

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, 2015**

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, 2015

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

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December 16, 2015

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, 2015. 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 New Jersey OMB's Circulars 04-04 and 15-08, *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 1,665 students (as of June 30, 2015) 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 2014-2015 fiscal year with an enrollment of 1,665 students, which is 14 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
2014 - 15	1,669.1	0.45%
2013 - 14	1,661.7	0.68%
2012 - 13	1,650.5	-0.99%
2011 - 12	1,667.0	2.96%
2010 - 11	1,619.0	0.19%

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 2015-16 budget. Overall, total revenue for 2015-16 increased by 1.76%, while the expenditures increased by 1.64%. 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 2015-16 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 2015 student body, 89% are attending four-year colleges and 6% 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, 95% of the Class of 2015 pursued higher education, with 89% 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 43.7% of our 171 certified staff (73.9% 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 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 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 Circulars 04-04 and 15-08, 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,



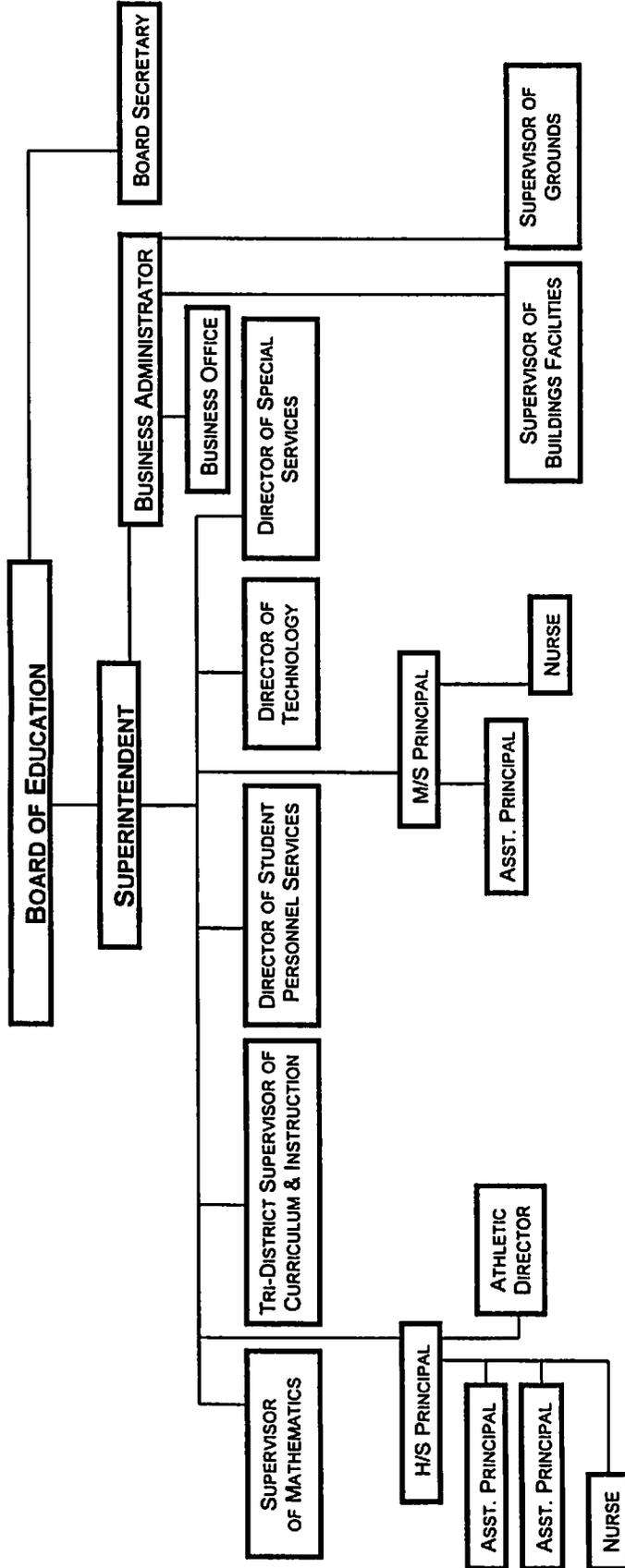
Patrick J. Fletcher
Superintendent of Schools



Thomas L. Bonfiglio
Business Administrator/Board Secretary

RIVER DELL REGIONAL BOARD OF EDUCATION
 River Edge, NJ 07661

LINE OF RESPONSIBILITY



RIVER DELL REGIONAL SCHOOL DISTRICT
BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2015

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Joseph P. Manzelli, Jr., President (River Edge)	December 31, 2015
Alan Feigenson, Vice President (Oradell)	December 31, 2016
Anthony Barbary (River Edge)	December 31, 2017
Albert Graef (Oradell)	December 31, 2017
Patrick Gallagher (Oradell)	December 31, 2015
Stephanie Hartman (River Edge)	December 31, 2016
Barbara Kuchar (Oradell)	December 31, 2016
Douglas Kupfer (River Edge)	December 31, 2017
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



CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

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, 2015, 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, 2015, 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.

Emphasis of Matter

As discussed in Note 1, River Dell Regional School District adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pension - an Amendment of GASB Statement No. 27*, effective July 1, 2014. Net position as of June 30, 2014 has been restated as a result. Our opinions are not modified with respect to this matter.

Also, as discussed in Note 1, River Dell Regional School District adopted the provisions of GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*, effective July 1, 2014. Net position as of June 30, 2014 has been restated as a result. Our opinions are not modified with respect to this matter.

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's Circulars 04-04 and 15-08, *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 December 16, 2015 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


Susan T. White
Public School Accountant
License #20CS00119300

Fairfield, New Jersey
December 16, 2015

REQUIRED SUPPLEMENTARY INFORMATION - PART I

**RIVER DELL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
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, 2015. 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 2015 are as follows:

- In total, net position increased by \$1,195,067, which represents a 9.21% increase from 2014.
- General revenues accounted for \$30,524,283 of revenue or 82.76%% of the total revenue.
- Program specific revenues in the form of charges for services, capital grants and operating grants and contributions accounted for \$6,356,631 or 17.24% of total revenues of \$36,880,914.
- Total assets of governmental activities decreased by \$490,131 as cash increased by \$325,515; receivables decreased by \$22,059, and capital assets decreased by \$793,587.
- The District had \$35,685,847 in expenses; only \$6,356,631 of these expenses was offset by program specific charges for services, grants, or contributions. General revenues (primarily taxes) of \$30,524,283 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$32,202,259 in revenues and \$31,355,907 in expenditures. The General Fund's fund balance increased by \$816,352 over 2013-2014, now totaling \$3,169,779.
- In December 2014, the District infused \$12,170 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, 2015
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 2014-2015?" 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.

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.

**RIVER DELL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

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.

	Governmental Activities		Business-type Activities		Total		Amount Change	% Change
	2015	2014 *	2015	2014 *	2015	2014 *		
Assets:								
Current and								
Other Assets	\$ 3,726,374	\$ 3,422,918	\$ 185,623	\$ 157,264	\$ 3,911,997	\$ 3,580,182	\$ 331,815	9.27%
Capital Assets	29,983,643	30,777,230	20,896	17,577	30,004,539	30,794,807	(790,268)	-2.57%
Total Assets	33,710,017	34,200,148	206,519	174,841	33,916,536	34,374,989	(458,453)	-1.33%
Deferred Outflows	548,071							100.00%
Liabilities:								
Long-term Liabilities	16,723,310	10,780,077			16,723,310	10,780,077	5,943,233	55.13%
Other Liabilities	2,436,500	2,608,345			2,436,500	2,608,345	(171,845)	-6.59%
Total Liabilities	19,159,810	13,388,422			19,159,810	13,388,422	5,771,388	43.11%
Deferred Inflows	1,138,796	858,400			1,138,796	858,400	280,396	32.66%
Net Position:								
Investment in								
Capital Assets	18,547,763	18,168,830	20,896	17,577	18,568,659	18,186,407	382,252	2.10%
Restricted	2,638,746	1,820,577			2,638,746	1,820,577	818,169	44.94%
Unrestricted (deficit)	(7,227,027)	(36,081)	185,623	157,264	(7,041,404)	121,183	(7,162,587)	-5910.55%
Total Net Position	\$ 13,959,482	\$ 19,953,326	\$ 206,519	\$ 174,841	\$ 14,166,001	\$ 20,128,167	\$ (5,962,166)	-29.62%

* As Originally Reported

The District's combined net position of \$14,166,001 on June 30, 2015 results in a decrease of 29.62% from the prior year, as a result of the adoption of GASB No. 68.

**RIVER DELL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

The School District as a Whole (Continued)

Table 2 shows changes in net position for fiscal years 2015 and 2014.

