The District had numerous budget transfers during the 2013-2014 school year. Key highlights include:

- Regular Programs Salary of Teachers - budgeted salaries of teachers in grades 6-8 were decreased by \$78,768 for breakage of teachers leaving and their replacements. Funds went to more special education teachers.

**RIVER DELL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

General Fund Budgeting Highlights (Continued)

- General Supplies - Regular programs - undistributed instruction decreased by \$43,402 because fewer supplies were needed due to enrollment not increasing as anticipated.
- Special Education - Instruction Other Salaries decreased \$124,193 because there were fewer LLD students, less aides were needed. Funds went to the resource room.
- Resource Room/Resource Center Salaries of Teachers - budgeted salaries were increased \$116,001 because more teachers were needed due to higher enrollment in this area.
- Basic Skills/Remedial - Instruction Salaries of Teachers increased \$113,352 due to more students requiring this service after the budget was struck. Funds came from Regular Education accounts.
- Instruction - Tuition to other LEAs within the state-special increased \$91,323 due to more students needing to be instructed out of district. Funds came from Private Schools budget.
- Instruction - Tuition to County Vocation School - regular increased \$70,935 because more children are now attending the county vocation school.
- Instruction - Tuition to Private Schools for the Handicapped within the State decreased \$277,913 because anticipated students either moved out of the district or came back in to the River Dell School District.
- Child Study Teams - Salaries of Secretarial and Clerical Assistants increased \$46,843 due to the anticipated IDEA funding never materializing. Funding came from other Child Study Team areas, which ended up being underutilized.
- Support Services General Administration - Legal Services increased \$46,515 due to services required for negotiations and tenure charges again a staff member.
- Required Maintenance for School Facilities - Cleaning, Repair and Maintenance Services increased \$56,329 for necessary unanticipated repairs. Funding came from better energy prices.
- Custodial Services - (natural gas) decreased \$130,100 due to a lower ACES contract, benefitting the district.
- Custodial Services - Energy (electricity) increased \$85,092 due to more air conditioners, computers, etc. Funding came from lower natural gas charges.
- Student Transportation Services - Contracted Services (between home and school) Vendors decreased \$46,940 due to better route costs.
- Student Transportation Services - Contracted Services (Special Education Students) Vendors decreased \$62,018 due to fewer students being sent out of district and better Region V costs.
- Unallocated Benefits - Health Benefits decreased \$591,059 due to more employee options and lower premium costs than anticipated.

**RIVER DELL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

General Fund Budgeting Highlights (Continued)

- Capital Outlay - Undistributed Expenditures - Instruction increased \$78,220 due to items costing more than \$2,000 for student needs.
- Capital Outlay - Undistributed Expenditures - Required Maintenance for school facilities \$100,730 to purchase equipment costing more than \$2,000 for maintenance department.
- Capital Outlay - Facilities Acquisition and Construction Services - Construction Services increased \$317,411 due to electrical upgrades that needed to be addressed and auditorium seat replacements.

Capital Assets

At June 30, 2014, the District had \$30,777,230 invested in land, building, improvements and machinery and equipment. Table 4 shows fiscal year 2014 balances compared to 2013.

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

	2014	2013
Land	\$ 216,520	\$ 216,520
Site Improvements	4,264,274	1,301,018
Building and Improvements	24,875,355	28,976,366
Machinery and Equipment	1,438,658	1,125,862
Total	\$ 30,794,807	\$ 31,619,766

Overall, net capital assets decreased \$824,959 from fiscal year 2013 to fiscal year 2014. The decrease in capital assets is due primarily to depreciation being more than additions and the adjustment for the physical inventory count.

Debt Administration

At June 30, 2014, the District had \$12,174,694 of outstanding debt. Of this amount, \$424,694 is for compensated absences; and \$11,750,000 is serial bonds for school construction projects.

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

	2014	2013
2004 General Obligation Refunded Bonds	\$ 11,750,000	\$ 11,750,000
2004 General Obligation Bonds		1,080,000
	\$ 11,750,000	\$ 12,830,000

At June 30, 2014, the District's available borrowing margin was \$106,471,834.

**RIVER DELL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

For the Future

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

The River Dell Regional School District's budget for 2014-2015 was approved by the County Superintendent.

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

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net 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.

RIVER DELL REGIONAL SCHOOL DISTRICT
Statement of Net Position
June 30, 2014

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash	\$ 2,111,413	\$ 155,976	\$ 2,267,389
Receivables, net	215,533		215,533
Inventories		1,288	1,288
Restricted assets:			
Cash - debt service	10,301		10,301
Capital reserve account - cash	1,085,671		1,085,671
Capital assets, net			
Not being depreciated	216,520		216,520
Being depreciated	<u>30,560,710</u>	<u>17,577</u>	<u>30,578,287</u>
Total assets	<u>34,200,148</u>	<u>174,841</u>	<u>34,374,989</u>
LIABILITIES			
Accounts payable	1,023,034		1,023,034
Payable to state government	36,156		36,156
Accrued interest	154,538		154,538
Noncurrent liabilities:			
Due within one year	1,394,687		1,394,687
Due beyond one year	<u>10,780,007</u>		<u>10,780,007</u>
Total liabilities	<u>13,388,422</u>		<u>13,388,422</u>
Deferred inflows of resources:			
Unamortized bond issuance premiums	<u>858,400</u>		<u>858,400</u>
Total deferred inflows	<u>858,400</u>		<u>858,400</u>
NET POSITION			
Net investment in capital assets	18,168,830	17,577	18,186,407
Restricted for:			
Debt service	10,301		10,301
Capital reserve	1,085,671		1,085,671
Other purposes	724,605		724,605
Unrestricted (deficit)	<u>(36,081)</u>	<u>157,264</u>	<u>121,183</u>
Total net position	<u>\$ 19,953,326</u>	<u>\$ 174,841</u>	<u>\$ 20,128,167</u>

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

RIVER DELL REGIONAL SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2014

<u>Function/Programs</u>	<u>Expenses</u>	<u>Indirect Expenses Allocation</u>	<u>Program Charge for Services</u>
Government activities:			
Instruction:			
Regular	\$ 10,257,519	\$ 3,113,580	\$ -
Special education	1,985,117	678,073	
Other special instruction	377,500	126,558	
Other instruction	975,464	230,917	
Support services:			
Tuition	2,145,846		
Student and instruction related services	3,009,078	795,491	147,606
School administrative services	1,315,391	479,524	
General administration services	513,505	125,157	
Central services	468,612	142,673	
Administrative information technology services	470,723	121,930	
Plant operations and maintenance	2,499,986	546,493	
Pupil transportation	560,773	14,573	
Interest on long-term debt	347,461		
Unallocated depreciation	1,481,046		
Total governmental activities	<u>26,408,021</u>	<u>6,374,969</u>	<u>147,606</u>
Business-type activities			
Food services	<u>277,499</u>		<u>279,451</u>
Total business-type activities	<u>277,499</u>		<u>279,451</u>
Total primary government	<u>\$ 26,685,520</u>		<u>\$ 427,057</u>

Revenues		Net (Expense) Revenue and Changes in Net Position		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ 1,771,103	\$ -	\$ (11,599,996)	\$ -	\$ (11,599,996)
500,914		(2,162,276)		(2,162,276)
59,113		(444,945)		(444,945)
107,858		(1,098,523)		(1,098,523)
69,787		(2,076,059)		(2,076,059)
595,419		(3,061,544)		(3,061,544)
166,080		(1,628,835)		(1,628,835)
33,120		(605,542)		(605,542)
24,065		(587,220)		(587,220)
56,952		(535,701)		(535,701)
		(3,046,479)		(3,046,479)
		(575,346)		(575,346)
		(347,461)		(347,461)
		(1,481,046)		(1,481,046)
<u>3,384,411</u>		<u>(29,250,973)</u>		<u>(29,250,973)</u>
			1,952	1,952
			1,952	1,952
<u>\$ 3,384,411</u>	<u>\$ -</u>	<u>\$ (29,250,973)</u>	<u>\$ 1,952</u>	<u>\$ (29,249,021)</u>

General revenues:

Property taxes levied for:			
General purposes	\$ 26,920,714	\$	\$ 26,920,714
Debt service	1,559,529		1,559,529
Federal and State aid not restricted	634,225		634,225
Tuition received	498,924		498,924
Interest - capital reserve funds	61		61
Investment earnings	9,795		9,795
Miscellaneous income	246,629		246,629
Transfers	(25,000)	25,000	
Total general revenues	<u>29,844,877</u>	<u>25,000</u>	<u>29,869,877</u>
Change in net position	593,904	26,952	620,856
Net position - beginning (Restated)	<u>19,359,422</u>	<u>147,889</u>	<u>19,507,311</u>
Net position - ending	<u>\$ 19,953,326</u>	<u>\$ 174,841</u>	<u>\$ 20,128,167</u>

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

FUND FINANCIAL STATEMENTS

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

RIVER DELL REGIONAL SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2014

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash	\$ 2,001,283	\$ 101,842	\$ 10,301	\$ 2,113,426
Cash - capital reserve	1,085,671			1,085,671
Accounts receivable:				
State	<u>215,243</u>	<u>290</u>		<u>215,533</u>
Total assets	<u>\$ 3,302,197</u>	<u>\$ 102,132</u>	<u>\$ 10,301</u>	<u>\$ 3,414,630</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 948,770	\$ 65,976	\$ -	\$ 1,014,746
Intergovernmental payable:				
State		<u>36,156</u>		<u>36,156</u>
Total liabilities	<u>948,770</u>	<u>102,132</u>		<u>1,050,902</u>
Fund balances:				
Restricted for:				
Debt service fund			10,301	10,301
Capital reserve	1,085,671			1,085,671
Reserved for excess surplus	275,000			275,000
Reserved excess surplus - designated for subsequent year's expenditures	300,000			300,000
Committed:				
Year-end encumbrances	149,605			149,605
Assigned:				
Year-end encumbrances				
Unassigned	<u>543,151</u>			<u>543,151</u>
Total fund balances	<u>2,353,427</u>		<u>10,301</u>	<u>2,363,728</u>
Total liabilities and fund balances	<u>\$ 3,302,197</u>	<u>\$ 102,132</u>	<u>\$ 10,301</u>	

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

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. The costs of the assets are \$43,486,475 and the accumulated depreciation is \$12,709,245.	30,777,230
Accrued interest is not due and payable in the current period, and therefore, is not reported as a liability in the funds.	(154,538)
Bond issuance premium is recorded as revenue in the Governmental Funds in the year of receipt. The original premium is \$1,512,718 and accumulated amortization of \$654,318.	(858,400)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported as liabilities in the funds. (See Note 8)	<u>(12,174,694)</u>
Net position of governmental activities	<u>\$ 19,953,326</u>

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

RIVER DELL REGIONAL SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2014

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES:				
Local sources:				
Local tax levy	\$ 26,920,714	\$ -	\$ 1,559,529	\$ 28,480,243
Tuition	498,924			498,924
Interest - capital reserve funds	61			61
Interest earned on investments	9,795			9,795
Miscellaneous	221,629	25,000		246,629
Total revenues - local sources	27,651,123	25,000	1,559,529	29,235,652
State sources	3,336,056	195,225		3,531,281
Federal sources		487,355		487,355
Total revenues	30,987,179	707,580	1,559,529	33,254,288
EXPENDITURES:				
Current expense:				
Regular instruction	9,945,624	311,895		10,257,519
Special education instruction	1,985,117			1,985,117
Other special instruction	377,500			377,500
Other instruction	975,464			975,464
Support services and undistributed costs:				
Tuition	2,076,059	69,787		2,145,846
Student and instruction related services	2,571,811	289,661		2,861,472
School administration services	1,315,391			1,315,391
General administration services	513,505			513,505
Central services	468,612			468,612
Administrative information technology services	470,723			470,723
Plant operations and maintenance	2,499,986			2,499,986
Pupil transportation	560,773			560,773
Employee benefits	6,325,850	9,203		6,335,053
Capital outlay	632,651	27,034		659,685
Debt service:				
Principal			1,080,000	1,080,000
Interest			479,529	479,529
Total expenditures	30,719,066	707,580	1,559,529	32,986,175
Excess (deficiency) of revenues over (under) expenditures	268,113			268,113
Other financing sources (uses):				
Transfers out	(25,000)			(25,000)
Total other financing sources (uses)	(25,000)			(25,000)
Net change in fund balances	243,113			243,113
Fund balances - July 1	2,110,314		10,301	2,120,615
Fund balances - June 30	\$ 2,353,427	\$ -	\$ 10,301	\$ 2,363,728

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

RIVER DELL REGIONAL SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2014

Total net change in fund balances - governmental funds (from B-2)	\$	243,113
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.</p>		
Depreciation	\$ (1,481,046)	
Capital outlays	<u>659,685</u>	(821,361)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
		1,080,000
<p>In the statement of activities, interest on long-term debt in the statement of activities is accrued regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an increase in the reconciliation.</p>		
		<u>(5,452)</u>
Sub-total		<u>496,300</u>

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

RIVER DELL REGIONAL SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2014

	Balance forward	\$	496,300
<p>Proceeds from debt issues are a financing source in the governmental funds. Proceeds are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.</p>			
Amortization expense	137,520		137,520
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and sick days) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the amount earned, the difference is an addition to the reconciliation.</p>			
			(39,916)
Change in net position of governmental activities		\$	593,904

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

RIVER DELL REGIONAL SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2014

	<u>Business-type Activities - Enterprise Funds Food Services</u>	<u>Governmental Activities - Internal Service Fund Tri-District Coordinated Curriculum Services</u>
ASSETS		
Current assets:		
Cash	\$ 155,976	\$ 8,288
Inventories	<u>1,288</u>	
Total current assets	<u>157,264</u>	<u>8,288</u>
Noncurrent assets:		
Furniture, machinery and equipment	161,555	
Less: accumulated depreciation	<u>143,978</u>	
Total noncurrent assets	<u>17,577</u>	
Total assets	<u>174,841</u>	<u>8,288</u>
LIABILITIES		
Current liabilities:		
Accounts payable		<u>8,288</u>
Total current liabilities		<u>8,288</u>
NET POSITION		
Invested in capital assets, net of related debt	17,577	
Unrestricted	<u>157,264</u>	
Total net position	<u>\$ 174,841</u>	<u>\$ -</u>