**Table 2
Changes in Net Position**

	<u>2015</u>	<u>2014 *</u>	<u>Amount Change</u>	<u>% Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 428,468	\$ 427,057	\$ 1,411	0.33%
Operating Grants and Contributions	5,928,163	3,384,411	2,543,752	75.16%
General Revenues:				
Property Taxes	29,280,951	28,480,243	800,708	2.81%
Grants and Entitlements	639,418	634,225	5,193	0.82%
Other	603,914	755,409	(151,495)	-20.05%
Total Revenues	<u>36,880,914</u>	<u>33,681,345</u>	<u>3,199,569</u>	<u>9.50%</u>
Program Expenses:				
Instruction	19,673,537	17,744,728	1,928,809	10.87%
Support Services:				
Tuition	1,903,647	2,145,846	(242,199)	-11.29%
Students and Instructional Staff	4,168,847	3,804,569	364,278	9.57%
General Administration, School Administration, Central Services, Information Technology and Maintenance of Facilities	7,554,159	6,683,994	870,165	13.02%
Pupil Transportation	563,994	575,346	(11,352)	-1.97%
Interest on Debt	318,868	347,461	(28,593)	-8.23%
Unallocated Depreciation and Loss on Disposal of Assets	1,217,743	1,481,046	(263,303)	-17.78%
Enterprise Fund	285,052	277,499	7,553	2.72%
Total Expenses	<u>35,685,847</u>	<u>33,060,489</u>	<u>2,625,358</u>	<u>7.94%</u>
Increase in Net Position	<u>\$ 1,195,067</u>	<u>\$ 620,856</u>	<u>\$ 574,211</u>	<u>92.49%</u>

* As Originally Reported

Governmental Activities

The District's total governmental activities revenues were \$36,564,184 for the year ended June 30, 2015. Property taxes made up 80.08% of revenues for governmental activities for the River Dell Regional School District for fiscal year 2015. Federal and state grants accounted for another 17.96% of governmental activities revenues.

The total cost of all governmental activities programs and services was \$35,400,795. Instruction comprises 55.57% of District expenses.

**RIVER DELL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
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 \$6,394 reported by the management company, which was offset by year-end depreciation, inventory, and other adjustments.

Governmental Activities

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

Table 3

	<u>Total Cost of Services 2015</u>	<u>Net Cost of Services 2015</u>	<u>Total Cost of Services 2014 *</u>	<u>Net Cost of Services 2014 *</u>	<u>Amount Change Total Cost of Services</u>	<u>Amount Change Net Cost of Services</u>
Instruction	\$ 19,673,537	\$ 15,397,122	\$ 17,744,728	\$ 15,305,740	\$ 1,928,809	\$ 91,382
Support Services:						
Tuition	1,903,647	1,856,028	2,145,846	2,076,059	(242,199)	(220,031)
Student and Instructional Staff General Administration, School Administration, Central Services, Administrative Information Technology and Maintenance of Facilities	4,168,847	3,048,896	3,804,569	3,061,544	364,278	(12,648)
Pupil Transportation	7,554,159	6,928,243	6,683,994	6,403,777	870,165	524,466
Interest on Debt	563,994	563,994	575,346	575,346	(11,352)	(11,352)
Depreciation and Disposal Equipment Loss	318,868	318,868	347,461	347,461	(28,593)	(28,593)
	<u>1,217,743</u>	<u>1,217,743</u>	<u>1,481,046</u>	<u>1,481,046</u>	<u>(263,303)</u>	<u>(263,303)</u>
Total Expenses	<u>\$ 35,400,795</u>	<u>\$ 29,330,894</u>	<u>\$ 32,782,990</u>	<u>\$ 29,250,973</u>	<u>\$ 2,617,805</u>	<u>\$ 79,921</u>

* As Originally Reported

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, 2015
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 \$34,447,745 and expenditures were \$33,611,694. The net increase in fund balance for the year, \$806,051, was all in the General Fund, after a transfer out of \$30,000.

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, 2015, 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 2013-14</u>	<u>Percent Of Increase (Decrease)</u>
Local Sources	\$ 29,884,865	86.75 %	\$ 649,213	2.22 %
State Sources	4,070,186	11.82	538,905	15.26 %
Federal Sources	492,694	1.43	5,339	1.10 %
Total	\$ 34,447,745	100.00 %	\$ 1,193,457	3.59 %

The increase in revenue from local sources of \$649,213 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 increased by \$538,905. On-Behalf TPAF pension contributions, post-retirement medical and reimbursed TPAF social security contributions increased by a total amount of \$468,435 (which is off-set by an equal decrease in expenditures). The other state aid recorded in the general fund and special revenue fund increased by \$70,470 is the result of state aid decreases compared to the prior year.

Federal revenues increased by \$5,339.

**RIVER DELL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
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, 2015 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 2013-14</u>	<u>Percent of Increase (Decrease)</u>
Current Expense:				
Instruction	\$ 13,450,904	40.02 %	\$ 167,199	1.26 %
Undistributed Expenditures	17,488,074	52.03 %	685,364	4.08 %
Capital Outlay	416,929	1.24 %	(215,722)	(34.10) %
Special Revenue	750,787	2.23 %	43,207	6.11 %
Debt Service	<u>1,505,000</u>	<u>4.48 %</u>	<u>(54,529)</u>	<u>(3.50) %</u>
Total	<u>\$ 33,611,694</u>	<u>100.00 %</u>	<u>\$ 625,519</u>	<u>1.90 %</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 increased by a total amount of \$468,435, (which is off-set by an equal decrease in revenues). The net increase in instruction and undistributed expenditures of \$167,199 is primarily the result of increases of salaries and benefits costs of additional teachers and staff along with additional repairs. Capital outlay decreased \$215,722 in the current year largely as a result of non-recurring projects completed in the prior year. Debt service decreased \$54,529 due to the change in current year principal and interest charges.

The \$43,207 increase in special revenue fund expenditures is primarily due to increased funding of Nonpublic Services Grants.

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 2014-2015 school year. Key highlights include:

- Regular Programs Salary of Teachers - budgeted salaries of teachers in grades 7-12 were decreased by \$220,991 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, 2015
UNAUDITED (CONTINUED)**

General Fund Budgeting Highlights (Continued)

- General Supplies - Regular programs - undistributed instruction increased \$88,477 because additional "IT" purchases were made for security purposes.
- Special Education - Instruction Other Salaries decreased \$84,174 because there were fewer students and fewer Special Ed Aides were needed. Funds went to "IT" purchases.
- Resource Room/Resource Center Salaries of Teachers - budgeted salaries were increased \$104,127 because more teachers were needed due to higher enrollment in this area. Funds came from basic skills as fewer students needed this type of instruction.
- Basic Skills/Remedial - Instruction Salaries of Teachers decreased \$166,236 due to fewer students requiring this service. Funds went to Resource Room accounts.
- Instruction - Tuition to County Special Services School Districts and Regional Day Schools decreased \$88,352 due to original budget modification per actual student attendance.
- Instruction - Tuition to Private Schools for the Handicapped within the State decreased \$45,333 due to original budget modification per actual student attendance.
- Child Study Teams - Salaries of Secretarial and Clerical Assistants increased \$50,640 because they were budgeted for in General Fund and IDEA. IDEA Grant was utilized in a different manner. Therefore, more funds were needed in General Fund.
- Total Improvement of Instruction Services/Other Support Services-Instructional Staff-Salaries of Supervisors of Instruction increased \$66,968 because a supervisor was hired.
- Total Improvement of Instruction Services/Other Support Services-Instructional Staff-Purchased Professional-Educational Services decreased \$68,504 because less purchased services were needed.
- Total Support Services School Administration- Salaries of other professional staff increased \$76,174 since an additional supervisor was hired after the budget was struck.
- Required Maintenance for School Facilities – Salaries decreased \$41,532 due to illnesses.
- Required Maintenance for School Facilities – Cleaning, Repair and Maintenance Services increased \$258,737 for necessary unanticipated repairs. Funding came from salaries (death of a maintenance person) and natural gas.
- Custodial Services - Salaries increased \$74,110 to due bad winter causing an increase in salary expense. Funds came from natural gas savings.
- Custodial Services – Energy (natural gas) decreased \$125,918 due to a lower ACES contract, benefitting the district. Funds used to offset higher electric costs and higher salaries for bad weather.

**RIVER DELL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

General Fund Budgeting Highlights (Continued)

- Custodial Services - Energy (electricity) increased \$55,266 due to higher electric costs-more computers. Funding came from natural gas savings.
- Care and Upkeep of Grounds- Cleaning, Repair and Maintenance Services increased \$114,476 due to more paving and netting needed. Funds came from natural gas savings and benefit breakage.
- Unallocated Benefits - Health Benefits decreased \$437,748 due to after budget retirements and more employee opt outs of health benefits. Funds were used for the purchase of mini bus, paving and field netting.
- Capital Outlay - Undistributed Expenditures – Care and upkeep of grounds increased \$63,220 due to paving and purchase of field netting.
- Capital Outlay - Undistributed Expenditures- School Buses-Regular increased \$48,852 because of the mini bus purchase.

Capital Assets

At June 30, 2015, the District had \$30,004,539 invested in land, building, improvements and machinery and equipment. Table 4 shows fiscal year 2015 balances compared to 2014.

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

	2015	2014
Land	\$ 216,520	\$ 216,520
Site Improvements	3,970,392	4,264,274
Building and Improvements	24,353,112	24,875,355
Machinery and Equipment	1,464,515	1,438,658
Total	\$ 30,004,539	\$ 30,794,807

Overall, net capital assets decreased \$790,268 from fiscal year 2014 to fiscal year 2015. The decrease in capital assets is due primarily to depreciation being more than additions.

**RIVER DELL REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

Debt Administration

At June 30, 2015, the District had \$18,135,761 of outstanding debt. Of this amount, \$408,106 is for compensated absences; \$10,715,000 is serial bonds for school construction projects; and \$7,012,655 is the net pension liability for PERS.

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

	2015	2014
2004 General Obligation Refunded Bonds	\$ 10,715,000	\$ 11,750,000

At June 30, 2015, the District's available borrowing margin was \$104,872,616.

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 2015-2016 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, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 2,446,914	\$ 185,057	\$ 2,631,971
Receivables, net	193,474		193,474
Inventories		566	566
Restricted assets:			
Capital reserve account - cash	1,085,986		1,085,986
Capital assets, net			
Not being depreciated	216,520		216,520
Being depreciated	29,767,123	20,896	29,788,019
Total assets	33,710,017	206,519	33,916,536
Deferred outflows of resources:			
Deferred outflows related to pensions	548,071		548,071
Total deferred outflows of resources	548,071		548,071
LIABILITIES			
Accounts payable	827,515		827,515
Payable to state government	43,941		43,941
Unearned revenue	11,667		11,667
Accrued interest	140,926		140,926
Noncurrent liabilities:			
Due within one year	1,412,451		1,412,451
Due beyond one year	9,710,655		9,710,655
Net pension liability	7,012,655		7,012,655
Total liabilities	19,159,810		19,159,810
Deferred inflows of resources:			
Deferred inflows related to refunding of debt	720,880		720,880
Deferred inflows related to pensions	417,916		417,916
Total deferred inflows or resources	1,138,796		1,138,796
NET POSITION			
Net investment in capital assets	18,547,763	20,896	18,568,659
Restricted for:			
Debt service			
Capital reserve	1,085,986		1,085,986
Other purposes	1,552,760		1,552,760
Unrestricted (deficit)	(7,227,027)	185,623	(7,041,404)
Total net position	\$ 13,959,482	\$ 206,519	\$ 14,166,001

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, 2015

Function/Programs	Expenses	Indirect Expenses Allocation	Program Charge for Services
Government activities:			
Instruction:			
Regular	\$ 10,536,627	\$ 4,528,786	\$ -
Special education	2,041,673	992,132	
Other special instruction	130,130	61,353	
Other instruction	1,039,250	343,586	
Support services:			
Tuition	1,903,647		
Student and instruction related services	3,106,946	1,061,901	141,738
School administrative services	1,468,607	709,869	
General administration services	461,121	159,370	
Central services	473,056	179,031	
Administrative information technology services	557,582	218,171	
Plant operations and maintenance	2,749,630	577,722	
Pupil transportation	548,442	15,552	
Interest on long-term debt	318,868		
Unallocated depreciation and loss on disposal of equipment	<u>1,217,743</u>		
Total governmental activities	<u>26,553,322</u>	<u>8,847,473</u>	<u>141,738</u>
Business-type activities			
Food services	<u>285,052</u>		<u>286,730</u>
Total business-type activities	<u>285,052</u>		<u>286,730</u>
Total primary government	<u>\$ 26,838,374</u>		<u>\$ 428,468</u>

Revenues		Net (Expense) Revenue and Changes in Net Position		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ 3,192,415	\$ -	\$ (11,872,998)	\$ -	\$ (11,872,998)
825,397		(2,208,408)		(2,208,408)
39,181		(152,302)		(152,302)
219,422		(1,163,414)		(1,163,414)
47,619		(1,856,028)		(1,856,028)
978,213		(3,048,896)		(3,048,896)
369,997		(1,808,479)		(1,808,479)
65,576		(554,915)		(554,915)
51,014		(601,073)		(601,073)
139,329		(636,424)		(636,424)
		(3,327,352)		(3,327,352)
		(563,994)		(563,994)
		(318,868)		(318,868)
		(1,217,743)		(1,217,743)
<u>5,928,163</u>		<u>(29,330,894)</u>		<u>(29,330,894)</u>
			1,678	1,678
			1,678	1,678
<u>\$ 5,928,163</u>	<u>\$ -</u>	<u>(29,330,894)</u>	<u>1,678</u>	<u>(29,329,216)</u>
General revenues:				
Property taxes levied for:				
General purposes		27,786,252		27,786,252
Debt service		1,494,699		1,494,699
Federal and State aid not restricted		639,418		639,418
Tuition received		407,008		407,008
Interest - capital reserve funds		315		315
Investment earnings		1,910		1,910
Miscellaneous income		194,681		194,681
Transfers		(30,000)	30,000	
Total general revenues		<u>30,494,283</u>	<u>30,000</u>	<u>30,524,283</u>
Change in net position		1,163,389	31,678	1,195,067
Net position - beginning		19,953,326	174,841	20,128,167
Net position adjustment (Note 20)		<u>(7,157,233)</u>		<u>(7,157,233)</u>
Net position - ending		<u>\$ 13,959,482</u>	<u>\$ 206,519</u>	<u>\$ 14,166,001</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, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash	\$ 2,339,328	\$ 107,586	\$ -	\$ 2,446,914
Cash - capital reserve	1,085,986			1,085,986
Accounts receivable:				
State	171,195	110		171,305
Other	<u>22,169</u>			<u>22,169</u>
Total assets	<u>\$ 3,618,678</u>	<u>\$ 107,696</u>	<u>\$ -</u>	<u>\$ 3,726,374</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 448,899	\$ 52,088	\$ -	\$ 500,987
Intergovernmental payable:				
State		43,941		43,941
Unearned revenue		<u>11,667</u>		<u>11,667</u>
Total liabilities	<u>448,899</u>	<u>107,696</u>		<u>556,595</u>
Fund balances:				
Restricted for:				
Capital reserve	1,085,986			1,085,986
Reserved for excess surplus	1,165,419			1,165,419
Reserved excess surplus - designated for subsequent year's expenditures	275,000			275,000
Assigned:				
Year-end encumbrances	112,341			112,341
Unassigned	<u>531,033</u>			<u>531,033</u>
Total fund balances	<u>3,169,779</u>			<u>3,169,779</u>
Total liabilities and fund balances	<u>\$ 3,618,678</u>	<u>\$ 107,696</u>	<u>\$ -</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 \$43,854,432 and the accumulated depreciation is \$13,870,789.	29,983,643
Accrued interest is not due and payable in the current period, and therefore, is not reported as a liability in the funds.	(140,926)
Deferred outflows related to pensions.	548,071
Accounts payable related to the April 1, 2016 required PERS pension contribution that is not liquidated with current financial resources.	(326,528)
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 \$791,838.	(720,880)
Deferred inflows related to pensions.	(417,916)
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 7)	(11,123,106)
Net pension liability.	<u>(7,012,655)</u>
Net position of governmental activities	<u>\$ 13,959,482</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, 2015

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES:				
Local sources:				
Local tax levy	\$ 27,786,252	\$ -	\$ 1,494,699	\$ 29,280,951
Tuition	407,008			407,008
Interest - capital reserve funds	315			315
Interest earned on investments	1,910			1,910
Miscellaneous	194,681			194,681
Total revenues - local sources	28,390,166		1,494,699	29,884,865
State sources	3,812,093	258,093		4,070,186
Federal sources		492,694		492,694
Total revenues	32,202,259	750,787	1,494,699	34,447,745
EXPENDITURES:				
Current expense:				
Regular instruction	10,239,851	296,776		10,536,627
Special education instruction	2,041,673			2,041,673
Other special instruction	130,130			130,130
Other instruction	1,039,250			1,039,250
Support services and undistributed costs:				
Tuition	1,856,028	47,619		1,903,647
Student and instruction related services	2,575,600	389,608		2,965,208
School administration services	1,468,607			1,468,607
General administration services	461,121			461,121
Central services	473,056			473,056
Administrative information technology services	557,582			557,582
Plant operations and maintenance	2,749,630			2,749,630
Pupil transportation	548,442			548,442
Employee benefits	6,798,008	9,557		6,807,565
Capital outlay	416,929	7,227		424,156
Debt service:				
Principal			1,035,000	1,035,000
Interest			470,000	470,000
Total expenditures	31,355,907	750,787	1,505,000	33,611,694
Excess (deficiency) of revenues over (under) expenditures	846,352		(10,301)	836,051
Other financing sources (uses):				
Transfers out	(30,000)			(30,000)
Total other financing sources (uses)	(30,000)			(30,000)
Net change in fund balances	816,352		(10,301)	806,051
Fund balances - July 1	2,353,427		10,301	2,363,728
Fund balances - June 30	\$ 3,169,779	\$ -	\$ -	\$ 3,169,779

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, 2015

Total net change in fund balances - governmental funds (from B-2)	\$	806,051
<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	\$ (1,214,943)	
Capital outlays	<u>424,156</u>	(790,787)
<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>		
		1,035,000
<p>Governmental funds report District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the District's pension contributions in the current period.</p>		
		(51,794)
<p>In the statement of activities, only the loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed.</p>		
		(2,800)
<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>13,612</u>
Sub-total		<u>1,009,282</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, 2015