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

RIVER DELL REGIONAL SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	Business-type Activities - <u>Enterprise Funds</u>	Governmental Activities - Internal <u>Service Fund</u> Tri-District Coordinated Curriculum Services	<u>Totals</u>
	Food Services		
OPERATING REVENUES:			
Charges for services:			
Daily sales - non-reimbursable programs	\$ 279,451	\$ -	\$ 279,451
Service fees		147,606	147,606
Total operating revenues	<u>279,451</u>	<u>147,606</u>	<u>427,057</u>
OPERATING EXPENSES:			
Salaries	94,264	126,742	221,006
Payroll taxes	13,858		13,858
Employee benefits	15,190	11,844	27,034
Management and administrative fees	38,627		38,627
Insurance	14,784		14,784
Supplies	137	2,128	2,265
Rent	3,683		3,683
Repairs	11		11
Outside services	458	5,192	5,650
Miscellaneous	440	1,700	2,140
Depreciation	3,598		3,598
Cost of sales - food and general supplies	92,449		92,449
Total operating expenses	<u>277,499</u>	<u>147,606</u>	<u>425,105</u>
Operating gain	<u>1,952</u>		<u>1,952</u>
Operating transfer in - General Fund	<u>25,000</u>		<u>25,000</u>
Change in net position	26,952		26,952
Total net position - July 1	<u>147,889</u>		<u>147,889</u>
Total net position - June 30	<u>\$ 174,841</u>	<u>\$ -</u>	<u>\$ 174,841</u>

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

RIVER DELL REGIONAL SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	<u>Business-type Activities - Enterprise Funds</u>	<u>Governmental Activities - Internal Service Fund Tri-District Coordinated Curriculum Services</u>
	<u>Food Services</u>	
Cash flows from operating activities:		
Receipts from customers	\$ 279,451	\$ 147,606
Payments to employees	(94,264)	(126,742)
Payment for payroll taxes and employee benefits	(29,048)	(11,844)
Payments to suppliers	<u>(150,185)</u>	<u>(32,814)</u>
Net cash provided (used) by operating activities	<u>5,954</u>	<u>(23,794)</u>
Cash flows from noncapital financing activities:		
Operating subsidies and transfers from other funds	<u>25,000</u>	
Net cash provided by noncapital financing activities	<u>25,000</u>	
Net increase (decrease) in cash	30,954	(23,794)
Cash - July 1	<u>125,022</u>	<u>32,082</u>
Cash - June 30	<u>\$ 155,976</u>	<u>\$ 8,288</u>
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating gain	\$ 1,952	\$ -
Adjustments not affecting cash:		
Depreciation	3,598	
Change in assets and liabilities:		
Increase in inventories	404	
Decrease in accounts payable		<u>(23,794)</u>
Total adjustments	<u>4,002</u>	<u>(23,794)</u>
Net cash provided (used) by operating activities	<u>\$ 5,954</u>	<u>\$ (23,794)</u>

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

RIVER DELL REGIONAL SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	<u>Private Purpose Scholarship Funds</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Agency Funds</u>
ASSETS			
Cash	\$ 105,577	\$ 152,331	\$ 169,652
Total assets	<u>105,577</u>	<u>152,331</u>	<u>\$ 169,652</u>
LIABILITIES			
Accounts payable		2,395	\$ -
Payroll deductions and withholdings			158
Due to student groups	<u> </u>	<u> </u>	<u>169,494</u>
Total liabilities	<u> </u>	<u>2,395</u>	<u>\$ 169,652</u>
NET POSITION			
Held in trust for unemployment claims and other purposes		<u>\$ 149,936</u>	
Reserved for scholarships	<u>\$ 105,577</u>		

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

RIVER DELL REGIONAL SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2014

	<u>Private Purpose Scholarship Funds</u>	<u>Unemployment Compensation Insurance Trust Fund</u>
ADDITIONS:		
Contributions:		
Other	\$ 22,350	\$ -
Employer		25,000
Plan member		<u>22,600</u>
Total contributions	<u>22,350</u>	<u>47,600</u>
Investment earnings:		
Interest	<u>53</u>	<u>10</u>
Net investment earnings	<u>53</u>	<u>10</u>
Total additions	<u>22,403</u>	<u>47,610</u>
DEDUCTIONS:		
Scholarship/award payments	32,473	
Unemployment compensation insurance claims and fees		<u>36,211</u>
Total deductions	<u>32,473</u>	<u>36,211</u>
Change in net position	(10,070)	11,399
Net position - July 1	<u>115,647</u>	<u>138,537</u>
Net position - June 30	<u>\$ 105,577</u>	<u>\$ 149,936</u>

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

NOTES TO FINANCIAL STATEMENTS

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

The River Dell Regional School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board of Education (the "Board") consists of nine members elected to three-year terms and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The purpose of the District is to educate students in grades 7 - 12. The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

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

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

B. New Accounting Standards:

During fiscal year 2014, the District adopted the following GASB statements

- GASB 65, *Items Previously Reported as Assets and Liabilities*. The objective of this statement was to establish accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. See Note 6.
- GASB 66, *Technical Corrections - 2012, an Amendment of GASB Statements 10 and 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. New Accounting Standards: (Continued)

- GASB 67, *Financial Reporting for Pension Plans, an Amendment of GASB 25*. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans* and *Note Disclosures for Defined Contribution Plans* and No. 50, *Pension Disclosures*, as related to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. This Statement did not impact the District's financial statements.

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 68, *Accounting and Financial Reporting for Pensions*, will be effective beginning with the year ending June 30, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as related to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.
- GASB 69, *Government Combinations and Disposals of Government Operations* will be effective beginning with the fiscal year ending June 30, 2015. The objective of this Statement is to establish accounting and financial reporting standards for mergers, acquisitions, and transfers of operations (i.e., government combinations). The Statement also provides guidance on how to determine the gain or loss on a disposal of government operations. This Statement applies to all state and local governmental entities. The District does not expect this statement to impact its financial statements.

C. Basis of Presentation:

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

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

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued):

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

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental, proprietary, and fiduciary* are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings and the purchase of built-in equipment. These resources cannot be transferred from and to current expense without Board resolution and NJDOE approval.

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

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued):

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the district's voters as a separate question on the ballot either during the annual election or at a special election and from state aid through economic development grants other than those financed by the proprietary fund.

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 of the government funds.

The District reports the following proprietary funds:

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

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

The District reports the following fiduciary funds:

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

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

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

Reclassifications

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation

RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting:

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

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

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

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are no longer voted by the electorate. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(f) 1.

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

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets/Budgetary Control (Continued):

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

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

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

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

F. Encumbrance Accounting:

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Encumbrances are a component of fund balance at fiscal year end, as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year-end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year-end.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Net Position or Equity:

Cash:

Cash includes cash in banks and money market accounts.

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

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

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

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

Receivables and Allowance for Uncollectible Accounts:

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

Inventories:

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

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

Short-Term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

Capital Assets:

The District has an established formal system of accounting for its capital assets. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Assets: (Continued):

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

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

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

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

Deferred Revenue:

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

Accrued Liabilities and Long-term Obligations:

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

Accrued Salaries and Wages:

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Accrued Salaries and Wages: (Continued)

New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2014, the amounts earned by these employees were disbursed to the employees' own individual accounts. Accounts Payable includes amounts estimated for increases in salaries for employees in bargaining units who have not settled their contracts as of June 30, 2014.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government did not have any item qualifying for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The district has one item that qualifies for reporting in this category, unamortized bond issuance premiums.

Compensated Absences:

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

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

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

District-Wide Net Position:

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Equity:

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

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

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures - This restriction was created in accordance with N.J.S.A. 18A:7F-7 to represent the June 30, 2013 audited excess surplus that was appropriated in the 2014/2015 original budget certified for taxes.

Reserved Excess Surplus - This restriction was created in accordance with N.J.S.A. 18A:7F-7 to represent the June 30, 2014 audited excess surplus that is required to be appropriated in the 2015/2016 original budget certified for taxes.

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

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

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

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

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

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

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

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Revenues - Exchange and Nonexchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

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

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

Interfund Transactions:

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

Tuition:

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

Tuition Expenditures - Tuition charges for the fiscal year 2013-2014 were based on rates established by the receiving district or private school for the disabled. These rates are subject to change when the actual costs have been certified by the state.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Operating Revenues and Expenses:

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

H. Allocation of Indirect Expenses:

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

I. Extraordinary and Special Items:

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

J. Management Estimates:

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

Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2014 through November 28, 2014, the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

NOTE 2. CASH

As of June 30, 2014, cash and restricted cash of the District consisted of \$3,363,371 in checking and money market accounts.

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

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2. CASH (CONTINUED)

Custodial Credit Risk - Deposits:

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a deposit policy for custodial credit risk. As of June 30, 2014, the District's bank balance of \$4,173,618 was not exposed to custodial credit risk, as the District's deposits are primarily in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. See Note 1.

NOTE 3. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

There are no interfund balances remaining on the fund financial statements at June 30, 2014.

Interfund transfers

	Transfers From General Fund
Transfers to:	
Enterprise Fund	\$ 25,000
	\$ 25,000

Transfers are used to move receipts from the General Fund to the Enterprise Fund for operating expenses.

NOTE 4. RECEIVABLES

Receivables at June 30, 2014, consisted of intergovernmental Federal and State activities. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Amount
Governmental activities	
General fund:	
State	\$ 215,533
Total governmental activities	215,533
Total receivables	\$ 215,533

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 5. INVENTORIES

Inventories in the food service fund at June 30, 2014, consisted of the following:

Food and Supplies \$ 1,288

NOTE 6 RESTATEMENT

On July 1, 2013, River Dell Regional School District implemented GASB Statement No. 65, "*Items Previously Reported in Assets and Liabilities*". River Dell Regional School District has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the year ended June 30, 2013 was to eliminate in the District-wide statement of net position the deferred charge related to debt issuance costs in the amount of \$157,943 with a corresponding reduction in the net investment in capital assets component of net position. The result of this restatement is to reduce total net position of Governmental Activities at June 30, 2013 from \$19,517,365 as originally reported to \$19,359,422 as adjusted for the effect of the change in accounting principle.

NOTE 7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 216,520	\$ -	\$ -	\$ 216,520
Total capital assets not being depreciated	216,520	-	-	216,520
<i>Capital assets being depreciated:</i>				
Site improvements	2,575,512	-	4,366,949	6,942,461
Building and building improvements	36,975,207	382,742	(3,984,036)	33,373,913
Machinery and equipment	3,131,734	276,942	(455,095)	2,953,581
Totals at historical cost	42,682,453	659,684	(72,182)	43,269,955

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 7. CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers/ Retirements</u>	<u>Ending Balance</u>
Less accumulated depreciation for:				
Building and improvements	\$ 9,273,335	\$ 1,903,410	\$ -	\$ 11,176,745
Equipment	<u>2,027,047</u>	<u>(422,365)</u>	<u>(72,182)</u>	<u>1,532,500</u>
Total accumulated depreciation	<u>11,300,382</u>	<u>1,481,045</u>	<u>(72,182)</u>	<u>12,709,245</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>31,382,071</u>	<u>(821,361)</u>	<u>-</u>	<u>30,560,710</u>
Government activity capital assets, net	<u>\$ 31,598,591</u>	<u>\$ (821,361)</u>	<u>\$ -</u>	<u>\$ 30,777,230</u>
Business-type activities:				
Equipment	\$ 204,969	\$ -	(43,414)	\$ 161,555
Less accumulated depreciation	<u>183,794</u>	<u>3,598</u>	<u>(43,414)</u>	<u>143,978</u>
Business-type activities capital assets, net	<u>\$ 21,175</u>	<u>\$ (3,598)</u>	<u>\$ -</u>	<u>\$ 17,577</u>

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

Depreciation expense was charged to functions as follows:

Governmental Activities:	
Unallocated	\$ 1,481,046
Business Type Activities:	
Food Services	<u>3,598</u>
Total	<u>\$ 1,484,644</u>

The District disposed of computers purchased under a capital lease.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 8. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2014, the following changes occurred in long-term obligations:

	<u>Balance, June 30, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2014</u>	<u>Amounts due within one year</u>
Bonds payable	\$ 12,830,000	\$ -	(1,080,000)	\$ 11,750,000	\$ 1,035,000
Compensated absences payable	<u>384,778</u>	<u>44,256</u>	<u>(4,340)</u>	<u>424,694</u>	<u>359,687</u>
	<u>\$ 13,214,778</u>	<u>\$ 44,256</u>	<u>\$ (1,084,340)</u>	<u>\$ 12,174,694</u>	<u>\$ 1,394,687</u>

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

A. General Obligation Bonds:

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

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

Bonds payable at June 30, 2014 are comprised of the following issues:

	<u>Governmental Activities</u>			
	<u>Issue Dates</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	<u>Balance June 30, 2014</u>
2013 Refunded	March 2013	4.00%	3/1/2024	<u>\$ 11,750,000</u>

B. Bonds Authorized But Not Issued:

The District has no authorized but not issued bonds at June 30, 2014.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 8. LONG-TERM OBLIGATIONS (CONTINUED)

C. Debt Service Requirements:

Debt service requirements on general obligation serial bonds payable at June 30, 2014 are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	1,035,000	470,000	1,505,000
2016	1,065,000	428,600	1,493,600
2017	1,120,000	386,000	1,506,000
2018	1,170,000	341,200	1,511,200
2019-2023	6,145,000	978,800	7,123,800
2024	1,215,000	48,600	1,263,600
	<u>\$ 11,750,000</u>	<u>\$ 2,653,200</u>	<u>\$ 14,403,200</u>

D. Bonds Refunded:

The Board adopted a refunded bond ordinance and a resolution on January 22, 2013, for the purpose of issuing Refunding Bonds (the Refunding Bonds) in order to advance refund a portion of the outstanding 2004 Bond Issuance dated March 1, 2004, (the Prior Bonds) which were issued to finance the improvements to the high school and middle school.

On March 1, 2013, the Board issued \$11,750,000 in general obligation bonds dated March 1, 2013, with an effective interest rate of 2.06% to advance refund \$12,642,000 of outstanding 2004 series bonds with an average interest rate of 4.06%. The net proceeds of \$13,124,418 (after payment of \$207,431 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the advance refunded portion of the 2004 Series bonds. As a result, this portion of the 2004 Series bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt. The difference of \$10,301 was recorded as an increase in Debt Service Fund Balance in the current year. The new debt was issued with a premium of \$1,512,718.

The Board completed the advance refunding to reduce its total debt service payments over the next 11 years by \$1,206,956 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$1,084,328.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 9. EMPLOYEE RETIREMENT SYSTEMS

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

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

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

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

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

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

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

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

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

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 9. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Significant Legislation:

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

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

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

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

Contribution Requirement:

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

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Normal Pension Cost</u>	<u>Non-Contributory Group-Life Insurance (NCGI)</u>	<u>Total Pension and NCGI</u>
2014	\$ 277,451	\$ 4,719	\$ 282,170
2013	254,392	15,141	269,533
2012	270,600	17,241	287,841

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 9. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Contribution Requirement: (Continued)

During the fiscal year ended June 30, 2014, the District contributed \$277,451 to the PERS for pension costs and \$4,719 for non-contributory group insurance premiums.

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

<u>Year Funding</u>	<u>Normal Pension Cost</u>	<u>Non-Contributory Group-Life Insurance (NCGI)</u>	<u>Post-Retirement Medical Contributions</u>	<u>Total Pension and NCGI</u>
2014	\$ 532,864	\$ 47,034	\$ 950,815	\$ 1,530,713
2013	798,730	42,024	950,681	1,791,435
2012	366,943	39,378	816,813	1,223,134

During the fiscal year ended June 30, 2014, the State of New Jersey contributed to the \$1,530,713, to the TPAF on behalf of the District, \$950,815 for post-retirement benefits, \$47,034 for non-contributory group insurance premiums and \$532,864 for normal and other pension costs. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$988,955 during the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. These amounts have been included in the district-wide financial statements, and the fund based statements as a revenue and expenditure in accordance with GASB 24.

Defined Contribution Retirement Program (DCRP)

Established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

NOTE 10. POST-RETIREMENT BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees eligible for post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 10. POST-RETIREMENT BENEFITS (CONTINUED)

The State is also responsible for the cost attributable to P.L. 1992, c. 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in fiscal year 2013.

NOTE 11. COMPENSATED ABSENCES

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

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2014, a liability did not exist for compensated absences in the enterprise funds.

NOTE 12. DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

AXA Equitable
Oppenheimer Funds
Vanguard

Lincoln Investment Planning
Aspire Financial Services
Capital Bank & Trust

NOTE 13. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Board of Education on September 25, 2000, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity will be included in the general fund annual budget.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 13. CAPITAL RESERVE ACCOUNT (CONTINUED)

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2.

Pursuant to N.J.A.C. 6A:23-2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Beginning balance, July 1, 2013		\$ 742,518
Increased by:		
Interest earnings		61
Deposit approved by board resolution June 24, 2014		<u>343,092</u>
Ending balance, June 30, 2014		<u>\$ 1,085,671</u>

The June 30, 2014 LRFP balance of local support costs of uncompleted capital projects is approximately \$4,175,000.

NOTE 14. NET POSITION - UNRESTRICTED (DEFICIT)

The District has a deficit in unrestricted net position of the governmental activities in the Statement of Net Position of \$36,081.

N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year.

For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e. if one government recognizes an asset; the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district can not recognize the June state aid payment(s) on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the governmental activities deficit in unrestricted net position does not alone indicate that the district is facing financial difficulties.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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

The deficit is a result of the following:

Unassigned fund balance (Exhibit C-1)	\$ 576,158
Unrecognized state aid payments for 2013-2014	(33,007)
Compensated absences payable	(424,694)
Accrued interest payable	<u>(154,538)</u>
Unrestricted net assets (deficit) (Exhibit A-1)	\$ <u>(36,081)</u>

NOTE 15. TRANSFERS FOR CAPITAL OUTLAY AND GENERAL FUND

The District transferred \$298,272 from 2013-14 current expense appropriations to capital outlay facilities acquisition and construction services for parking lot paving and the electrical upgrade at the Middle School and an additional \$249,909 was transferred to capital outlay equipment to cover additional costs for instructional equipment.

NOTE 16. FUND BALANCE APPROPRIATED

General Fund - Of the \$2,353,427 general fund balance in the fund financial statements at June 30, 2014, \$149,605 is reserved for encumbrances; \$575,000 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$300,000 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2015); \$1,085,671 has been reserved in the Capital Reserve Account; and \$543,151 is unassigned. At the December 9, 2013 meeting, the Board authorized and approved appropriations of \$13,240 from general fund balance from 2013 additional nonpublic school transportation aid.

Debt Service Fund - There is a balance of \$10,301 at June 30, 2014, which was designated for subsequent year's expenditures

NOTE 17. CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2014 is \$275,000.

NOTE 18. CONTINGENCIES

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

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 18. CONTINGENCIES (CONTINUED)

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

NOTE 19. RISK MANAGEMENT

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

Property, Liability and Workers' Compensation Insurance

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

New Jersey Unemployment Compensation Insurance

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013-2014	\$ 25,000	\$ 22,600	\$ 36,211	\$ 149,936
2012-2013	20,000	22,421	26,882	138,537
2011-2012	10,000	16,886	50,737	122,990

NOTE 20. OTHER MATTERS

The District participates in federal and state financial assistance grant programs. Expenditures financed by such assistance are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2014, significant amounts of grant expenditures have not been audited, but the District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the District. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

RIVER DELL REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 26,920,714	\$ -	\$ 26,920,714	\$ 26,920,714	\$ -
Tuition	400,000		400,000	498,924	98,924
Interest - capital reserve funds	30		30	61	31
Interest on investments				9,795	9,795
Miscellaneous	<u>350,000</u>		<u>350,000</u>	<u>221,629</u>	<u>(128,371)</u>
Total - local sources	<u>27,670,744</u>		<u>27,670,744</u>	<u>27,651,123</u>	<u>(19,621)</u>
State sources:					
Transportation aid	33,530		33,530	33,530	
Special education aid					
Extraordinary aid	200,000		200,000	166,171	(33,829)
Categorical special education aid	573,018		573,018	573,018	
Categorical security aid	25,643		25,643	25,643	
Other state aids	2		2	12,172	12,170
On-behalf TPAF pension-post retirement medical contributions (non-budgeted)				950,815	950,815
On-behalf TPAF pension - normal (non-budgeted)				532,864	532,864
On-behalf TPAF pension - non-contributory insurance (non-budgeted)				47,034	47,034
Reimbursed TPAF social security contributions (non-budgeted)				988,955	988,955
Total - state sources	<u>832,193</u>		<u>832,193</u>	<u>3,330,202</u>	<u>2,498,009</u>
Total revenues	<u>28,502,937</u>	-	<u>28,502,937</u>	<u>30,981,325</u>	<u>2,478,388</u>

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

RIVER DELL REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE:					
Regular programs - instruction:					
Salaries of teachers:					
Grades 6-8	\$ 2,996,984	\$ (78,768)	\$ 2,918,216	\$ 2,860,106	\$ 58,110
Grades 9-12	6,115,822	15,631	6,131,453	6,110,439	21,014
Home instruction - regular programs:					
Salaries of teachers	20,000	1,549	21,549	21,548	1
Purchased professional - educational services	15,000	(1,549)	13,451	12,292	1,159
Regular programs - undistributed instruction:					
Other salaries for instruction	46,941	6,719	53,660	52,681	979
Purchased professional - educational services	2,490	(1,000)	1,490	1,200	290
Other purchased services	517,300	(8,936)	508,364	498,132	10,232
General supplies	304,595	(43,402)	261,193	255,421	5,772
Textbooks	174,046	(7,781)	166,265	131,714	34,551
Other objects	3,915	305	4,220	2,091	2,129
Total regular programs - instruction	<u>10,197,093</u>	<u>(117,232)</u>	<u>10,079,861</u>	<u>9,945,624</u>	<u>134,237</u>
Special education - instruction:					
Learning and/or language disabilities:					
Salaries of teachers	274,428	2,018	276,446	276,446	
Other salaries for instruction	166,552	(124,193)	42,359	42,359	
General supplies	1,696	(558)	1,138	1,137	1
Textbooks	2,188	(2,188)			
Total learning and/or language disabilities	<u>444,864</u>	<u>(124,921)</u>	<u>319,943</u>	<u>319,942</u>	<u>1</u>

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

RIVER DELL REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource room/resource center:					
Salaries of teachers	\$ 1,496,117	\$ 116,001	\$ 1,612,118	\$ 1,612,116	\$ 2
Other salaries for instruction	49,019	(4,265)	44,754	44,683	71
General supplies	8,543	(2,655)	5,888	5,855	33
Textbooks	5,222	(2,700)	2,522	2,521	1
Total resource room/resource center	<u>1,558,901</u>	<u>106,381</u>	<u>1,665,282</u>	<u>1,665,175</u>	<u>107</u>
Total special education - instruction	<u>2,003,765</u>	<u>(18,540)</u>	<u>1,985,225</u>	<u>1,985,117</u>	<u>108</u>
Basic skills/remedial - instruction:					
Salaries of teachers	125,449	113,352	238,801	238,801	
General supplies	670	520	1,190	1,129	61
Textbooks	2,628	(520)	2,108	2,107	1
Total basic skills/remedial - instruction	<u>128,747</u>	<u>113,352</u>	<u>242,099</u>	<u>242,037</u>	<u>62</u>
Bilingual education - instruction:					
Salaries of teachers	153,779	(1,740)	152,039	129,932	22,107
General supplies	4,791	(200)	4,591	4,370	221
Textbooks	1,200	200	1,400	1,161	239
Total bilingual education - instruction	<u>159,770</u>	<u>(1,740)</u>	<u>158,030</u>	<u>135,463</u>	<u>22,567</u>

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

RIVER DELL REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School sponsored cocurricular activities - instruction:					
Salaries	\$ 185,140	\$ 3,207	\$ 188,347	\$ 176,283	\$ 12,064
Purchased services	10,742	(2,285)	8,457	5,538	2,919
Supplies and materials	33,842	(1,007)	32,835	20,771	12,064
Other objects	13,708		13,708	3,440	10,268
Transfers to cover deficit (agency funds)	5,000	(4,950)	50		50
	<u>248,432</u>	<u>(5,035)</u>	<u>243,397</u>	<u>206,032</u>	<u>37,365</u>
Total school sponsored cocurricular activities - instruction					
School sponsored athletics - instruction					
Salaries	519,794	(7,070)	512,724	496,508	16,216
Purchased services	40,970	3,650	44,620	42,738	1,882
Supplies and materials	75,825	5,614	81,439	81,439	
Other objects	58,940	3,269	62,209	60,246	1,963
Transfers to cover deficit	87,250	442	87,692	87,692	
	<u>782,779</u>	<u>5,905</u>	<u>788,684</u>	<u>768,623</u>	<u>20,061</u>
Total school sponsored athletics - instruction					
Other instructional programs - instruction:					
Purchased services		910	910	809	101
		<u>910</u>	<u>910</u>	<u>809</u>	<u>101</u>
Total other instructional programs - instruction					
	<u>13,520,586</u>	<u>(22,380)</u>	<u>13,498,206</u>	<u>13,283,705</u>	<u>214,501</u>
Total - instruction					

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

RIVER DELL REGIONAL SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state-special	\$ 303,423	\$ 91,323	\$ 394,746	\$ 391,897	\$ 2,849
Tuition to county vocational school-regular	323,200	70,935	394,135	379,967	14,168
Tuition to county vocational school districts-special	150,000	(8,508)	141,492	130,500	10,992
Tuition to county special services school districts and regional day schools	371,100	28,106	399,206	397,119	2,087
Tuition to private schools for the handicapped within the state	1,088,495	(277,913)	810,582	741,597	68,985
Transfer of funds to Charter Schools	<u> </u>	<u>34,979</u>	<u>34,979</u>	<u>34,979</u>	<u> </u>
Total undistributed expenditures - instruction	<u>2,236,218</u>	<u>(61,078)</u>	<u>2,175,140</u>	<u>2,076,059</u>	<u>99,081</u>
Attendance and social work services:					
Salaries	<u>37,313</u>	<u> </u>	<u>37,313</u>	<u>37,313</u>	<u> </u>
Total attendance and social work services	<u>37,313</u>	<u> </u>	<u>37,313</u>	<u>37,313</u>	<u> </u>
Health services:					
Salaries	176,570	8,065	184,635	184,634	1
Purchased professional and technical services	14,500		14,500	14,500	
Other purchased services	250	(165)	85	67	18
Supplies and materials	3,570	(267)	3,303	3,169	134
Other objects	51	(51)			
Total health services	<u>194,941</u>	<u>7,582</u>	<u>202,523</u>	<u>202,370</u>	<u>153</u>
Speech, OT, PT & related services:					
Salaries	90,156	25,912	116,068	116,067	1
Purchased professional - educational services		11,750	11,750	11,750	
Supplies and materials	463		463	440	23
Total speech, OT, PT & related services	<u>90,619</u>	<u>37,662</u>	<u>128,281</u>	<u>128,257</u>	<u>24</u>

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

RIVER DELL REGIONAL SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other support services - students - extraordinary:					
Salaries	\$ 98,667	\$ (52,331)	\$ 46,336	\$ 40,078	\$ 6,258
Total support services - students- extraordinary	<u>98,667</u>	<u>(52,331)</u>	<u>46,336</u>	<u>40,078</u>	<u>6,258</u>
Guidance:					
Salaries of other professional staff	705,892	1,355	707,247	707,247	
Salaries of secretarial and clerical assistants	148,412	4,340	152,752	152,752	
Purchased professional - educational services	7,072	(1,977)	5,095	5,095	
Other purchased services	9,988	(1,828)	8,160	6,982	1,178
Supplies and materials	31,658	(11,088)	20,570	10,035	10,535
Other objects	978	30	1,008	860	148
Total guidance	<u>904,000</u>	<u>(9,168)</u>	<u>894,832</u>	<u>882,971</u>	<u>11,861</u>
Child study teams:					
Salaries of other professional staff	564,063	9,708	573,771	573,771	
Salaries of secretarial and clerical assistants	11,710	46,843	58,553	58,552	1
Purchased professional - educational services	98,759	(11,929)	86,830	79,428	7,402
Other purchased professional and technical services	32,500	(7,000)	25,500	25,149	351
Other purchased services	5,147	(2,128)	3,019	2,761	258
Supplies and materials	4,360	(375)	3,985	3,124	861
Other objects	1,100	375	1,475	970	505
Total child study teams	<u>717,639</u>	<u>35,494</u>	<u>753,133</u>	<u>743,755</u>	<u>9,378</u>

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

RIVER DELL REGIONAL SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Improvement of instruction services/ other support services - instructional staff:					
Salaries of supervisors of instruction	\$ 80,466	\$ 63,370	\$ 143,836	\$ 143,730	\$ 106
Purchased professional - educational services	73,803	(58,267)	15,536	14,996	540
Other purchased services	51,281	(2,656)	48,625	44,086	4,539
Supplies and materials	47,895	1,349	49,244	49,244	
Other objects	1,560	99	1,659	851	808
Total improvement of instruction services/ other support services-instructional staff	255,005	3,895	258,900	252,907	5,993
Educational media services/school library:					
Salaries	177,722	4,070	181,792	181,791	1
Purchased professional and technical services	1,630	(140)	1,490	1,490	
Other purchased services	28,810	1,906	30,716	30,469	247
Supplies and materials	28,595	(2,595)	26,000	25,646	354
Other objects	263	(213)	50	50	
Total educational media services/school library	237,020	3,028	240,048	239,446	602
Instructional staff training services:					
Other salaries	10,500		10,500	9,706	794
Purchased professional - educational services	40,500	(12,347)	28,153	25,551	2,602
Other purchased services	18,840	(1,530)	17,310	7,890	9,420
Supplies and materials	4,300		4,300	747	3,553
Other objects	3,180	125	3,305	820	2,485
Total instructional staff training services	77,320	(13,752)	63,568	44,714	18,854