	Balance forward	\$ 1,009,282
<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>		
		16,587
Change in net position of governmental activities		\$ 1,163,389

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, 2015

	<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	\$ 185,057	\$ -
Inventories	<u>566</u>	
Total current assets	<u>185,623</u>	
Noncurrent assets:		
Furniture, machinery and equipment	166,827	
Less: accumulated depreciation	<u>145,931</u>	
Total noncurrent assets	<u>20,896</u>	
Total assets	<u>206,519</u>	
NET POSITION		
Invested in capital assets, net of related debt	20,896	
Unrestricted	<u>185,623</u>	
Total net position	<u>\$ 206,519</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, 2015

	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	\$ 286,730	\$ -	\$ 286,730
Service fees		141,738	141,738
Total operating revenues	<u>286,730</u>	<u>141,738</u>	<u>428,468</u>
OPERATING EXPENSES:			
Salaries	96,918	125,761	222,679
Payroll taxes	12,675		12,675
Employee benefits	23,725	12,357	36,082
Management and administrative fees	39,697		39,697
Insurance	5,540		5,540
Supplies	2,392	1,300	3,692
Rent	2,736		2,736
Repairs	96		96
Outside services	431	2,154	2,585
Miscellaneous	2,777	166	2,943
Depreciation	1,953		1,953
Cost of sales - food and general supplies	96,112		96,112
Total operating expenses	<u>285,052</u>	<u>141,738</u>	<u>426,790</u>
Operating income	1,678		1,678
Operating transfer:			
Operating transfer in - General Fund	<u>30,000</u>		<u>30,000</u>
Change in net position	31,678		31,678
Total net position - July 1	<u>174,841</u>		<u>174,841</u>
Total net position - June 30	<u>\$ 206,519</u>	<u>\$ -</u>	<u>\$ 206,519</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, 2015

	<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	\$ 286,730	\$ 141,738
Payments to employees	(96,918)	(125,761)
Payment for payroll taxes and employee benefits	(36,400)	(12,357)
Payments to suppliers	<u>(149,059)</u>	<u>(11,908)</u>
Net cash provided (used) by operating activities	<u>4,353</u>	<u>(8,288)</u>
Cash flows from noncapital financing activities:		
Operating subsidies and transfers from other funds	<u>30,000</u>	
Net cash provided by noncapital financing activities	<u>30,000</u>	
Cash flows from capital and related financing activities:		
Additions to leasehold improvements and equipment	<u>(5,272)</u>	
Net cash used by capital and related financing activities	<u>(5,272)</u>	
Net increase (decrease) in cash	29,081	(8,288)
Cash - July 1	<u>155,976</u>	<u>8,288</u>
Cash - June 30	<u>\$ 185,057</u>	<u>\$ -</u>
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income	\$ <u>1,678</u>	\$ <u>-</u>
Adjustments not affecting cash:		
Depreciation	1,953	
Change in assets and liabilities:		
Decrease in inventories	722	
Decrease in accounts payable		<u>(8,288)</u>
Total adjustments	<u>2,675</u>	<u>(8,288)</u>
Net cash provided (used) by operating activities	<u>\$ 4,353</u>	<u>\$ (8,288)</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, 2015

	Private Purpose Scholarship Funds	Unemployment Compensation Insurance Trust Fund	Agency Funds
ASSETS			
Cash	\$ <u>113,080</u>	\$ <u>186,150</u>	\$ <u>231,138</u>
Total assets	<u>113,080</u>	<u>186,150</u>	<u>\$ 231,138</u>
LIABILITIES			
Accounts payable		619	\$ -
Payroll deductions and withholdings			4,444
Due to student groups	<u> </u>	<u> </u>	<u>226,694</u>
Total liabilities	<u> </u>	<u>619</u>	<u>\$ 231,138</u>
NET POSITION			
Held in trust for unemployment claims and other purposes		<u>\$ 185,531</u>	
Reserved for scholarships	<u>\$ 113,080</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, 2015

	<u>Private Purpose Scholarship Funds</u>	<u>Unemployment Compensation Insurance Trust Fund</u>
ADDITIONS:		
Contributions:		
Other	\$ 34,152	\$ -
Employer		30,000
Plan member		<u>23,782</u>
Total contributions	<u>34,152</u>	<u>53,782</u>
Investment earnings:		
Interest	<u>51</u>	<u>38</u>
Net investment earnings	<u>51</u>	<u>38</u>
Total additions	<u>34,203</u>	<u>53,820</u>
DEDUCTIONS:		
Scholarship/award payments	26,700	
Unemployment compensation insurance claims and fees		<u>18,225</u>
Total deductions	<u>26,700</u>	<u>18,225</u>
Change in net position	7,503	35,595
Net position - July 1	<u>105,577</u>	<u>149,936</u>
Net position - June 30	<u>\$ 113,080</u>	<u>\$ 185,531</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, 2015**

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 2015, the District adopted the following GASB statements

- GASB No. 68, *Accounting and Financial Reporting for Pensions* and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date- an amendment of GASB No. 68*. The objectives of these Statements are to improve accounting and financial reporting by state and local governments for pensions. They also improve information provided by state and local government employers about financial support for pensions that is provided by other entities. The Statements replace the requirements of GASB No. 27, *Accounting for Pensions by State and Local Government Employers*, as well as the requirements of GASB No. 50, *Pension Disclosures*, as related to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.

RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. New Accounting Standards (Continued):

- GASB No 69, *Government Combinations and Disposals of Government Operations*. 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. There was no financial statement impact of adopting this guidance.

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

- GASB No. 72, *Fair Value Measurement and Application*, which will be effective for fiscal years beginning after June 30, 2015.
- GASB No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, effective for fiscal years beginning after June 15, 2015.
- GASB No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, effective for fiscal years beginning after June 15, 2016.
- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, effective for fiscal years beginning after June 15, 2017.
- GASB No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective for reporting periods beginning after June 15, 2015.
- GASB No. 77, *Tax Abatement Disclosures*, effective for reporting periods beginning after December 15, 2015.

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, 2015**

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, 2015**

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.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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 unearned 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 on 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, 2015**

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 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 unearned 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, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Deferred Outflows, Liabilities, Deferred Inflows, 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, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Deferred Outflows, Liabilities, Deferred Inflows, 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.

Unearned Revenue:

Unearned 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 unearned 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, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Deferred Outflows, Liabilities, Deferred Inflows, 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, 2015, the amounts earned by these employees were disbursed to the employees' own individual accounts.

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 District has one item that qualifies for reporting in this category, related to pensions.

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 two items that qualifies for reporting in this category, related to bond issuance premiums and pensions.

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 represents 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 is 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, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Deferred Outflows, Liabilities, Deferred Inflows, 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, 2014 audited excess surplus that was appropriated in the 2015/2016 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, 2015 audited excess surplus that is required to be appropriated in the 2016/2017 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 12).

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, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Deferred Outflows, Liabilities, Deferred Inflows, 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 2014-2015 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, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Deferred Outflows, Liabilities, Deferred Inflows, 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.

K. Public Employees Retirement System (PERS) and Teachers Pensions and Annuity Fund (TPAF)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the PERS/TPAF and additions to/deductions from PERS/TPAF fiduciary net position have been determined on the same basis as they are reported by PERS/TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

L. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2015 through December 16, 2015, the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2. CASH

As of June 30, 2015, cash and restricted cash of the District consisted of \$3,717,957 in checking and money market accounts.

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

Custodial Credit Risk - Deposits:

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a deposit policy for custodial credit risk. As of June 30, 2015, the District's bank balances of \$4,397,533 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, 2015.