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

RIVER DELL REGIONAL SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support services general administration:					
Salaries	\$ 320,908	\$ 593	\$ 321,501	\$ 321,500	\$ 1
Legal services	62,500	46,515	109,015	109,013	2
Audit fees	54,500	(2,520)	51,980	23,980	28,000
Other purchased professional services		10,698	10,698	10,697	1
Communications/telephone	31,000	(12,076)	18,924	18,005	919
Other purchased services	11,700	(385)	11,315	10,172	1,143
General supplies	9,500	834	10,334	10,333	1
Miscellaneous expenditures	7,500	2,305	9,805	9,805	
Total support services general administration	<u>497,608</u>	<u>45,964</u>	<u>543,572</u>	<u>513,505</u>	<u>30,067</u>
Support services school administration:					
Salaries of principals/assistant principals	776,071	(297)	775,774	775,710	64
Salaries of other professional staff	265,108	(2,198)	262,910	260,257	2,653
Salaries of secretarial and clerical assistants	259,835	2,717	262,552	262,552	
Other purchased services	14,950	(2,000)	12,950	6,256	6,694
Supplies and materials	7,110	1,952	9,062	6,097	2,965
Other objects	4,709	48	4,757	4,519	238
Total support services school administration	<u>1,327,783</u>	<u>222</u>	<u>1,328,005</u>	<u>1,315,391</u>	<u>12,614</u>
Support services central services:					
Salaries	356,403	486	356,889	355,023	1,866
Purchased professional services	24,775	3,058	27,833	24,988	2,845
Miscellaneous purchased services	45,450	(17,604)	27,846	23,969	3,877
Supplies and materials	18,000	30,763	48,763	48,762	1
Miscellaneous expenditures	18,000	(2,130)	15,870	15,870	
Total support services central services	<u>462,628</u>	<u>14,573</u>	<u>477,201</u>	<u>468,612</u>	<u>8,589</u>

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

RIVER DELL REGIONAL SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Support services administrative information technology:					
Salaries	\$ 356,560	\$ -	\$ 356,560	\$ 355,251	\$ 1,309
Purchased professional services	5,233		5,233		5,233
Other purchased services	1,120	1,196	2,316	2,215	101
Supplies and materials	137,842	(12,631)	125,211	111,653	13,558
Other objects		1,605	1,605	1,604	1
Total support services administrative information technology	<u>500,755</u>	<u>(9,830)</u>	<u>490,925</u>	<u>470,723</u>	<u>20,202</u>
Required maintenance for school facilities:					
Salaries	391,256	(828)	390,428	390,426	2
Cleaning, repair and maintenance services	230,841	56,329	287,170	217,408	69,762
General supplies	101,250	27,961	129,211	105,553	23,658
Other objects	500	1,371	1,871	1,870	1
Total required maintenance for school facilities	<u>723,847</u>	<u>84,833</u>	<u>808,680</u>	<u>715,257</u>	<u>93,423</u>
Custodial Services:					
Salaries	593,308	15,396	608,704	608,640	64
Purchased professional and technical services		32,236	32,236	19,605	12,631
Cleaning, repair and maintenance services	13,000	5,200	18,200	18,186	14
Other purchased property services	38,000	5,313	43,313	43,312	1
Insurance	109,000	17,864	126,864	126,864	
Miscellaneous purchased services	150	(1)	149		149
General supplies	88,000	(18,311)	69,689	69,688	1
Energy (natural gas)	276,731	(130,100)	146,631	146,630	1
Energy (electricity)	408,807	85,092	493,899	493,898	1
Energy (gasoline)	2,500		2,500	2,500	
Other objects	150	351	501	500	1
Total custodial services	<u>1,529,646</u>	<u>13,040</u>	<u>1,542,686</u>	<u>1,529,823</u>	<u>12,863</u>

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

RIVER DELL REGIONAL SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Care and upkeep of grounds:					
Salaries	\$ 123,649	\$ 9,312	\$ 132,961	\$ 132,959	\$ 2
Purchased professional and technical services	33,000	4,650	37,650	37,650	
Cleaning, repair and maintenance services	16,500	5,278	21,778	21,778	
General supplies	23,700	13,320	37,020	37,019	1
Other objects	125	(125)			
Total care and upkeep of grounds	<u>196,974</u>	<u>32,435</u>	<u>229,409</u>	<u>229,406</u>	<u>3</u>
Security:					
Salaries	<u>25,500</u>		<u>25,500</u>	<u>25,500</u>	
Total security	<u>25,500</u>		<u>25,500</u>	<u>25,500</u>	
Student transportation services:					
Salaries for pupil transportation (between home and school) - regular	32,503		32,503	30,868	1,635
Cleaning, repair and maintenance services	4,500		4,500	202	4,298
Contracted services - aid in lieu of payments for non-public school students	51,000	14,129	65,129	41,494	23,635
Contracted services (between home and school) - vendors	250,000	(46,940)	203,060	177,352	25,708
Contracted services (other than between home and school) - vendors	143,917	(13,901)	130,016	124,369	5,647
Contracted services (between home and school) - joint agreements	20,000		20,000	17,760	2,240
Contracted services (special education students) - vendors	255,000	(62,018)	192,982	163,298	29,684
Supplies and materials	3,000	2,430	5,430	5,430	
Transportation supplies					
Total student transportation services	<u>759,920</u>	<u>(106,300)</u>	<u>653,620</u>	<u>560,773</u>	<u>92,847</u>

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

RIVER DELL REGIONAL SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Unallocated benefits:					
Social security contributions	\$ 319,565	\$	\$ 319,565	\$ 306,248	\$ 13,317
Other retirement contributions	325,000	(5,671)	319,329	289,880	29,449
Unemployment compensation		25,000	25,000	25,000	
Workmen's compensation	118,650		118,650	108,754	9,896
Health benefits	3,769,622	(591,059)	3,178,563	3,051,300	127,263
Tuition reimbursement	17,100	7,901	25,001	25,000	1
Total personnel services - unallocated benefits	<u>4,549,937</u>	<u>(563,829)</u>	<u>3,986,108</u>	<u>3,806,182</u>	<u>179,926</u>
On-behalf TPAF pension-post retirement medical contributions (non-budgeted)				950,815	(950,815)
On-behalf TPAF pension - normal (non-budgeted)				532,864	(532,864)
On-behalf TPAF pension - non-contributory insurance (non-budgeted)				47,034	(47,034)
Reimbursed TPAF social security contributions (non-budgeted)				988,955	(988,955)
				<u>2,519,668</u>	<u>(2,519,668)</u>
Total undistributed expenditures	<u>15,423,340</u>	<u>(537,560)</u>	<u>14,885,780</u>	<u>16,802,710</u>	<u>(1,916,930)</u>
Total expenditures - current expense	<u>28,943,926</u>	<u>(559,940)</u>	<u>28,383,986</u>	<u>30,086,415</u>	<u>(1,702,429)</u>

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

RIVER DELL REGIONAL SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CAPITAL OUTLAY:					
Equipment:					
Undistributed expenditures:					
Instruction	\$ -	\$ 78,220	\$ 78,220	\$ 78,220	\$ -
School sponsored and other instructional programs		6,814	6,814	6,814	
Support services - instructional staff		47,315	47,315	47,315	
Required maintenance for school facilities		100,730	100,730	100,730	
Care and upkeep of grounds		16,830	16,830	16,830	
Total equipment		249,909	249,909	249,909	
Facilities acquisition and construction services:					
Other purchased professional and technical services	10,998	13,502	24,500	22,165	2,335
Construction services		317,441	317,441	300,290	17,151
Other objects	92,958	(32,671)	60,287	60,287	
Total facilities acquisition and construction services	103,956	298,272	402,228	382,742	19,486
Total capital outlay	103,956	548,181	652,137	632,651	19,486
Total expenditures	29,047,882	(11,759)	29,036,123	30,719,066	(1,682,943)
Excess (deficiency) of revenues over (under) expenditures	(544,945)	11,759	(533,186)	262,259	795,445

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

RIVER DELL REGIONAL SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other financing sources (uses):					
Operating transfers out - Food Service Fund	\$ -	\$ (25,000)	\$ (25,000)	\$ (25,000)	\$ -
Total other financing sources (uses)	<u> </u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u> </u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(544,945)	(13,241)	(558,186)	237,259	795,445
Fund balance - July 1	<u>2,149,175</u>	<u> </u>	<u>2,149,175</u>	<u>2,149,175</u>	<u> </u>
Fund balance - June 30	<u>\$ 1,604,230</u>	<u>\$ (13,241)</u>	<u>\$ 1,590,989</u>	<u>\$ 2,386,434</u>	<u>\$ 795,445</u>
Recapitulation of excess (deficiency) of revenues over (under) expenditures:					
Adjustment for prior year encumbrance	\$ (169,916)	\$	\$ (169,916)	\$ (169,916)	\$
Increase in capital reserve:					
Interest earned	30		30	61	31
Principal				343,092	343,092
Budgeted fund balance	<u>(375,059)</u>	<u>(13,241)</u>	<u>(388,300)</u>	<u>64,022</u>	<u>452,322</u>
Total	<u>\$ (544,945)</u>	<u>\$ (13,241)</u>	<u>\$ (558,186)</u>	<u>\$ 237,259</u>	<u>\$ 795,445</u>

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

RIVER DELL REGIONAL SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Reserved excess surplus - designated for subsequent year's expenditures				\$ 300,000	
Reserved excess surplus				275,000	
Capital reserve				1,085,671	
Assigned Fund Balance:					
Year-end encumbrances				149,605	
Unassigned Fund Balance				<u>576,158</u>	
Total fund balance				2,386,434	
Reconciliation to Governmental Funds Statements (GAAP):					
State aid payments not recognized on GAAP basis				<u>(33,007)</u>	
Fund balance per Governmental Funds (GAAP)				<u>\$ 2,353,427</u>	

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

RIVER DELL REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State sources	\$ 40,000	\$ 155,225	\$ 195,225	\$ 195,225	\$ -
Federal sources	375,000	112,355	487,355	487,355	
Local sources		25,000	25,000	25,000	
Total revenues	<u>415,000</u>	<u>292,580</u>	<u>707,580</u>	<u>707,580</u>	
EXPENDITURES:					
Instruction:					
Other salaries for instruction	130,000	5,379	135,379	135,379	
Purchased professional - educational services			62,528	62,528	
Purchased technical services	62,528		62,528	62,528	
Other purchased services		1,417	1,417	1,417	
Tuition	50,000	19,787	69,787	69,787	
General supplies		60,628	60,628	60,628	
Textbooks	40,000	11,943	51,943	51,943	
Other objects					
Total instruction	<u>282,528</u>	<u>99,154</u>	<u>381,682</u>	<u>381,682</u>	
Support services:					
Salaries of other professional staff	80,000	(7,825)	72,175	72,175	
Personal services - employee benefits		9,203	9,203	9,203	
Purchased professional and technical services		500	500	500	
Purchased professional educational services		118,189	118,189	118,189	
Purchased technical services	40,000	(29,600)	10,400	10,400	
Travel		32,677	32,677	32,677	
Other purchased services		16,350	16,350	16,350	
Supplies and materials	12,472	24,898	37,370	37,370	
Other objects		2,000	2,000	2,000	
Total support services	<u>132,472</u>	<u>166,392</u>	<u>298,864</u>	<u>298,864</u>	
CAPITAL OUTLAY:					
Equipment					
Instructional equipment		27,034	27,034	27,034	
Total equipment		<u>27,034</u>	<u>27,034</u>	<u>27,034</u>	
Total expenditures/outflows	<u>415,000</u>	<u>292,580</u>	<u>707,580</u>	<u>707,580</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

RIVER DELL REGIONAL SCHOOL DISTRICT
 Notes to Required Supplementary Information
 Budget-to-GAAP Reconciliation
 For the Fiscal Year Ended June 30, 2014

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 30,981,325	\$ 707,580
Difference - budget to GAAP:		
State aid payments recognized for GAAP statements in the current year, previously recognized for budgetary purposes	38,861	
State aid payments recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	<u>(33,007)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 30,987,179</u>	<u>\$ 707,580</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<u>\$ 30,719,066</u>	<u>\$ 707,580</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 30,719,066</u>	<u>\$ 707,580</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

RIVER DELL REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	(Exhibit E-1a) Nonpublic Services	(Exhibit E-1b) E.S.E.A.	(Exhibit E-1c) I.D.E.A. Part B - Basic	Other Grant	Totals
REVENUES:					
State sources	\$ 195,225				\$ 195,225
Federal sources		93,945	393,410		487,355
Local sources				25,000	25,000
Total revenues	195,225	93,945	393,410	25,000	707,580
EXPENDITURES:					
Instruction:					
Other salaries for instruction			135,379		135,379
Purchased technical services		62,528			62,528
Other purchased services		1,417			1,417
Tuition			69,787		69,787
General supplies	18,940	10,500	31,188		60,628
Textbooks	51,943				51,943
Total instruction	70,883	74,445	236,354		381,682
Support services:					
Salaries of other professional staff	32,190		39,985		72,175
Personal services - employee benefits	9,203				9,203
Purchased professional and technical services		500			500
Purchased professional educational services	64,579		53,610		118,189
Purchased technical services			10,400		10,400
Travel			32,677		32,677
Other purchased services			16,350		16,350
Supplies and materials	18,370	19,000			37,370
Other objects			2,000		2,000
Total support services	124,342	19,500	155,022		298,864
Facilities acquisition and construction services:					
Instructional equipment			2,034	25,000	27,034
Total facilities acquisition and construction services			2,034	25,000	27,034
Total expenditures	\$ 195,225	\$ 93,945	\$ 393,410	\$ 25,000	\$ 707,580

RIVER DELL REGIONAL SCHOOL DISTRICT
 Special Revenue Fund
 Nonpublic Services
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2014

	<u>Compen- satory Education</u>	<u>English As A Second Language</u>	<u>Home Instruction</u>	<u>Supple- mental Instruction</u>	<u>Exam and Classifi- cation</u>	<u>Correc- tive Speech</u>	<u>Textbook</u>	<u>Technology</u>	<u>Nursing</u>	<u>Totals</u>
REVENUES:										
State sources	\$ 12,155	\$ 2,095	\$ 290	\$ 10,466	\$ 27,068	\$ 2,265	\$ 51,943	\$ 18,940	\$ 70,003	\$ 195,225
EXPENDITURES:										
Instruction:										
General supplies								18,940		18,940
Textbooks							51,943			51,943
Total instruction							51,943	18,940		70,883
Support services:										
Salaries of other professional staff									32,190	32,190
Personal services - employee benefits									9,203	9,203
Purchased professional educational services	12,155	2,095	290	10,466	27,068	2,265			10,240	64,579
Supplies and materials									18,370	18,370
Total support services	12,155	2,095	290	10,466	27,068	2,265			70,003	124,342
Total expenditures	<u>\$ 12,155</u>	<u>\$ 2,095</u>	<u>\$ 290</u>	<u>\$ 10,466</u>	<u>\$ 27,068</u>	<u>\$ 2,265</u>	<u>\$ 51,943</u>	<u>\$ 18,940</u>	<u>\$ 70,003</u>	<u>\$ 195,225</u>

RIVER DELL REGIONAL SCHOOL DISTRICT
 Special Revenue Fund
 E.S.E.A.
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2014

	<u>Title II</u> <u>Part A</u> <u>Current</u> <u>Year</u>	<u>Title III</u> <u>Part A</u> <u>Current</u> <u>Year</u>	<u>Totals</u>
REVENUES:			
Federal sources	\$ 62,528	\$ 31,417	\$ 93,945
EXPENDITURES:			
Instruction:			
Purchased technical services	62,528		62,528
Other purchased services		1,417	1,417
General supplies		<u>10,500</u>	<u>10,500</u>
Total instruction	<u>62,528</u>	<u>11,917</u>	<u>74,445</u>
Support services:			
Purchased professional and technical services		500	500
Supplies and materials		<u>19,000</u>	<u>19,000</u>
Total support services		<u>19,500</u>	<u>19,500</u>
Total expenditures	<u>\$ 62,528</u>	<u>\$ 31,417</u>	<u>\$ 93,945</u>

RIVER DELL REGIONAL SCHOOL DISTRICT
Special Revenue Fund
I.D.E.A.

Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	Part B - Basic Current Year	Totals
REVENUES:		
Federal sources	\$ 393,410	\$ 393,410
EXPENDITURES:		
Instruction:		
Other salaries for instruction	135,379	135,379
Purchased professional - educational services		
Tuition	69,787	69,787
General supplies	31,188	31,188
Total instruction	236,354	236,354
Support services:		
Salaries of other professional staff	39,985	39,985
Purchased professional educational services	53,610	53,610
Purchased technical services	10,400	10,400
Other purchased services	32,677	32,677
Supplies and materials	16,350	16,350
Other objects	2,000	2,000
Total support services	155,022	155,022
Facilities acquisition and construction services:		
Instructional equipment	2,034	2,034
Total facilities acquisition and construction services	2,034	2,034
Total expenditures	\$ 393,410	\$ 393,410

CAPITAL PROJECTS FUND DETAIL STATEMENTS

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

PROPRIETARY FUNDS DETAIL STATEMENTS

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

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

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

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

FIDUCIARY FUNDS DETAIL STATEMENTS

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

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

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

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

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

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

RIVER DELL REGIONAL SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Position
June 30, 2014

	<u>Private Purpose Scholarship Funds</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Agency Funds</u>	<u>Totals</u>
ASSETS:				
Cash	\$ 105,577	\$ 152,331	\$ 169,652	\$ 427,560
Total assets	<u>\$ 105,577</u>	<u>\$ 152,331</u>	<u>\$ 169,652</u>	<u>\$ 427,560</u>
LIABILITIES				
Liabilities:				
Accounts payable	\$	\$ 2,395	\$ -	\$ 2,395
Payroll deductions and withholdings			158	158
Due to student groups			<u>169,494</u>	<u>169,494</u>
Total liabilities		<u>2,395</u>	<u>169,652</u>	<u>172,047</u>
NET POSITION				
Held in trust for unemployment claims and other purposes		149,936		149,936
Reserved for scholarships	<u>105,577</u>			<u>105,577</u>
Total net position	<u>105,577</u>	<u>149,936</u>		<u>255,513</u>
Total liabilities and net position	<u>\$ 105,577</u>	<u>\$ 152,331</u>	<u>\$ 169,652</u>	<u>\$ 427,560</u>

RIVER DELL REGIONAL SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2014

	<u>Private Purpose Scholarship Funds</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
ADDITIONS:			
Contributions:			
Other	\$ 22,350	\$ -	\$ 22,350
Employer		25,000	25,000
Plan member		<u>22,600</u>	<u>22,600</u>
Total contributions	<u>22,350</u>	<u>47,600</u>	<u>69,950</u>
Investment earnings:			
Interest	<u>53</u>	<u>10</u>	<u>63</u>
Net investment earnings	<u>53</u>	<u>10</u>	<u>63</u>
Total additions	<u>22,403</u>	<u>47,610</u>	<u>70,013</u>
DEDUCTIONS:			
Scholarship/award payments	32,473		32,473
Unemployment compensation insurance claims and fees		<u>36,211</u>	<u>36,211</u>
Total deductions	<u>32,473</u>	<u>36,211</u>	<u>68,684</u>
Change in net position	(10,070)	11,399	1,329
Net position - July 1	<u>115,647</u>	<u>138,537</u>	<u>254,184</u>
Net position - June 30	<u>\$ 105,577</u>	<u>\$ 149,936</u>	<u>\$ 255,513</u>

RIVER DELL REGIONAL SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2014</u>
MIDDLE/SENIOR HIGH SCHOOLS: River Dell Regional	\$ <u>242,472</u>	\$ <u>396,082</u>	\$ <u>469,060</u>	\$ <u>169,494</u>
Total middle/senior high schools:	<u>242,472</u>	<u>396,082</u>	<u>469,060</u>	<u>169,494</u>
ATHLETICS: River Dell Regional	<u> </u>	<u>104,057</u>	<u>104,057</u>	<u> </u>
Total all schools	<u>\$ 242,472</u>	<u>\$ 500,139</u>	<u>\$ 573,117</u>	<u>\$ 169,494</u>

RIVER DELL REGIONAL SCHOOL DISTRICT
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2014</u>
ASSETS:				
Cash	\$ 125,516	\$ 9,014,392	\$ 9,139,750	\$ 158
Total assets	<u>\$ 125,516</u>	<u>\$ 9,014,392</u>	<u>\$ 9,139,750</u>	<u>\$ 158</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 125,516	\$ 9,014,392	\$ 9,139,750	\$ 158
Total liabilities	<u>\$ 125,516</u>	<u>\$ 9,014,392</u>	<u>\$ 9,139,750</u>	<u>\$ 158</u>

RIVER DELL REGIONAL SCHOOL DISTRICT
Payroll Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
ASSETS:				
Cash	\$ <u> -</u>	\$ <u>10,418,690</u>	\$ <u>10,418,690</u>	\$ <u> -</u>
Total assets	\$ <u> -</u>	\$ <u>10,418,690</u>	\$ <u>10,418,690</u>	\$ <u> -</u>
LIABILITIES:				
Accrued salaries and wages	\$ <u> -</u>	\$ <u>10,418,690</u>	\$ <u>10,418,690</u>	\$ <u> -</u>
Total liabilities	\$ <u> -</u>	\$ <u>10,418,690</u>	\$ <u>10,418,690</u>	\$ <u> -</u>

LONG-TERM DEBT SCHEDULES

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

RIVER DELL REGIONAL SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year Ended June 30, 2014

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2013	Issued	Retired	Balance June 30, 2014
			Date	Amount					
Improvements to High School and Middle School	3/1/2004	\$ 21,982,000	3/1/2014	1,080,000	3.250%	\$ 1,080,000	\$ -	\$ 1,080,000	\$ -
Improvements to High School and Middle School (Refunded 2004 bonds maturing 3-1-2013 to 3-1-2024)	3/1/2013	11,750,000	3/1/2015	1,035,000	4.000%				
			3/1/2016	1,065,000	4.000%				
			3/1/2017	1,120,000	4.000%				
			3/1/2018	1,170,000	4.000%				
			3/1/2019	1,235,000	4.000%				
			3/1/2020	1,235,000	4.000%				
			3/1/2021	1,230,000	4.000%				
			3/1/2022	1,225,000	4.000%				
			3/1/2023	1,220,000	4.000%				
			3/1/2024	1,215,000	4.000%				
						<u>11,750,000</u>			<u>11,750,000</u>
						<u>\$ 12,830,000</u>	<u>\$ -</u>	<u>\$ 1,080,000</u>	<u>\$ 11,750,000</u>

RIVER DELL REGIONAL SCHOOL DISTRICT
 Debt Service Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 1,559,529	\$ -	\$ 1,559,529	\$ 1,559,529	\$ -
Total revenues	<u>1,559,529</u>	<u></u>	<u>1,559,529</u>	<u>1,559,529</u>	<u></u>
EXPENDITURES:					
Regular debt service:					
Interest	479,529		479,529	479,529	
Redemption of principal	<u>1,080,000</u>		<u>1,080,000</u>	<u>1,080,000</u>	
Total regular debt service	<u>1,559,529</u>		<u>1,559,529</u>	<u>1,559,529</u>	
Total expenditures	<u>1,559,529</u>		<u>1,559,529</u>	<u>1,559,529</u>	
Excess (deficiency) of revenues over (under) expenditures					
Fund balances - July 1				10,301	10,301
Fund balances - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,301</u>	<u>\$ 10,301</u>
Recapitulation of Fund Balance, End of Year					
Restricted for Debt Service:					
Designated for Subsequent Year's Expenditures				<u>\$ 10,301</u>	

River Dell Regional School District Statistical Section (Unaudited)

<u>Contents</u>	<u>Page</u>
Financial Trends	85 - 91
<p>These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.</p>	
Revenue Capacity	92 - 97
<p>These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.</p>	
Debt Capacity	98 - 101
<p>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the district's ability to issue additional debt in the future.</p>	
Demographic and Economic Information	102 - 103
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.</p>	
Operating Information	104 - 108
<p>These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.</p>	

RIVER DELL REGIONAL SCHOOL DISTRICT
 Net Position by Component
 Last Ten Years
(accrual basis of accounting)
 Unaudited

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Net investment in capital assets	\$ (16,056,111)	\$ (729,521)	\$ 11,533,252	\$ 13,540,175	\$ 14,170,382	\$ 14,999,328	\$ 15,953,743	\$ 17,108,921	\$ 17,930,614	\$ 18,168,830
Restricted	20,226,970	10,101,699	1,779,438	1,160,667	534,363	669,271	1,378,744	1,626,127	1,597,794	1,820,577
Unrestricted (deficit)	52,854	(109,538)	(101,991)	(182,982)	(211,664)	(335,643)	(216,628)	(196,850)	(11,043)	(36,081)
Total governmental activities net position	4,223,713	9,262,640	13,210,699	14,517,860	14,493,081	15,332,956	17,115,859	18,538,198	19,517,365	19,953,326
Business-type activities:										
Net investment in capital assets	36,380	28,927	24,580	29,687	22,092	19,251	25,528	23,263	21,175	17,577
Unrestricted	29,850	34,231	36,487	39,554	42,108	42,865	67,042	90,246	126,714	157,264
Total business-type activities net position	66,230	63,158	61,067	69,241	64,200	62,116	92,570	113,509	147,889	174,841
District-wide:										
Net investment in capital assets	(16,019,731)	(700,594)	11,557,832	13,569,862	14,192,474	15,018,579	15,979,271	17,132,184	17,951,789	18,186,407
Restricted	20,226,970	10,101,699	1,779,438	1,160,667	534,363	669,271	1,378,744	1,626,127	1,597,794	1,820,577
Unrestricted (deficit)	82,704	(75,307)	(65,504)	(143,428)	(169,556)	(292,778)	(149,586)	(106,604)	115,671	121,183
Total district net position	\$ 4,289,943	\$ 9,325,798	\$ 13,271,766	\$ 14,587,101	\$ 14,557,281	\$ 15,395,072	\$ 17,208,429	\$ 18,651,707	\$ 19,665,254	\$ 20,128,167

Source: District Records

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 9,607,010	\$ 9,956,677	\$ 10,715,530	\$ 11,735,009	\$ 11,310,256	\$ 11,482,564	\$ 11,191,020	\$ 11,848,868	\$ 13,276,084	\$ 13,371,099
Special education	1,527,627	1,631,578	1,950,976	1,757,703	1,909,415	2,064,810	2,015,379	2,171,721	2,664,478	2,663,190
Other special education	190,028	216,386	236,899	305,971	320,463	446,683	324,060	361,432	503,972	504,058
Other instruction	906,856	928,998	1,027,179	1,087,190	1,111,420	1,095,802	1,062,459	1,135,651	1,208,775	1,206,381
Support services:										
Tuition	1,307,709	1,477,487	1,795,257	1,866,561	1,945,565	1,912,308	1,963,326	2,081,931	2,311,184	2,145,846
Student and instruction related services	3,091,510	3,277,048	3,657,721	4,052,943	4,098,493	4,034,820	3,854,724	3,650,398	3,609,269	3,804,569
School administrative services	1,214,079	1,485,887	1,623,573	1,573,807	1,462,008	1,500,244	1,514,430	1,699,706	1,792,359	1,794,915
General administration services	509,262	404,117	551,957	572,089	592,925	740,026	585,028	548,219	583,681	638,662
Central services	537,129	503,618	500,502	542,815	520,085	544,581	535,547	581,377	634,643	611,285
Administrative information technology	186,873	173,194	202,482	308,815	271,938	452,763	494,972	484,424	611,822	592,653
Business and other support services										
Plant operations and maintenance	1,906,242	2,146,325	2,348,855	2,573,387	2,872,612	2,716,997	2,914,920	2,974,565	2,936,173	3,046,479
Pupil transportation	552,924	696,140	657,850	720,396	871,985	598,699	537,118	816,444	584,705	575,346
Interest on long-term debt	926,042	921,713	886,432	872,381	769,250	714,554	658,515	602,910	498,525	347,461
Unallocated depreciation	300,457	353,900	392,316	472,809	1,987,516	1,461,850	1,530,856	1,491,849	1,004,379	1,481,048
Total governmental activities expenses	22,763,748	24,173,068	26,447,129	28,441,676	29,643,931	29,766,721	29,182,354	30,249,495	32,220,049	32,782,990
Business-type activities:										
Food service										
Valley Program	402,909	389,657	347,217	301,733	306,182	295,687	284,175	268,259	277,142	277,499
Total business-type activities expense	402,909	389,657	347,217	301,733	306,182	295,687	284,175	268,259	277,142	277,499
Total district expenses	\$ 23,166,657	\$ 24,562,725	\$ 26,794,346	\$ 28,743,409	\$ 29,950,113	\$ 30,062,408	\$ 29,466,529	\$ 30,517,754	\$ 32,497,191	\$ 33,060,489
Program Revenues:										
Governmental activities:										
Charges for services:										
Student and instruction related services	\$ -	\$ -	\$ -	\$ 170,856	\$ 293,784	\$ 191,926	\$ 162,470	\$ 160,764	\$ 149,768	\$ 147,806
Operating grants and contributions	2,181,997	2,439,298	3,434,879	3,602,413	2,496,879	2,772,957	3,077,733	3,100,523	3,889,169	3,384,411
Capital grants and contributions							97,079			
Total governmental activities program revenues	2,181,997	2,439,298	3,434,879	3,773,269	2,790,663	2,964,883	3,337,282	3,261,287	4,038,937	3,532,017
Business-type activities:										
Charges for services:										
Food service	403,502	384,584	338,955	295,518	300,941	290,259	279,424	264,198	281,522	279,451
Valley Program			144,000							
Total business type activities program revenues	403,502	384,584	482,955	295,518	300,941	290,259	279,424	264,198	281,522	279,451
Total district program revenues	\$ 2,585,499	\$ 2,823,882	\$ 3,917,834	\$ 4,068,787	\$ 3,091,604	\$ 3,255,142	\$ 3,616,706	\$ 3,525,485	\$ 4,320,459	\$ 3,811,468
Net (expense)/revenue:										
Governmental activities										
Business-type activities	\$ (20,581,751)	\$ (21,733,770)	\$ (23,012,250)	\$ (24,668,407)	\$ (26,853,268)	\$ (26,801,838)	\$ (25,845,072)	\$ (26,988,208)	\$ (28,181,112)	\$ (29,250,973)
	593	(5,073)	135,738	(6,215)	(5,241)	(5,428)	(4,751)	(4,061)	4,380	1,952
Total district-wide net expense	\$ (20,581,158)	\$ (21,738,843)	\$ (22,876,512)	\$ (24,674,622)	\$ (26,858,509)	\$ (26,807,266)	\$ (25,849,823)	\$ (26,992,269)	\$ (28,176,732)	\$ (29,249,021)