Interfund transfers

	<u>Transfers From General Fund</u>
Transfers to:	
Enterprise Fund	<u>\$ 30,000</u>
	<u><u>\$ 30,000</u></u>

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

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 4. RECEIVABLES

Receivables at June 30, 2015, 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	\$ 171,195
Other	22,169
Special revenue fund:	
State	110
Total governmental activities	193,474
Total receivables	\$ 193,474

NOTE 5. INVENTORIES

Inventories in the food service fund at June 30, 2015, consisted of the following:

Food and Supplies	\$ 566
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NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015, 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	6,942,461	32,110		6,974,571
Building and building improvements	33,373,913	126,381		33,500,294
Machinery and equipment	2,953,581	265,665	(56,199)	3,163,047
Totals at historical cost	43,269,955	424,156	(56,199)	43,637,912

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6. CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers/ Retirements</u>	<u>Ending Balance</u>
Less accumulated depreciation for:				
Site improvements	\$ 2,678,187	\$ 325,992	\$ 3,004,179	\$ 3,004,179
Building and improvements	11,176,745	974,616	-	12,151,361
Equipment	<u>1,532,500</u>	<u>240,327</u>	<u>(53,399)</u>	<u>1,719,428</u>
Total accumulated depreciation	<u>12,709,245</u>	<u>1,214,943</u>	<u>(53,399)</u>	<u>13,870,789</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>30,560,710</u>	<u>(790,787)</u>	<u>(2,800)</u>	<u>29,767,123</u>
Government activity capital assets, net	<u>\$ 30,777,230</u>	<u>\$ (790,787)</u>	<u>\$ (2,800)</u>	<u>\$ 29,983,643</u>
Business-type activities:				
Equipment	\$ 161,555	\$ 5,272	\$ -	\$ 166,827
Less accumulated depreciation	<u>143,978</u>	<u>1,953</u>	<u>-</u>	<u>145,931</u>
Business-type activities capital assets, net	<u>\$ 17,577</u>	<u>\$ 3,319</u>	<u>\$ -</u>	<u>\$ 20,896</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	\$ 1,214,943
Business Type Activities:	
Food Services	<u>1,953</u>
Total	<u>\$ 1,216,896</u>

The District disposed of computers purchased under a capital lease.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2015, the following changes occurred in long-term obligations:

	Balance, June 30, 2014 <u>Restated</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, 2015	Amounts due within one year
Bonds payable	\$ 11,750,000	\$ -	\$ (1,035,000)	\$ 10,715,000	\$ 1,065,000
Net pension liability	7,157,233		(144,578)	7,012,655	
Compensated absences payable	<u>424,694</u>	<u>20,713</u>	<u>(37,301)</u>	<u>408,106</u>	<u>347,451</u>
	<u>\$ 19,331,927</u>	<u>\$ 20,713</u>	<u>\$ (1,216,879)</u>	<u>\$ 18,135,761</u>	<u>\$ 1,412,451</u>

For the governmental activities, the liabilities for compensated absences and net pension liability are generally 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.

On March 1, 2004, the District issued \$21,982,000 general obligation bonds at interest rates varying from 3.25% to 4.25% for various construction and renovation projects, however, these bonds were refunded on March 1, 2013 at an interest rate of 4%. The final maturity of these bonds is March 1, 2024.

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

- B. Debt Service Requirements - Debt service requirements on general obligation serial bonds payable at June 30, 2015 are as follows:

Year Ended June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,235,000	294,400	1,529,400
2020	1,235,000	245,000	1,480,000
2021-2024	<u>4,890,000</u>	<u>488,000</u>	<u>5,378,000</u>
	<u>\$ 10,715,000</u>	<u>\$ 2,183,200</u>	<u>\$ 12,898,200</u>

- C. Bonds Authorized But Not Issued - The District has no authorized but not issued bonds at June 30, 2015.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8. PENSION PLANS

PLAN DESCRIPTIONS

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

Teachers' Pension and Annuity Fund (TPAF)

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.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers (District inclusive) do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

The employer and nonemployer allocation percentages presented in the schedules of employer and nonemployer allocations and applied to amounts presented in the schedules of employer and nonemployer are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2014.

For the year ended June 30, 2015, for TPAF, the District recognized pension expense of \$3,942,291 and revenue of \$3,942,291 for support provided by the State.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8. PENSION PLANS (CONTINUED)

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

The components of the net pension liability of the State as of June 30, 2014 are as follows:

	2014
Total pension liability	\$ 81,095,320,000
Plan fiduciary net position	27,282,252,461
Net pension liability	\$ 53,813,067,539
Plan fiduciary net position as a percentage of the total pension liability	33.64%
State's proportionate share of the net pension liability associated with the employer (District)	\$ 73,264,007
State's proportionate share of the net pension liability associated with the employer (District) as a percentage of the collective net pension liability	0.1361454%

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014 for TPAF. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8. PENSION PLANS (CONTINUED)

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

Long-term expected rate of return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries.

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

Discount Rate

The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014 for TPAF. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% as of June 30, 2014, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8. PENSION PLANS (CONTINUED)

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

The following presents the net pension liability of the State attributable to the District as of June 30, 2014, calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate for TPAF.

	2014		
	At 1% Decrease (3.68%)	At Current Discount Rate (4.68%)	At 1% Increase (5.68%)
State's proportionate share of TPAF net pension liability attributable to the District	<u>\$ 88,117,355</u>	<u>\$ 73,264,007</u>	<u>\$ 60,909,907</u>

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.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2014. The District's employer allocation percentage (proportion) has been rounded for presentation purposes at .018050667% at June 30, 2014 in PERS.

For the year ended June 30, 2015, the District recognized pension expense of \$368,438 for PERS. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ -	\$ -
Changes of assumptions	220,516	
Net difference between projected and actual earnings on pension plan investments		417,916
Changes in proportion and differences between District contribution and proportionate share of contributions	1,027	
District contributions subsequent to the measurement date		
Total	<u>\$ 221,543</u>	<u>\$ 417,916</u>

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability measured as of June 30, 2015.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u> <u>June 30,</u>		
2015	\$	(30,816)
2016		(30,816)
2017		(30,816)
2018		(30,816)
2019		19,535
Thereafter		<u>8,596</u>
Total	<u>\$</u>	<u>(95,133)</u>

Additional Information

Collective balances at December 31, 2014 are as follows:

Collective deferred outflows of resources	\$	1,032,618,058
Collective deferred inflows of resources		1,726,631,532
Collective net pension liability		38,849,838,953
District's proportion		.018050667%

The components of the net pension liability of the participating employers for PERS as of June 30, 2014, are as follows:

	<u>2014</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total pension liability	\$ 28,777,950,141	\$ 39,071,470,586	\$ 67,849,420,727
Plan fiduciary net position	<u>8,650,846,191</u>	<u>20,348,735,583</u>	<u>28,999,581,774</u>
	<u>\$ 20,127,103,950</u>	<u>\$ 18,722,735,003</u>	<u>\$ 38,849,838,953</u>
District's net pension liability (as reported on June 30, 2015)			<u>\$ 7,012,655</u>

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (continued)

The totals of pension liability for the PERS June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014 for PERS. This actuarial valuation used the following key actuarial assumptions:

Investment rate of return	7.90%
Inflation rate	3.01%
Salary increases:	
2012-2021	2.15 - 4.40%
Thereafter	Based on age 3.15 - 5.40% Based on age

Mortality rates were based on the RP-2000 Combined Health Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board trustees and the actuaries.

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (continued)

Discount Rate

The discount rate used to measure the total pension liability for PERS was 5.39% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% as of June 30, 2014, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The following presents the State of New Jersey collective net pension liability for PERS on the participating employers as of June 30, 2014, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	2014		
	At 1% Decrease (4.39%)	At Current Discount Rate (5.39%)	At 1% Increase (6.39%)
District's proportionate share of the PERS Net Pension Liability	<u>\$ 8,822,159</u>	<u>\$ 7,012,655</u>	<u>\$ 5,493,132</u>

TPAF and PERS Vesting and Benefit Provisions

The vesting and benefit provisions are set by N.J.S.A. 43:15a. PERS provides retirement, death and disability benefits. All benefits vest after ten years of services, except for medical benefits, which vest after 25 years of service or upon the disability provisions of PERS.

For TPAF, members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available for those under age 55 participating in TPAF with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

For PERS, service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age of 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier.

Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8. PENSION PLANS (CONTINUED)

TPAF and PERS Vesting and Benefit Provisions (continued)

The TPAF and PERS provide for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the system.

Members are always fully vested for their own contributions, and, after three years of service credit become vested for 2% of related interest earned on the contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Contributions - PERS and TPAF

The contribution policy is set by New Jersey State statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% percent 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 Board is a non-contributing employer of the TPAF. The current TPAF rate is 6.5% and the PERS rate is 6.5% of covered payroll.

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contribution employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

For fiscal year 2014, the State's pension contribution was less than the actuarial determined amount.

	2014		
	State	Local	Total
State of New Jersey Total PERS contributions per schedule of Employer Allocations	\$ 171,563,930	\$ 824,385,577	\$ 995,949,507
Reconciling items:			
Adjustment of 2013 billings	-	(85,193,611)	(85,193,611)
Employer specific contributions/expenses	-	6,389,469	6,389,469
Reclassification of administrative loan revenue	256,069	308,283	564,352
Timing differences for 2014 billings	-	(20,717)	(20,717)
	\$ 171,819,999	\$ 745,869,001	\$ 917,689,000
District's contribution for 2015			\$ 308,776

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8. PENSION PLANS (CONTINUED)

Contributions - PERS and TPAF (continued)

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability.

The unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

The District's actuarially determined contributions to PERS and TPAF for the years ended June 30, 2015, 2014 and 2013, were as follows:

Three-Year Contribution Trend Information for PERS			
Year Funding	Normal Pension Cost	Non-Contributory Group-Life Insurance (NCGI)	Total Pension and NCGI
2015	\$ 289,189	\$ 19,587	\$ 308,776
2014	277,451	4,719	282,170
2013	254,392	15,141	269,533

Three-Year Contribution Trend Information for PERS (Paid on Behalf of the District)				
Year Funding	Normal Pension Cost	Non-Contributory Group-Life Insurance (NCGI)	Post-Retirement Medical Contributions	Total Pension and NCGI
2014	\$ 698,568	\$ 50,259	\$ 1,188,763	\$ 1,937,590
2014	532,864	47,034	950,815	1,530,713
2013	798,730	42,024	950,681	1,791,435

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,050,513 during the fiscal year ended June 30, 2015 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenue and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8. PENSION PLANS (CONTINUED)

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

Defined Contribution Retirement Program (DCRP)

Established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 as a cost-sharing multiple employer defined contribution pension fund. The DCRP provides eligible members and their beneficiaries with a tax sheltered defined contribution retirement benefit, along with life insurance and disability coverage. In the DCRP, employee contributions are 5.5%. Employee contributions are matched by a 3% employer contribution. The District contributed \$2,182 to the DCRP for the year ended June 30, 2015.