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General revenues and other changes in net position:										
Governmental activities:										
Property taxes levied for:										
General purposes	\$ 18,167,654	\$ 18,864,579	\$ 20,393,526	\$ 21,895,575	\$ 22,577,722	\$ 23,480,115	\$ 24,863,418	\$ 25,506,624	\$ 26,016,756	\$ 26,920,714
Debt services	2,225,649	2,192,788	2,198,091	2,221,046	2,209,329	2,193,798	2,183,323	1,872,338	1,610,000	1,559,529
Unrestricted grants and contributions	1,733,635	4,454,311	3,677,721	1,232,983	1,121,301	1,287,742		512,522	650,725	634,225
Tuition received	214,866	242,204	269,577	322,138	392,472	473,642	376,858	352,187	425,986	498,924
Interest - capital reserve funds	27	2,216	1,346					18	36	61
Investment earnings	185,975	1,071,872	272,118	159,573	42,671	7,515	30,066	747	473	9,795
Miscellaneous income	135,651	144,727	151,144	157,468	484,994	202,136	209,515	191,111	486,303	246,829
Transfers			(3,214)	(13,215)		(3,235)	(35,205)	(25,000)	(30,000)	(25,000)
Total governmental activities	<u>22,663,457</u>	<u>26,772,697</u>	<u>26,960,309</u>	<u>25,975,568</u>	<u>26,828,489</u>	<u>27,641,713</u>	<u>27,627,975</u>	<u>28,410,547</u>	<u>29,160,279</u>	<u>29,844,877</u>
Business-type activities:										
Investment earnings	\$ 1,224	\$ 2,001	\$ 2,957	\$ 1,174	\$ 200	\$ 109	\$ -	\$ -	\$ -	\$ -
Transfers			3,214	13,215		3,235	35,205	25,000	30,000	25,000
Total business-type activities	<u>1,224</u>	<u>2,001</u>	<u>6,171</u>	<u>14,389</u>	<u>200</u>	<u>3,344</u>	<u>35,205</u>	<u>25,000</u>	<u>30,000</u>	<u>25,000</u>
Total district-wide	<u>\$ 22,664,681</u>	<u>\$ 26,774,698</u>	<u>\$ 26,966,480</u>	<u>\$ 25,989,957</u>	<u>\$ 26,828,689</u>	<u>\$ 27,645,057</u>	<u>\$ 27,663,180</u>	<u>\$ 28,435,547</u>	<u>\$ 29,190,279</u>	<u>\$ 29,869,877</u>
Change in net position										
Governmental activities	2,081,706	5,038,927	3,948,059	1,307,161	(24,779)	839,875	1,782,903	1,422,339	979,167	593,904
Business-type activities	1,817	(3,072)	141,909	8,174	(5,041)	(2,084)	30,454	20,939	34,380	26,952
Total district	<u>\$ 2,083,523</u>	<u>\$ 5,035,855</u>	<u>\$ 4,089,968</u>	<u>\$ 1,315,335</u>	<u>\$ (29,820)</u>	<u>\$ 837,791</u>	<u>\$ 1,813,357</u>	<u>\$ 1,443,278</u>	<u>\$ 1,013,547</u>	<u>\$ 620,856</u>

Source: District Records

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

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund:										
Reserved	\$ 851,316	\$ 1,566,914	\$ 1,494,292	\$ 566,796	\$ 351,507	\$ 587,610	\$ -	\$ -	\$ -	\$ -
Unreserved	549,163	371,252	400,022	426,847	346,352	190,376				
Restricted							926,067	1,299,342	1,417,577	1,660,671
Committed							226,899	176,523	62,250	149,605
Assigned							172,836	97,320	107,666	
Unassigned							299,596	318,464	522,821	543,151
Total general fund	\$ 1,400,479	\$ 1,938,166	\$ 1,894,314	\$ 993,643	\$ 697,859	\$ 777,986	\$ 1,625,398	\$ 1,891,649	\$ 2,110,314	\$ 2,353,427
All other governmental funds:										
Reserved	\$ 22,629,153	\$ 10,073,651	\$ 301,254	\$ 279,000	\$ -	\$ 315	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Capital projects fund	(3,282,288)	(1,538,868)	(16,112)	314,871	182,856	81,346				
Debt service fund	28,789	17,890	4	3,819					10,301	10,301
Restricted							52,942	52,942		
Total all other governmental funds	\$ 19,375,654	\$ 8,552,873	\$ 285,146	\$ 597,690	\$ 182,856	\$ 81,661	\$ 52,942	\$ 52,942	\$ 10,301	\$ 10,301

Source: District Records

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Tax levy	\$ 20,393,303	\$ 20,857,367	\$ 22,591,617	\$ 24,116,621	\$ 24,787,051	\$ 25,673,913	\$ 27,046,741	\$ 27,378,962	\$ 27,626,756	\$ 28,480,243
Tuition charges	214,866	242,204	269,577	322,138	392,472	473,642	376,858	352,187	425,986	498,924
Interest earnings	186,002	1,074,088	273,464	159,573	42,671	7,515	30,066	765	509	9,856
Miscellaneous	132,902	145,727	159,644	170,368	485,994	222,136	209,515	191,111	486,303	246,629
State sources	3,594,407	6,574,160	6,678,693	4,297,153	3,044,928	3,160,759	2,329,263	3,104,828	3,994,978	3,531,281
Federal sources	321,225	318,449	425,407	525,343	572,252	879,940	845,549	508,217	544,916	487,355
Total revenue	24,842,705	29,211,995	30,398,402	29,591,196	29,325,368	30,417,905	30,837,992	31,536,070	33,079,448	33,254,288
Expenditures:										
Instruction:										
Regular instruction	7,575,769	7,721,087	7,970,825	8,979,102	9,522,557	9,554,104	9,264,273	9,623,571	10,017,899	10,257,519
Special education instruction	1,179,821	1,233,508	1,316,334	1,256,861	1,488,528	1,583,434	1,536,714	1,633,561	1,943,071	1,985,117
Other special instruction	147,678	164,036	170,077	219,757	250,701	343,675	247,746	272,980	368,613	377,500
Other instruction	746,393	758,320	803,628	856,724	935,442	909,537	872,315	928,726	962,758	975,464
Support services:										
Tuition	1,307,709	1,477,487	1,795,257	1,866,561	1,945,565	1,912,308	1,963,326	2,081,931	2,311,184	2,145,846
Student and instruction related services	2,502,400	2,623,887	2,817,114	3,047,300	3,114,161	3,095,891	2,998,572	2,783,705	2,684,709	2,861,472
School administrative services	901,609	1,132,869	1,161,979	1,127,240	1,121,738	1,126,621	1,127,404	1,255,663	1,292,915	1,315,391
General administration services	420,412	343,777	449,383	460,875	507,570	635,147	470,436	428,109	454,031	513,505
Central services	400,177	406,734	384,367	419,804	408,652	421,851	400,541	443,497	485,992	468,612
Administrative information technology services	133,660	133,904	146,924	226,848	215,031	354,724	390,894	370,291	481,367	470,723
Business and other support services										
Plant operations and maintenance	1,590,547	1,849,790	1,991,621	2,178,564	2,266,736	2,276,625	2,422,542	2,470,075	2,413,675	2,499,986
Pupil transportation	544,855	688,206	647,330	708,896	661,814	587,042	523,961	602,805	570,739	560,773
Employee benefits	3,921,184	4,403,316	5,723,240	5,822,659	4,749,444	5,168,926	5,163,388	5,646,039	6,554,723	6,335,053
Capital outlay	3,031,812	14,425,047	11,930,545	1,288,319	2,837,575	272,055	418,659	831,528	732,049	659,685
Debt service:										
Principal	1,250,000	1,275,000	1,335,000	1,390,000	1,435,000	1,470,000	1,515,000	1,261,000	1,040,000	1,080,000
Interest and other charges	957,761	928,687	880,977	856,223	778,148	723,798	668,323	611,338	570,235	479,529
Advance to refunding escrow									1,115,640	
Bond issuance costs									127,764	
Total expenditures	\$ 26,611,787	\$ 39,565,655	\$ 39,524,601	\$ 30,705,733	\$ 32,238,662	\$ 30,435,738	\$ 29,984,094	\$ 31,244,819	\$ 34,127,364	\$ 32,986,175

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Excess (Deficiency) of revenues over (under) expenditures	\$ (1,769,082)	\$ (10,353,660)	\$ (9,126,199)	\$ (1,114,537)	\$ (2,913,294)	\$ (17,833)	\$ 853,898	\$ 291,251	\$ (1,047,916)	\$ 268,113
Other financing sources (uses):										
Proceeds from borrowing										
Capital leases (non-budgeted)		68,366	818,034	539,625	2,202,676					
Proceeds from refunding									11,750,000	
Payments to escrow agent									(12,008,778)	
Premium on bonds issued									1,512,718	
Transfers in	76,405	894,804	26,548	828,928	199,192	30	11	3		
Transfers out	(76,405)	(894,804)	(29,762)	(842,143)	(199,192)	(3,265)	(35,216)	(25,003)	(30,000)	(25,000)
Total other financing sources (uses)		68,366	814,820	526,410	2,202,676	(3,235)	(35,205)	(25,000)	1,223,940	(25,000)
Net change in fund balances	\$ (1,769,082)	\$ (10,285,294)	\$ (8,311,379)	\$ (588,127)	\$ (710,618)	\$ (21,068)	\$ 818,693	\$ 266,251	\$ 176,024	\$ 243,113
Debt service as a percentage of noncapital expenditures	9.36%	8.77%	8.03%	7.64%	7.53%	7.27%	7.38%	6.16%	8.55%	4.82%

Source: District Records

Notes: Noncapital expenditures are total expenditures less capital outlay.

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

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

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund:										
Interest on investments	\$ 109,570	\$ 177,068	\$ 245,570	\$ 123,827	\$ 33,252	\$ 7,485	\$ 30,055	\$ 744	\$ 473	\$ 9,795
Student activity fees						73,516	86,150	73,540	87,570	84,210
Rentals	54,374	59,700	60,100	62,985	65,075	51,720	50,276	21,737	12,381	19,939
Sale of equipment					153,450					
Prior year's refunds	6,459	7,309	24,742	9,880	35	1,659	7,210	11,469	28,597	16,879
Commissions										
Miscellaneous - restricted:										
Reimbursement of counselor and other costs		38,726	29,463	24,866	32,947	34,800			19,880	20,142
Utility rebates			1,512	13,328		23,178	16,451	33,159	31,884	35,572
Athletic receipts	13,452	14,864	14,579	15,152	16,910	15,089	14,155	14,920	16,654	14,921
Other		14,483	11,464	27,160	26,364		22,672	21,895	14,231	24,745
Miscellaneous - unrestricted	58,617	9,645	9,284	280	440	2,174	12,601	14,391	6,011	5,221
Total Miscellaneous	242,472	321,795	396,714	277,478	328,473	209,621	239,570	191,855	217,681	231,424
Interest on capital reserve funds	27	2,216	1,346					18	36	61
Tuition	214,866	242,204	269,577	322,138	392,472	473,642	376,858	352,187	425,986	498,924
Total General Fund	\$ 457,365	\$ 566,215	\$ 667,637	\$ 599,616	\$ 720,945	\$ 683,263	\$ 616,428	\$ 544,060	\$ 643,703	\$ 730,409

Source: District Records

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

Borough of Oradell

Fiscal Year Ended December 31,	Vacant Land	Residential	Industrial/Commercial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Less: Tax Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2005	\$ 2,219,100	\$ 729,239,000	\$ 101,901,800	\$ 3,722,200	\$ 837,082,100	\$ 862,613	\$ 837,944,713	\$ N/A	\$ 1,504,362,836	\$ 2.339
2006	2,623,700	731,683,700	102,108,100	3,575,900	839,991,400	702,978	840,694,378	N/A	1,705,042,614	2.466
2007	2,623,700	733,704,800	100,066,600	3,575,900	839,971,000	843,283	840,814,283	N/A	1,833,122,692	2.610
2008	2,479,300	739,384,400	94,810,100	3,575,900	840,249,700	838,401	841,088,101	86,002,400	1,809,772,093	2.620
2009 (c)	4,510,900	1,400,052,700	205,794,900	8,253,800	1,618,612,300	838,401	1,619,450,701	160,702,900	1,818,510,684	1.376
2010	4,769,900	1,400,255,300	205,949,300	8,253,800	1,619,228,300	1,782,462	1,621,010,762	161,113,300	1,806,117,582	1.450
2011	3,901,100	1,408,484,200	201,008,500	8,137,800	1,621,531,600	1,736,535	1,623,268,135	161,113,300	1,761,002,376	1.441
2012	3,637,800	1,401,620,300	208,127,400	8,137,800	1,621,523,300	1,724,316	1,623,247,616	160,961,500	1,732,579,488	1.460
2013 (c)	3,565,500	1,242,733,700	193,823,300	7,298,700	1,447,421,200	1,728,300	1,449,149,500	146,988,500	1,571,313,680	1.704
2014	3,565,500	1,246,404,200	189,737,100	7,298,700	1,447,005,500	1,337,625	1,448,343,125	146,750,100	1,630,493,967	1.740

Borough of River Edge

Fiscal Year Ended December 31,	Vacant Land	Residential	Industrial/Commercial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Less: Tax Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2005	\$ 6,710,100	\$ 1,399,533,700	\$ 134,217,500	\$ 71,056,500	\$ 1,611,517,800	\$ 7,498,648	\$ 1,619,016,446	\$ 130,978,000	\$ 1,436,374,608	\$ 1.240
2006	6,698,100	1,398,508,700	134,152,200	71,056,500	1,610,415,500	7,045,356	1,617,460,856	132,172,600	1,622,061,554	1.381
2007	7,055,300	1,402,078,700	132,811,800	70,886,900	1,612,832,700	7,062,847	1,619,895,547	132,487,200	1,798,693,560	1.496
2008	6,331,700	1,414,404,500	125,241,700	70,523,500	1,616,501,400	6,740,506	1,623,241,906	133,995,200	1,912,093,406	1.550
2009	11,167,500	1,421,404,500	117,120,400	70,523,500	1,620,215,900	6,952,327	1,627,168,227	134,659,500	1,920,855,215	1.650
2010	11,257,500	1,423,100,600	122,801,500	70,523,500	1,627,683,100	7,502,187	1,635,185,287	131,812,000	1,842,825,877	1.694
2011	11,268,700	1,424,860,900	121,449,300	70,523,500	1,628,102,400	6,992,114	1,635,094,514	131,812,000	1,845,519,614	1.740
2012 (c)	7,651,800	1,230,634,900	112,819,600	79,154,600	1,430,260,900	7,391,212	1,437,652,112	136,031,600	1,612,162,697	2.004
2013	7,651,800	1,230,141,600	112,365,300	79,154,600	1,429,313,300	4,948,498	1,434,261,798	135,636,000	1,650,484,645	2.026
2014	3,019,800	1,230,540,199	118,410,100	77,829,700	1,429,799,799	4,544,828	1,434,344,627	135,357,100	1,680,254,978	2.088

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

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

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

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

b - Tax rates are per \$100.

c - Borough undertook a revaluation of real property.