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.

For additional information about these plans, please refer to the separately issued State of New Jersey Division's Division of Pensions and Benefits financial report, which can be found at www.state.nj.us/treasury/pensions/financial-rprts-home.shtml. 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.

NOTE 9. 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, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 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 benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c. 126, which provides 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 \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in fiscal year 2014.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 10. 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(G) 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, 2015, a liability did not exist for compensated absences in the enterprise funds.

NOTE 11. 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 12. CAPITAL RESERVE ACCOUNT

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

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

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12. CAPITAL RESERVE ACCOUNT (CONTINUED)

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, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance, July 1, 2014	\$ 1,085,671
Increased by:	
Interest earnings	315
Ending balance, June 30, 2015	\$ 1,085,986

The June 30, 2015 LRFP balance of local support costs of uncompleted capital projects is approximately \$4,000,000.

NOTE 13. NET POSITION - UNRESTRICTED (DEFICIT)

As reflected on Exhibit A-1, Statement of Net Position, a deficit in unrestricted net position of \$7,227,027 existed as of June 30, 2015 for governmental activities. The primary cause of this deficit is the recognition of the net pension liability as well as the District not recognizing the receivable for state aid payments and the recording of the long-term liability for compensated absences. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net Position, such liabilities are required to be recorded in the period in which they are incurred.

However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

The deficit is a result of the following:

Unassigned fund balance (Exhibit C-1)	\$ 574,360
Unrecognized state aid payments for 2014-2015	(43,327)
Compensated absences payable	(408,106)
Accrued interest payable	(140,926)
State net pension liability and related deferred outflows and inflows	(7,209,028)
Unrestricted net assets (deficit) (Exhibit A-1)	\$ (7,227,027)

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 14. TRANSFERS FOR CAPITAL OUTLAY AND GENERAL FUND

The District transferred \$13,030 from the 2014-15 current expense appropriations to capital outlay facilities acquisition and construction services for new auditorium seats and an additional \$324,132 was transferred to capital outlay equipment to cover additional costs for equipment.

NOTE 15. FUND BALANCE APPROPRIATED

General Fund - Of the \$3,169,779 general fund balance in the fund financial statements at June 30, 2015, \$112,341 is reserved for encumbrances; \$1,440,419 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$275,000 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2016); \$1,085,986 has been reserved in the Capital Reserve Account; and \$531,033 is unassigned. At the December 15, 2014 meeting, the Board authorized and approved appropriations of \$12,170 from general fund balance from 2014 additional nonpublic school transportation aid.

Debt Service Fund - There is no balance at June 30, 2015.

NOTE 16. 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, 2015 is \$1,165,419.

NOTE 17. CONTINGENCIES

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

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

NOTE 18. 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 17). A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 18. RISK MANAGEMENT (CONTINUED)

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>
2014-2015	\$ 30,000	\$ 23,782	\$ 18,225	\$ 185,531
2013-2014	25,000	22,600	36,211	149,936
2012-2013	20,000	22,421	26,882	138,537

NOTE 19. 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, 2015, 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.

NOTE 20. RESTATEMENT OF NET POSITION

As indicated in note 1 to the financial statements, the District adopted GASB Statement 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, for the fiscal year ended June 30, 2015. As a result of implementing these two Statements, a restatement of unrestricted net position on the government wide statement of activities was required to record the School District's proportionate share of its net pension liability. The cumulative effect on the financial statements as reported for June 30, 2014 is as follows:

**RIVER DELL REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 20. RESTATEMENT OF NET POSITION (CONTINUED)

<u>Governmental Activities</u>	<u>Net Position As Previously Reported June 30, 2014</u>	<u>Net Pension Liability (1)</u>	<u>Deferred Outflows (2)</u>	<u>Accounts Payable (3)</u>	<u>Net Position As Restated June 30, 2014</u>
Net Investment in Capital Assets	\$ 18,168,830	\$	\$	\$	\$ 18,168,830
Reserve 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>(7,157,233)</u>	<u>308,776</u>	<u>(308,776)</u>	<u>(7,193,314)</u>
	<u>\$ 19,953,326</u>	<u>\$ (7,157,233)</u>	<u>\$ 308,776</u>	<u>\$ (308,776)</u>	<u>\$ 12,796,093</u>

(1) Represents the District's proportionate share of the Public Employees' Retirement System (PERS) June 30, 2013 Net Pension Liability.

(2) Represents the District's beginning deferred outflow of resources for contributions subsequent to the measurement date, paid on April 1, 2015.

(3) Represents the District's accounts payable for contributions subsequent to the measurement date, paid on April 1, 2015. The State of New Jersey Division of Pension and Benefits has accounts receivable recorded in the PERS Plan Audit.

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, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 27,786,252	\$ -	\$ 27,786,252	\$ 27,786,252	\$ -
Tuition	420,000		420,000	407,008	(12,992)
Interest - capital reserve funds	30		30	315	285
Interest on investments				1,910	1,910
Miscellaneous	350,000		350,000	194,681	(155,319)
Total - local sources	28,556,282		28,556,282	28,390,166	(166,116)
State sources:					
Categorical Transportation aid	33,530		33,530	33,530	
Extraordinary aid	200,000		200,000	115,165	(84,835)
Categorical special education aid	573,018		573,018	573,018	
Categorical security aid	25,643		25,643	25,643	
Other state aids	33,962		33,962	86,954	52,992
On-behalf TPAF pension-post retirement medical contributions (non-budgeted)				1,188,763	1,188,763
On-behalf TPAF pension - normal (non-budgeted)				698,568	698,568
On-behalf TPAF pension - non-contributory insurance (non-budgeted)				50,259	50,259
Reimbursed TPAF social security contributions (non-budgeted)				1,050,513	1,050,513
Total - state sources	866,153		866,153	3,822,413	2,956,260
Total revenues	29,422,435		29,422,435	32,212,579	2,790,144

RIVER DELL REGIONAL SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Regular programs - instruction:					
Salaries of teachers:	\$ 3,132,112	\$ (49,492)	\$ 3,082,620	\$ 3,080,752	\$ 1,868
Grades 6-8	6,314,440	(171,499)	6,142,941	6,094,155	48,786
Grades 9-12					
Home instruction - regular programs:					
Salaries of teachers	20,000	(425)	19,575	19,574	1
Purchased professional - educational services	15,000	6,425	21,425	18,039	3,386
Regular programs - undistributed instruction:					
Other salaries for instruction	47,997	6,718	54,715	53,547	1,168
Purchased professional - educational services	2,400	(440)	1,960	1,210	750
Other purchased services	521,845	(13,257)	508,588	506,852	1,736
General supplies	294,110	88,477	382,587	375,391	7,196
Textbooks	128,787	(37,450)	91,337	88,401	2,936
Other objects	4,833	(360)	4,473	1,930	2,543
Total regular programs - instruction	<u>10,481,524</u>	<u>(171,303)</u>	<u>10,310,221</u>	<u>10,239,851</u>	<u>70,370</u>
Special education - instruction:					
Learning and/or language disabilities:					
Salaries of teachers	220,793	17,483	238,276	238,275	1
Other salaries for instruction	140,465	(84,174)	56,291	51,628	4,663
General supplies	1,645		1,645	890	755
Textbooks	2,000	(2,000)			
Total learning and/or language disabilities	<u>364,903</u>	<u>(68,691)</u>	<u>296,212</u>	<u>290,793</u>	<u>5,419</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, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource room/resource center:					
Salaries of teachers	\$ 1,596,652	\$ 104,127	\$ 1,700,779	\$ 1,700,778	\$ 1
Other salaries for instruction	49,871	(4,649)	45,222	39,591	5,631
General supplies	8,543	(2,000)	6,543	5,682	861
Textbooks	5,222		5,222	4,829	393
Total resource room/resource center	1,660,288	97,478	1,757,766	1,750,880	6,886
Total special education - instruction	2,025,191	28,787	2,053,978	2,041,673	12,305
Basic skills/remedial - instruction:					
Salaries of teachers	184,159	(166,236)	17,923	16,193	1,730
General supplies	670		670	523	147
Total basic skills/remedial - instruction	184,829	(166,236)	18,593	16,716	1,877
Bilingual education - instruction:					
Salaries of teachers	146,340	(4,306)	142,034	109,358	32,676
General supplies	4,791	(505)	4,286	3,705	581
Textbooks	1,750	505	2,255	351	1,904
Total bilingual education - instruction	152,881	(4,306)	148,575	113,414	35,161

RIVER DELL REGIONAL SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School sponsored cocurricular activities - instruction:					
Salaries	\$ 190,469	\$ 3,262	\$ 193,731	\$ 175,456	\$ 18,275
Purchased services	10,707	(3,725)	6,982	6,841	141
Supplies and materials	36,475	(7,892)	28,583	21,001	7,582
Other objects	13,422	(4,100)	9,322	3,914	5,408
Transfers to cover deficit (agency funds)	5,000	(5,000)			
Total school sponsored cocurricular activities - instruction	256,073	(17,455)	238,618	207,212	31,406
School sponsored athletics - instruction					
Salaries	530,343	11,673	542,016	527,650	14,366
Purchased services	40,970	11,043	52,013	51,798	215
Supplies and materials	75,825	26,129	101,954	97,929	4,025
Other objects	58,940	9,100	68,040	62,241	5,799
Transfers to cover deficit	87,658	3,998	91,656	91,656	
Total school sponsored athletics - instruction	793,736	61,943	855,679	831,274	24,405
Other instructional programs - instruction:					
Purchased services		1,075	1,075	764	311
Total other instructional programs - instruction		1,075	1,075	764	311
Total - instruction	13,894,234	(267,495)	13,626,739	13,450,904	175,835

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, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state-special	\$ 310,971	\$ 20,996	\$ 331,967	\$ 330,934	\$ 1,033
Tuition to county vocational school-regular	425,264		425,264	403,336	21,928
Tuition to county vocational school districts-special	182,700	(24,312)	158,388	130,500	27,888
Tuition to county special services school districts and regional day schools	334,700	(88,352)	246,348	181,415	64,933
Tuition to private schools for the handicapped within the state	1,001,706	(61,333)	940,373	809,843	130,530
Transfer of funds to Charter Schools	19,460		19,460		19,460
Total undistributed expenditures - instruction	<u>2,274,801</u>	<u>(153,001)</u>	<u>2,121,800</u>	<u>1,856,028</u>	<u>265,772</u>
Attendance and social work services:					
Salaries	38,153	132	38,285	38,285	
Total attendance and social work services	<u>38,153</u>	<u>132</u>	<u>38,285</u>	<u>38,285</u>	
Health services:					
Salaries	180,543	6,652	187,195	187,195	
Purchased professional and technical services	14,500		14,500	14,500	
Other purchased services	300	(225)	75	43	32
Supplies and materials	3,508	3,608	7,116	7,090	26
Other objects	50	124	174	143	31
Total health services	<u>198,901</u>	<u>10,159</u>	<u>209,060</u>	<u>208,971</u>	<u>89</u>
Speech, OT, PT & related services:					
Salaries	117,812	(201)	117,611	115,680	1,931
Purchased professional - educational services	463	15,007	15,007	15,006	1
Supplies and materials			463	450	13
Total speech, OT, PT & related services	<u>118,275</u>	<u>14,806</u>	<u>133,081</u>	<u>131,136</u>	<u>1,945</u>

RIVER DELL REGIONAL SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other support services - students - extraordinary:					
Salaries	\$ 74,431	\$ (24,268)	\$ 50,163	\$ 45,144	\$ 5,019
Total support services - students- extraordinary	74,431	(24,268)	50,163	45,144	5,019
Guidance:					
Salaries of other professional staff	724,578	(35,104)	689,474	666,328	23,146
Salaries of secretarial and clerical assistants	153,794	(17,669)	136,125	130,195	5,930
Purchased professional - educational services	8,277	(118)	8,159	7,346	813
Other purchased services	9,349	99	9,448	6,156	3,292
Supplies and materials	29,881	(5,198)	24,683	10,796	13,887
Other objects	978		978	900	78
Total guidance	926,857	(57,990)	868,867	821,721	47,146
Child study teams:					
Salaries of other professional staff	577,399	4,269	581,668	581,668	
Salaries of secretarial and clerical assistants	11,974	50,640	62,614	60,193	2,421
Purchased professional - educational services	99,059	18,555	117,614	89,654	27,960
Other purchased professional and technical services	32,500	773	33,273	33,273	
Other purchased services	5,147	(1,220)	3,927	3,057	870
Supplies and materials	4,360	(641)	3,719	3,356	363
Other objects	1,100	80	1,180	1,179	1
Total child study teams	731,539	72,456	803,995	772,380	31,615

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, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Improvement of instruction services/ other support services - instructional staff:					
Salaries of supervisors of instruction	\$ 82,076	\$ 66,968	\$ 149,044	\$ 148,828	\$ 216
Purchased professional - educational services	75,257	(68,804)	6,453	6,141	312
Other purchased services	50,876	(5,090)	45,786	42,411	3,375
Supplies and materials	48,235	23,187	71,422	67,360	4,062
Other objects	1,560	84	1,644	84	1,560
Total improvement of instruction services/ other support services-instructional staff	258,004	16,345	274,349	264,824	9,525
Educational media services/school library:					
Salaries	184,525	1,876	186,401	186,401	746
Purchased professional and technical services	1,575	1,315	2,890	2,144	2,432
Other purchased services	28,810		28,810	26,378	2,578
Supplies and materials	28,698	(1,315)	27,383	24,805	165
Other objects	215		215	50	5,921
Total educational media services/school library	243,823	1,876	245,699	239,778	
Instructional staff training services:					
Other salaries	12,250	(1,826)	10,424	10,415	9
Purchased professional - educational services	39,000	(13,119)	25,881	25,880	1
Other purchased services	18,840	(3,337)	15,503	14,295	1,208
Supplies and materials	4,050	(2,842)	1,208	1,207	1
Other objects	3,180	100	3,280	1,564	1,716
Total instructional staff training services	77,320	(21,024)	56,296	53,361	2,935

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, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support services general administration:					
Salaries	\$ 324,410	\$ 624	\$ 325,034	\$ 325,034	\$
Legal services	63,000	(5,845)	57,155	44,903	12,252
Audit fees	57,700	4,578	62,278	41,847	20,431
Other purchased professional services		501	501	500	1
Communications/telephone	31,000	(3,496)	27,504	24,065	3,439
Other purchased services	11,700	(362)	11,338	8,538	2,800
General supplies	9,000	(849)	8,151	8,034	117
Miscellaneous expenditures	7,500	700	8,200	8,200	
Total support services general administration	504,310	(4,149)	500,161	461,121	39,040
Support services school administration:					
Salaries of principals/assistant principals	791,592	18,345	809,937	807,035	2,902
Salaries of other professional staff	330,410	76,174	406,584	378,567	28,017
Salaries of secretarial and clerical assistants	265,523	80	265,603	264,528	1,075
Other purchased services	14,850	(895)	13,955	7,006	6,949
Supplies and materials	7,319	2,125	9,444	5,822	3,622
Other objects	4,700	1,075	5,775	5,649	126
Total support services school administration	1,414,394	96,904	1,511,298	1,468,607	42,691
Support services central services:					
Salaries	364,056	390	364,446	364,445	1
Purchased professional services	22,845	(2,398)	20,447	16,350	4,097
Miscellaneous purchased services	44,650	(17,711)	26,939	26,905	34
Supplies and materials	18,000	28,760	46,760	46,760	
Miscellaneous expenditures	18,000	622	18,622	18,596	26
Total support services central services	467,551	9,663	477,214	473,056	4,158

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, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support services administrative information technology:					
Salaries	\$ 364,380	\$ 82,296	\$ 446,676	\$ 446,459	\$ 217
Purchased professional services	11,821	(11,820)	1		1
Other purchased services	1,110	2,405	3,515	3,425	90
Supplies and materials	130,255	(24,786)	105,469	105,304	165
Other objects	1,009	1,416	2,425	2,394	31
Total support services administrative information technology	508,575	49,511	558,086	557,582	504
Required maintenance for school facilities:					
Salaries	399,960	(41,532)	358,428	358,425	3
Cleaning, repair and maintenance services	243,437	211,737	455,174	429,101	26,073
General supplies	99,000	31,909	130,909	99,999	30,910
Other objects	750	1,396	2,146	2,145	1
Total required maintenance for school facilities	743,147	203,510	946,657	889,670	56,987
Custodial Services:					
Salaries	580,211	74,110	654,321	652,605	1,716
Purchased professional and technical services	12,631	31,611	44,242	37,319	6,923
Cleaning, repair and maintenance services	13,000	5,687	18,687	18,604	83
Other purchased property services	40,000	35,771	75,771	74,308	1,463
Insurance	112,000	22,303	134,303	134,303	
Miscellaneous purchased services	75		75		75
General supplies	85,000	(98)	84,902	84,902	
Energy (natural gas)	275,000	(125,918)	149,082	148,259	823
Energy (electricity)	335,000	55,266	390,266	385,013	5,253
Energy (gasoline)	2,000		2,000	2,000	
Other objects	75		75		75
Total custodial services	1,454,992	98,732	1,553,724	1,537,313	16,411