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

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

Fiscal Year Ended June 30,	River Dell Regional School District			Overlapping Rates		Total direct and overlapping tax rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct School	Borough of Oradell	County of Bergen	
2005	\$ 2.201	\$ 0.138	\$ 2.339	\$ 0.870	\$ 0.351	3.560
2006	2.330	0.136	2.466	0.945	0.369	3.780
2007	2.474	0.136	2.610	0.997	0.383	3.990
2008	2.486	0.134	2.620	1.019	0.404	4.043
2009 ⁽¹⁾	1.310	0.066	1.376	0.549	0.217	2.142
2010	1.385	0.065	1.450	0.570	0.218	2.238
2011	1.374	0.067	1.441	0.617	0.226	2.284
2012	1.405	0.055	1.460	0.652	0.235	2.347
2013 ⁽¹⁾	1.651	0.053	1.704	0.770	0.249	2.723
2014	1.687	0.053	1.740	0.862	0.273	2.875

Source: Municipal Tax Collector

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

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

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

⁽¹⁾ Borough undertook a revaluation of real property.

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

Fiscal Year Ended June 30,	River Dell Regional School District			Overlapping Rates		Total direct and overlapping tax rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct School	Borough of River Edge	County of Bergen	
2005	\$ 1,174	\$ 0.066	\$ 1,240	\$ 0.502	\$ 0.188	\$ 1,930
2006	1,316	0.065	1,381	0.512	0.197	2,090
2007	1,431	0.065	1,496	0.513	0.211	2,220
2008	1,483	0.067	1,550	0.549	0.217	2,316
2009	1,580	0.070	1,650	0.565	0.227	2,442
2010	1,624	0.070	1,694	0.650	0.221	2,565
2011	1,673	0.067	1,740	0.697	0.234	2,671
2012	⁽¹⁾ 1,936	0.068	2,004	0.816	0.245	3,065
2013	1,968	0.058	2,026	0.842	0.264	3,132
2014	2,033	0.055	2,088	0.862	0.273	3,223

Source: Municipal Tax Collector

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

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

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

⁽¹⁾ Borough undertook a revaluation of real property.

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

Taxpayer	Borough of Oradell					
	2014			2005		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Hajjar Med. Off. Bldg of Kinderkamack	\$ 18,618,500	1	1.29%	\$ -	-	-
Cranston Associates	17,778,300	2	1.24%	10,414,000	2	1.25%
600 Kinderkamack Road, LLC	14,000,000	3	0.97%	10,600,000	1	1.27%
Rio Vista Properties 690, LLC	9,897,000	4	0.68%			
Kamack Realty Corp.	8,579,800	5	0.60%	4,412,300	5	0.53%
PSE&G	6,808,600	6	0.47%	3,813,400	9	0.46%
White Beeches Golf club	6,171,000	7	0.43%	4,100,100	6	0.49%
Emerson Real Estate, LLC	5,500,000	8	0.38%			
Holy Name Real Estate Corp	5,310,000	9	0.37%			
Oradell Office Plaza, LLC	4,800,000	10	0.33%	3,837,200	8	0.46%
Wilmington Trust Co c/o Sony				7,215,500	3	0.86%
680-690 Kinderkamack Assoc.				4,905,000	4	0.59%
Rivervale Realty				3,942,700	7	0.47%
Hackensack Golf Club				3,609,800	10	0.43%
Total	\$ 97,463,200		6.76%	\$ 56,850,000		6.81%

Source: Municipal Tax Assessor

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

Taxpayer	Borough of River Edge					
	2014			2005		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
River Terrace Gardens	\$ 21,816,700	1	1.52%	\$ 19,825,900	1	1.22%
River Edge Associates	19,446,100	2	1.36%	15,753,900	2	0.97%
East Coast Storage	9,844,800	3	0.69%	10,040,200	5	0.62%
Gainesborough Coop Corp.	8,600,000	4	0.60%	10,509,000	3	0.65%
First Real Estate Investment Trust of NJ	8,475,900	5	0.59%	7,297,900	9	0.45%
River Terrace Gardens	8,289,500	6	0.58%			
Grand Four Associates	7,755,900	7	0.54%	8,624,100	6	0.53%
Route 4 Main Street LLC	7,487,000	8	0.52%	10,176,800	4	0.63%
Milpau Family, LLC	5,327,100	9	0.37%	8,032,600	7	0.50%
Verizon Communications	4,544,828	10	0.32%	7,498,646	8	0.46%
Riverside Medical Arts Assoc.				3,992,200	10	0.25%
Total	\$ 101,587,828		7.09%	\$ 101,751,246		6.28%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	\$ 20,393,303	\$ 20,393,303	100.00%	\$ -
2006	20,857,367	20,857,367	100.00%	
2007	22,591,617	22,591,617	100.00%	
2008	24,116,621	24,116,621	100.00%	
2009	24,787,051	24,787,051	100.00%	
2010	25,673,913	25,673,913	100.00%	
2011	27,046,741	27,046,741	100.00%	
2012	27,378,962	27,378,962	100.00%	
2013	27,626,756	27,626,756	100.00%	
2014	28,480,243	28,480,243	100.00%	

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

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

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

Borough of Oradell

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases			
2005	\$ 12,697,084	\$ -	\$ 12,697,084	2.79%	\$ 1,612
2006	12,122,044	10,233	12,132,277	2.46%	1,556
2007	11,321,416	326,691	11,648,107	2.22%	1,499
2008	10,391,470	421,291	10,812,761	2.07%	1,394
2009	9,219,463	802,654	10,022,117	2.02%	1,287
2010	8,389,687	529,132	8,918,819	1.75%	1,117
2011	7,986,990	276,401	8,263,391	1.53%	1,029
2012	7,097,259		7,097,259	1.26%	878
2013	6,171,394		6,171,394	N/A	759
2014	5,830,615		5,830,615	N/A	N/A

Borough of River Edge

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases			
2005	\$ 11,745,916	\$ -	\$ 11,745,916	1.90%	\$ 1,095
2006	11,045,956	9,324	11,055,280	1.65%	1,040
2007	10,511,584	303,322	10,814,906	1.51%	1,019
2008	10,051,530	407,509	10,459,039	1.46%	984
2009	9,788,537	852,198	10,640,735	1.56%	995
2010	9,148,313	576,979	9,725,292	1.34%	857
2011	8,036,010	278,098	8,314,108	1.08%	728
2012	7,664,741		7,664,741	0.96%	669
2013	6,658,606		6,658,606	N/A	578
2014	5,919,385		5,919,385	N/A	N/A

Source: District Records

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

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

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

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

Borough of Oradell

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value Property ^a	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2005	\$ 12,697,084	\$ -	\$ 12,697,084	1.52%	\$ 1,612
2006	12,122,044		12,122,044	1.44%	1,555
2007	11,321,416		11,321,416	1.35%	1,457
2008	10,391,470		10,391,470	1.24%	1,340
2009	9,219,463		9,219,463	0.57%	1,184
2010	8,389,687		8,389,687	0.52%	1,050
2011	7,986,990		7,986,990	0.49%	995
2012	7,097,259		7,097,259	0.44%	878
2013	6,171,394		6,171,394	0.43%	759
2014	5,830,615		5,830,615	0.40%	717

Borough of River Edge

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value Property ^a	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2005	\$ 11,745,916	\$ -	\$ 11,745,916	0.73%	\$ 1,095
2006	11,045,956		11,045,956	0.68%	1,039
2007	10,511,584		10,511,584	0.65%	991
2008	10,051,530		10,051,530	0.62%	946
2009	9,788,537		9,788,537	0.60%	916
2010	9,148,313		9,148,313	0.56%	806
2011	8,036,010		8,036,010	0.49%	704
2012	7,664,741		7,664,741	0.53%	669
2013	6,658,606		6,658,606	0.46%	578
2014	5,919,385		5,919,385	0.41%	514

Source: District Records

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

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

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

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

RIVER DELL REGIONAL SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2013

<u>Governmental Unit</u>		<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes				
Borough of Oradell	(1)	\$ 21,143,279	100%	\$ 21,143,279
Borough of River Edge	(1)	9,480,590	100%	9,480,590
Other debt				
County of Bergen - Borough of Oradell's share	(2);(A)	N/A	N/A	
County of Bergen - Borough of River Edge's share	(2);(A)	N/A	N/A	
Subtotal, overlapping debt				30,623,869
River Dell Regional School District Direct Debt				12,830,000
Total direct and overlapping debt				\$ 43,453,869

Sources: (1) Municipal Chief Financial Officer

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2013

December 31, Year	Borough of River Edge Equalized Valuation Basis	Borough of Oradell Equalized Valuation Basis	Combined Equalized Valuation Basis
2013	\$ 1,672,102,597	\$ 1,627,047,212	\$ 3,299,149,809
2012	1,643,600,207	1,687,680,371	3,331,280,578
2011	1,775,078,936	1,727,790,730	3,502,869,666
		[A]	\$ <u>10,133,300,053</u>
Average equalized valuation of taxable property			[A/3] \$ 3,377,766,684
Debt limit (3.5 % of average equalization value)			[B] 118,221,834 ^a
Total Net Debt Applicable to Limit			[C] <u>11,750,000</u>
Legal debt margin			[B-C] \$ <u>106,471,834</u>

Fiscal Year Ending June 30,

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 92,063,263	\$ 103,039,486	\$ 114,760,509	\$ 124,043,318	\$ 128,789,063	\$ 129,351,876	\$ 127,463,501	\$ 124,996,970	\$ 121,591,435	\$ 118,221,834
Total net debt applicable to limit	<u>24,443,000</u>	<u>23,168,000</u>	<u>21,833,000</u>	<u>20,443,000</u>	<u>19,008,000</u>	<u>17,538,000</u>	<u>16,023,000</u>	<u>14,762,000</u>	<u>12,830,000</u>	<u>11,750,000</u>
Legal debt margin	\$ <u>67,620,263</u>	\$ <u>79,871,486</u>	\$ <u>92,927,509</u>	\$ <u>103,600,318</u>	\$ <u>109,781,063</u>	\$ <u>111,813,876</u>	\$ <u>111,440,501</u>	\$ <u>110,234,970</u>	\$ <u>108,761,435</u>	\$ <u>106,471,834</u>
Total net debt applicable to the limit as a percentage of debt limit	26.55%	22.48%	19.02%	16.48%	14.76%	13.56%	12.57%	11.81%	10.55%	9.94%

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

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

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

Borough of Oradell					
Year	Population ^{a (1)}	Personal Income ^b	Per Capita Personal Income ^{c (2)}	Unemployment Rate ^d	
2005	7,879	\$ 454,972,855	\$ 57,745	2.90%	
2006	7,798	492,568,468	63,166	2.80%	
2007	7,773	525,501,438	67,606	2.50%	
2008	7,755	522,493,125	67,375	3.30%	
2009	7,787	497,293,394	63,862	5.90%	
2010	7,987	510,768,650	63,950	6.10%	
2011	8,031	540,004,440	67,240	6.00%	
2012	8,083	565,155,277	69,919	6.10%	
2013	8,128	N/A	N/A	4.70%	
2014	8,128 ⁽³⁾	N/A	N/A	N/A	

Borough of River Edge					
Year	Population ^{a (1)}	Personal Income ^b	Per Capita Personal Income ^{c (2)}	Unemployment Rate ^d	
2005	10,731	\$ 619,661,595	\$ 57,745	2.80%	
2006	10,633	671,644,078	63,166	3.00%	
2007	10,609	717,232,054	67,606	2.60%	
2008	10,627	715,994,125	67,375	3.40%	
2009	10,691	682,748,642	63,862	6.20%	
2010	11,353	726,024,350	63,950	6.40%	
2011	11,414	767,477,360	67,240	6.30%	
2012	11,464	801,551,416	69,919	6.40%	
2013	11,515	N/A	N/A	6.60%	
2014	11,515 ⁽³⁾	N/A	N/A	N/A	

Source:

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

Notes:

- (1) Represents estimate as of July 1
- (2) Represents county information vs. municipality.
- (3) estimated

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

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

Borough of Oradell						
Employer	2014			2005		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
	N/A	1	N/A	N/A	1	N/A
	N/A	2	N/A	N/A	2	N/A
	N/A	3	N/A	N/A	3	N/A
	N/A	4	N/A	N/A	4	N/A
	N/A	5	N/A	N/A	5	N/A
	N/A	6	N/A	N/A	6	N/A
	N/A	7	N/A	N/A	7	N/A
	N/A	8	N/A	N/A	8	N/A
	N/A	9	N/A	N/A	9	N/A
	N/A	10	N/A	N/A	10	N/A

Borough of River Edge						
Employer	2014			2005		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
	N/A	1	N/A	N/A	1	N/A
	N/A	2	N/A	N/A	2	N/A
	N/A	3	N/A	N/A	3	N/A
	N/A	4	N/A	N/A	4	N/A
	N/A	5	N/A	N/A	5	N/A
	N/A	6	N/A	N/A	6	N/A
	N/A	7	N/A	N/A	7	N/A
	N/A	8	N/A	N/A	8	N/A
	N/A	9	N/A	N/A	9	N/A
	N/A	10	N/A	N/A	10	N/A

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

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

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

<u>Function/Program</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>	<u>2014</u>
Instruction										
Regular	87.0	86.0	107.0	110.0	109.0	110.0	111.0	114.0	112.9	110.4
Special education	23.0	23.0	16.0	21.0	23.0	23.0	17.0	24.0	27.6	29.2
Support Services:										
Student & instruction related services	28.0	27.0	20.0	22.0	21.0	22.0	26.0	29.0	33.0	36.0
General administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0
School administrative services	9.0	8.0	9.2	9.0	9.0	9.0	9.0	11.0	10.0	10.0
Central services	4.5	4.5	4.8	4.5	5.0	5.0	5.0	5.0	5.5	4.5
Administrative Information Technology	2.0	2.0	2.0	2.0	2.0	2.0	4.0	4.0	4.0	4.0
Plant operations and maintenance	20.0	21.0	19.0	21.0	21.0	21.0	22.0	19.0	19.0	21.0
Pupil transportation	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total	<u>176.0</u>	<u>174.0</u>	<u>180.5</u>	<u>192.0</u>	<u>192.5</u>	<u>194.5</u>	<u>196.5</u>	<u>209.5</u>	<u>215.5</u>	<u>218.6</u>

Source: District Personnel Records

RIVER DELL REGIONAL SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Middle School	Senior High School				
2005	1,428	\$ 21,372,214	\$ 14,967	-0.49%	108.5	1:14	1:13	1,421.4	1,366.3	-1.06%	96.12%
2006	1,485	22,936,921	15,446	3.20%	108.9	1:17	1:14	1,469.8	1,410.9	3.41%	95.99%
2007	1,498	25,378,079	16,941	9.68%	112.2	1:16	1:15	1,492.0	1,422.8	1.51%	95.36%
2008	1,527	27,171,191	17,794	5.03%	112.3	1:16	1:15	1,525.5	1,468.5	2.25%	96.26%
2009	1,610	27,187,939	16,887	-5.10%	113.2	1:11	1:12	1,535.5	1,477.4	0.66%	96.22%
2010	1,622	27,969,885	17,244	2.11%	113.5	1:11	1:13	1,616.0	1,554.8	5.24%	96.21%
2011	1,638	27,382,112	16,717	-3.06%	115.5	1:11	1:14	1,619.0	1,548.0	0.19%	95.61%
2012	1,670	28,540,953	17,090	2.23%	120.8	1:14	1:16	1,667.0	1,601.3	2.96%	96.06%
2013	1,649	31,785,080	19,275	12.78%	123.4	1:16	1:15	1,650.5	1,579.7	-0.99%	95.71%
2014	1,651	30,766,961	18,635	-3.32%	125.7	1:15	1:14	1,661.7	1,593.9	0.68%	95.92%

Sources: District Records

Note: Enrollment based on annual October district count.

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

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>District Building</u>										
<u>Middle School</u>										
River Dell Middle School (1956)										
Square Feet	100,800	100,800	100,800	117,834	117,834	117,834	117,834	117,834	117,834	117,834
Capacity (students)	623.75	623.75	623.75	729.70	729.70	729.70	729.70	729.70	729.70	729.70
Enrollment	472	518	515	552	569	553	576	587	571	606
<u>High School</u>										
River Dell High School (1958)										
Square Feet	127,200	127,200	127,200	174,016	174,016	174,016	174,016	174,016	174,016	174,016
Capacity (students)	1,101.6	1,101.6	1,101.6	1,476.1	1,476.1	1,476.1	1,476.1	1,476.1	1,476.1	1,476.1
Enrollment	947	953	983	975	1,041	1,069	1,045	1,083	1,078	1,045

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

Source: District Facilities Office

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

RIVER DELL REGIONAL SCHOOL DISTRICT
 Schedule of Required Maintenance Expenditures by School Facilities
 Last Ten Fiscal Years

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

* School Facilities School # (s)	River Dell Middle School 060	River Dell High School 050	Total
2005	\$ 243,251	\$ 306,960	\$ 550,211
2006	310,965	392,409	703,374
2007	286,351	364,446	650,797
2008	242,762	431,576	674,338
2009	282,380	512,626	795,006
2010	275,377	406,674	682,051
2011	372,434	550,007	922,441
2012	422,630	624,135	1,046,765
2013	333,614	492,678	826,292
2014	288,784	426,473	715,257
Total School Facilities	\$ 3,058,548	\$ 4,507,984	\$ 7,566,532

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

Source: District Records

RIVER DELL REGIONAL SCHOOL DISTRICT
Insurance Schedule
June 30, 2014
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - School Alliance Insurance Fund		
Property - Blanket Building & Contents	\$ 90,545,075	\$ 1,000
Automobile Liability	5,000,000	500
Uninsured Motorists	5,000,000	
Auto Medical Payments	5,000	
Comprehensive General Liability	5,000,000	1,000
Employee Benefits Liability	5,000,000	1,000
Education Legal Liability	5,000,000	25,000
Employment Practices Liability	5,000,000	25,000
Computer Fraud	50,000	1,000
Public Employee Dishonesty (each loss)	500,000	1,000
Forgery and Alteration	50,000	1,000
Flood	10,000,000	25,000
Earthquake	25,000,000	25,000
Theft, Disappearance and Destruction	50,000	1,000
Boiler and Machinery Equipment Coverage	100,000,000	1,000
School Leaders Professional Liability - National Union Fire Insurance	5,000,000	25,000
Environmental Impairment Liability Aggregate Limit - Ace Insurance Group	25,000,000	10,000
Additional Excess Liability (each occurrence) - Fireman's Fund Indemnity Corporation	50,000,000	
Position Bonds		
Treasurer of School Moneys	300,000	
Board Secretary/Business Administrator	100,000	

Source: District Records

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

SINGLE AUDIT SECTION

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

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
River Dell Regional School District
County of Bergen
River Edge, 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 statements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of River Dell Regional School District, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise River Dell Regional School District's basic financial statements, and have issued our report dated November 28, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered River Dell Regional School District's internal 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 River Dell Regional School District's internal control. Accordingly, we do not express an opinion on the effectiveness of River Dell Regional School District'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 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 River Dell Regional School District'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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that we reported to the Board of Education of River Dell Regional School District in a separate report entitled, *Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* dated November 28, 2014.

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 River Dell Regional School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering River Dell Regional School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


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


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

Fairfield, New Jersey
November 28, 2014

REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY NEW JERSEY OMB CIRCULAR LETTER 04-04

Independent Auditor's Report

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

Report on Compliance for each Major State Program

We have audited River Dell Regional School District's compliance with the types of compliance requirements described in the *New Jersey OMB Circular Letter 04-04 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of River Dell Regional School District's major state programs for the fiscal year ended June 30, 2014. River Dell Regional School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of River Dell Regional School District's major 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; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey OMB Circular Letter 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about River Dell Regional School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of River Dell Regional School District's compliance.

Opinion on Each Major State Program

In our opinion, River Dell Regional School District, in the County of Bergen, State of New Jersey, 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 state programs for the fiscal year ended June 30, 2014.

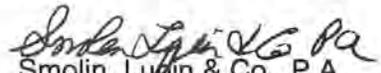
Report on Internal Control Over Compliance

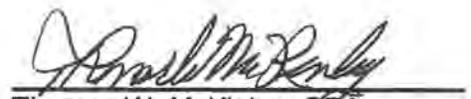
Management of River Dell Regional School District is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered River Dell Regional School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 state program and to test and report on internal control over compliance in accordance with New Jersey OMB Circular Letter 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 River Dell Regional School District's internal control over compliance.

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

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 New Jersey OMB Circular Letter 04-04. Accordingly, this report is not suitable for any other purpose.


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


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

Fairfield, New Jersey
November 28, 2014

RIVER DELL REGIONAL SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance
 For the Fiscal Year Ended June 30, 2014

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From/To	As of June 30, 2013		Carryover/Walkover Amount	GAAP Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Years' Balances	Balance at June 30, 2014			MEMO	
				Deferred Revenue (Accounts Receivable)	Due to Grantor					Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education														
General Fund:														
Transportation Aid	14-495-034-5120-014	\$ 33,828	7/1/13 - 6/30/14	\$ -	\$ -	\$ -	\$ 33,828	\$ (33,828)	\$ -	\$ -	\$ -	\$ -	\$ 1,105	\$ 33,828
Special Education Categorical Aid	14-495-034-5120-089	577,340	7/1/13 - 6/30/14				577,340	(577,340)					18,887	577,340
Security Aid	14-495-034-5120-084	25,807	7/1/13 - 6/30/14				25,807	(25,807)					945	25,807
Adjustment Aid	14-495-034-5120-085	2	7/1/13 - 6/30/14				2	(2)						2
Additional Nonpublic School Transportation Aid	14-100-034-5120-014	12,170	7/1/13 - 6/30/14										12,170	
Additional Nonpublic School Transportation Aid	13-100-034-5120-014	13,240	7/1/12 - 6/30/13				13,240	(13,240)						13,240
Extraordinary Special Education Costs Aid	14-100-034-5120-473	166,171	7/1/13 - 6/30/14					(166,171)		(166,171)			166,171	166,171
Extraordinary Special Education Costs Aid	13-100-034-5120-473	140,924	7/1/12 - 6/30/13	(140,924)			140,924							
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	988,955	7/1/13 - 6/30/14				988,983	(988,955)		(49,072)			49,072	988,955
Reimbursed TPAF Social Security Contributions	13-495-034-5095-002	955,470	7/1/12 - 6/30/13	(50,518)			50,518							
TPAF Pension - Non-contributory Insurance	14-495-034-5095-007	47,034	7/1/13 - 6/30/14				47,034	(47,034)						47,034
TPAF Pension - Normal	14-495-034-5095-006	532,864	7/1/13 - 6/30/14				532,864	(532,864)						532,864
TPAF Pension - Post-retirement Medical Contributions	14-495-034-5095-001	950,815	7/1/13 - 6/30/14				950,815	(950,815)						950,815
Total General Fund				(191,442)			3,312,255	(3,338,056)		(215,243)			248,250	3,336,056
Special Revenue Fund:														
N.J. Nonpublic Aid:														
Auxiliary Services:														
Compensatory Education	14-100-034-5120-067	\$ 16,264	7/1/13 - 6/30/14				16,264	(12,155)			4,109			12,155
Compensatory Education	13-100-034-5120-067	15,895	7/1/12 - 6/30/13		335				(335)					
English as a Second Language	14-100-034-5120-087	2,619	7/1/13 - 6/30/14				2,619	(2,095)			524			2,095
English as a Second Language	13-100-034-5120-067	7,673	7/1/12 - 6/30/13		5,968				(5,968)					
Home Instruction	14-100-034-5120-067	290	7/1/13 - 6/30/14					(290)		(290)			290	290
Handicapped Services:														
Supplemental Instruction	14-100-034-5120-066	\$ 13,877	7/1/13 - 6/30/14				13,877	(10,486)			3,411			10,486
Supplemental Instruction	13-100-034-5120-066	27,753	7/1/12 - 6/30/13		17,485				(17,485)					
Examination & Classification	14-100-034-5120-066	46,024	7/1/13 - 6/30/14				46,024	(27,088)			18,956			27,088
Examination & Classification	13-100-034-5120-066	33,126	7/1/12 - 6/30/13		3,342				(3,342)					
Corrective Speech	14-100-034-5120-066	4,687	7/1/13 - 6/30/14				4,687	(2,265)			2,422			2,265
Corrective Speech	13-100-034-5120-066	6,250	7/1/12 - 6/30/13		4,219				(4,219)					
Textbook Aid	14-100-034-5120-094	51,943	7/1/13 - 6/30/14				51,943	(51,943)						51,943
Nursing Services Aid	14-100-034-5120-070	76,737	7/1/13 - 6/30/14				76,737	(70,003)			6,734			70,003
Technology Initiative Aid	14-100-034-5120-373	18,940	7/1/13 - 6/30/14				18,940	(18,940)						18,940
Total Special Revenue Fund					31,349		231,091	(195,225)		(31,349)	(290)		36,156	195,225
Total State Financial Assistance				(191,442)	31,349		3,543,346	(3,531,281)		(31,349)	(215,533)		36,156	248,540
State Financial Assistance Not Subject to Single Audit Determination														
General Fund														
TPAF Pension - Non-contributory Insurance	14-495-034-5095-007	\$ 47,034	7/1/13 - 6/30/14				(47,034)	47,034						(47,034)
TPAF Pension - Normal	14-495-034-5095-006	532,864	7/1/13 - 6/30/14				(532,864)	532,864						(532,864)
TPAF Pension - Post-retirement Medical Contributions	14-495-034-5095-001	950,815	7/1/13 - 6/30/14				(950,815)	950,815						(950,815)
Total State Financial Assistance				\$ (191,442)	\$ 31,349	\$ -	\$ 2,012,633	\$ (2,000,568)	\$ (31,349)	\$ (215,533)	\$ -	\$ 36,156	\$ 248,540	\$ 2,000,568

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RIVER DELL REGIONAL SCHOOL DISTRICT
Notes to Schedule of Expenditures of
State Financial Assistance
June 30, 2014

NOTE 1. GENERAL

The accompanying schedule of expenditures of state financial assistance includes state award activity of the Board of Education of the River Dell Regional School District (the "District"). The Board of Education (the "Board") is defined in Note 1 to the District's financial statements. All state financial assistance received directly from state agencies, as well as state financial assistance passed through other government agencies are included on the schedule of expenditures of state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of state financial assistance is presented on the budgetary basis of accounting. This basis of accounting is described in Note 1 to the District's financial statements. The information in this schedule is presented in accordance with the requirements of New Jersey OMB's Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

RIVER DELL REGIONAL SCHOOL DISTRICT
Notes to Schedule of Expenditures of
State Financial Assistance
June 30, 2014

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$33,007 for the general fund. There are no adjustments for the special revenue fund and debt service fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. State financial assistance revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	<u>State</u>
General Fund	\$ 3,336,056
Special Revenue Fund	<u>195,225</u>
Total state financial assistance - GAAP basis	3,531,281
Less: TPAF Pension Contributions, Post-Retirement Medical and Normal Costs	<u>(1,530,713)</u>
Total per schedule of expenditures of state financial assistance	<u>\$ 2,000,568</u>

NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedule agrees with the amounts reported in the related state financial reports.

NOTE 5. OTHER

The amount reported as TPAF Pension - Non-Contributory Insurance and Post Retirement Medical Contributions and Normal Costs represents the amount paid by the state on behalf of the District for the year ended June 30, 2014. Reimbursed TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2014.

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

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

RIVER DELL REGIONAL SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2014

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to basic financial statements noted? yes x no

State Financial Assistance

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

Auditee qualified as low-risk auditee? x yes no

Internal control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB Circular Letter 04-04, as amended? yes x no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid

**RIVER DELL REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2014**

Section II - Financial Statement Findings

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

There are none.

**RIVER DELL REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2014**

Section III -State Financial Assistance Findings and Questioned Costs

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

CURRENT YEAR STATE AWARDS

There are none.

**RIVER DELL REGIONAL SCHOOL DISTRICT
Summary Schedule of Prior-Year Audit Findings
and Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2014**

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

There were no prior-year audit findings.