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, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Care and upkeep of grounds:					
Salaries	\$ 126,262	\$ 7,040	\$ 133,302	\$ 133,301	\$ 1
Purchased professional and technical services	33,000	(3,558)	29,442	29,250	192
Cleaning, repair and maintenance services	17,000	114,476	131,476	102,763	28,713
General supplies	24,250	6,612	30,862	30,611	251
Other objects	100	(100)			
Total care and upkeep of grounds	200,612	124,470	325,082	295,925	29,157
Security:					
Salaries	26,074	649	26,723	26,722	1
Total security	26,074	649	26,723	26,722	1
Student transportation services:					
Salaries for pupil transportation (between home and school) - regular	33,339		33,339	31,524	1,815
Cleaning, repair and maintenance services	3,500	3,000	6,500	5,901	599
Contracted services - aid in lieu of payments for non-public school students	50,000	(19,500)	30,500	15,686	14,814
Contracted services (between home and school) - vendors	225,000	(31,640)	193,360	183,962	9,398
Contracted services (other than between home and school) - vendors	144,683	(15,044)	129,639	123,519	6,120
Contracted services (between home and school) - joint agreements	20,000	8,300	28,300	28,283	17
Contracted services (special education students) - vendors	245,000	(18,743)	226,257	158,862	67,395
Supplies and materials	3,500		3,500	705	2,795
Total student transportation services	725,022	(73,627)	651,395	548,442	102,953

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, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unallocated benefits:					
Social security contributions	\$ 325,956	\$	\$ 325,956	\$ 297,432	\$ 28,524
Other retirement contributions	340,200	(28,000)	312,200	308,776	3,424
Unemployment compensation		30,000	30,000	30,000	
Workmen's compensation	125,000		125,000	120,215	4,785
Health benefits	4,100,972	(460,648)	3,640,324	3,028,507	611,817
Tuition reimbursement	17,100	5,997	23,097	23,096	1
Other employee benefits	1,995		1,995	1,879	116
Total personnel services - unallocated benefits	4,911,223	(452,651)	4,458,572	3,809,905	648,667
On-behalf TPAF pension-post retirement medical contributions (non-budgeted)				1,188,763	(1,188,763)
On-behalf TPAF pension - normal (non-budgeted)				698,568	(698,568)
On-behalf TPAF pension - non-contributory insurance (non-budgeted)				50,259	(50,259)
Reimbursed TPAF social security contributions (non-budgeted)				1,050,513	(1,050,513)
Total undistributed expenditures	15,898,004	(87,497)	15,810,507	17,488,074	(1,677,567)
Total expenditures - current expense	29,792,238	(354,992)	29,437,246	30,938,978	(1,501,732)

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, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY:					
Equipment:					
Regular programs - instruction:					
Grades 9-12	\$ -	\$ 164,341	\$ 164,341	\$ 164,340	\$ 1
Undistributed expenditures:					
School sponsored and other instructional programs		10,031	10,031	10,030	1
Required maintenance for school facilities		37,688	37,688	37,687	1
Care and upkeep of grounds		63,220	63,220	63,219	1
School buses - regular		48,852	48,852	48,852	
Total equipment		324,132	324,132	324,128	4
Facilities acquisition and construction services:					
Other purchased professional and technical services	2,335	(2,335)			
Construction services	17,150	15,365	32,515	32,514	1
Other objects	60,287		60,287	60,287	
Total facilities acquisition and construction services	79,772	13,030	92,802	92,801	1
Total capital outlay	79,772	337,162	416,934	416,929	5
Total expenditures	29,872,010	(17,830)	29,854,180	31,355,907	(1,501,727)
Excess (deficiency) of revenues over (under) expenditures	(449,575)	17,830	(431,745)	856,672	1,288,417

RIVER DELL REGIONAL SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other financing sources (uses):					
Operating transfers out - Food Service Fund	\$ -	\$ (30,000)	\$ (30,000)	\$ (30,000)	\$ -
Total other financing sources (uses)		(30,000)	(30,000)	(30,000)	
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(449,575)	(12,170)	(461,745)	826,672	1,288,417
Fund balance - July 1	<u>2,386,434</u>		<u>2,386,434</u>	<u>2,386,434</u>	
Fund balance - June 30	<u>\$ 1,936,859</u>	<u>\$ (12,170)</u>	<u>\$ 1,924,689</u>	<u>\$ 3,213,106</u>	<u>\$ 1,288,417</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Reserved excess surplus - designated for subsequent year's expenditures				\$ 275,000	
Reserved excess surplus				1,165,419	
Capital reserve				1,085,986	
Assigned Fund Balance:					
Year-end encumbrances				112,341	
Unassigned Fund Balance				<u>574,360</u>	
Total fund balance				3,213,106	
Reconciliation to Governmental Funds Statements (GAAP):					
State aid payments not recognized on GAAP basis				<u>(43,327)</u>	
Fund balance per Governmental Funds (GAAP)				<u>\$ 3,169,779</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, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State sources	\$ 76,000	\$ 226,034	\$ 302,034	\$ 258,093	\$ (43,941)
Federal sources	<u>375,000</u>	<u>129,361</u>	<u>504,361</u>	<u>492,694</u>	<u>(11,667)</u>
Total revenues	<u>451,000</u>	<u>355,395</u>	<u>806,395</u>	<u>750,787</u>	<u>(55,608)</u>
EXPENDITURES:					
Instruction:					
Other salaries for instruction	126,000	(6,747)	119,253	119,253	
Purchased professional - educational services	50,600	(8,800)	41,800	41,800	
Tuition		47,619	47,619	47,619	
General supplies	41,150	33,741	74,891	74,891	
Textbooks	<u>40,000</u>	<u>20,832</u>	<u>60,832</u>	<u>60,832</u>	
Total instruction	<u>257,750</u>	<u>86,645</u>	<u>344,395</u>	<u>344,395</u>	
Support services:					
Salaries of other professional staff	60,000	38,280	98,280	70,335	27,945
Personal services - employee benefits		9,557	9,557	9,557	
Purchased professional and technical services	45,250	9,564	54,814	54,814	
Purchased professional educational services	10,000	104,381	114,381	98,385	15,996
Purchased technical services	10,500	(367)	10,133	10,133	
Other purchased services	45,000	41,709	86,709	75,042	11,667
Supplies and materials	<u>22,500</u>	<u>58,399</u>	<u>80,899</u>	<u>80,899</u>	
Total support services	<u>193,250</u>	<u>261,523</u>	<u>454,773</u>	<u>399,165</u>	<u>55,608</u>
CAPITAL OUTLAY:					
Equipment					
Instructional equipment		<u>7,227</u>	<u>7,227</u>	<u>7,227</u>	
Total equipment		<u>7,227</u>	<u>7,227</u>	<u>7,227</u>	
Total expenditures/outflows	<u>451,000</u>	<u>355,395</u>	<u>806,395</u>	<u>750,787</u>	<u>55,608</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 - PART II**

RIVER DELL REGIONAL SCHOOL DISTRICT
 Notes to Required Supplementary Information - Part II
 Budget-to-GAAP Reconciliation
 For the Fiscal Year Ended June 30, 2015

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

	General Fund	Special Revenue Fund
Sources/inflows of resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 32,212,579	\$ 750,787
Difference - budget to GAAP:		
State aid payments recognized for GAAP statements in the current year, previously recognized for budgetary purposes	33,007	
State aid payments recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	<u>(43,327)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 32,202,259</u>	<u>\$ 750,787</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<u>\$ 31,355,907</u>	<u>\$ 750,787</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 31,355,907</u>	<u>\$ 750,787</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**SCHEDULES RELATED TO ACCOUNTING
AND REPORTING FOR PENSIONS (GASB 68)**

RIVER DELL REGIONAL SCHOOL DISTRICT
 Schedule of the District's Proportionate Share of the Net Pension Liability
 Public Employees Retirement System
 Last Two Years *

	Fiscal Year Ended June 30,	
	2014	2015
District's proportion of the net pension liability (asset)	0.01863348%	0.01805067%
District's proportionate share of the net pension liability (asset)	<u>\$ 7,157,234</u>	<u>\$ 7,012,655</u>
District's covered - employee payroll	<u>\$ 2,527,709</u>	<u>\$ 2,554,913</u>
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	283.15%	274.48%
Plan fiduciary net position as a percentage of the total pension liability (local)	48.72%	52.08%

* The amount presented for each fiscal year were determined as of the previous fiscal year end.

Note - This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full ten year trend is compiled, the District will only present information for those years for which information is available.

RIVER DELL REGIONAL SCHOOL DISTRICT
 Schedule of District Contributions
 Public Employees Retirement System
 Last Two Years

	Fiscal Year Ended June 30,	
	<u>2014</u>	<u>2015</u>
Contractually- required contribution	\$ 282,170	\$ 308,604
Contributions in relation to the contractually required contribution	<u>(282,170)</u>	<u>(308,604)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	<u>\$ 2,527,709</u>	<u>\$ 2,554,913</u>
Contributions as a percentage of covered- employee payroll	11.16%	12.08%

Note - This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full ten year trend is compiled, the District will only present information for those years for which information is available.

RIVER DELL REGIONAL SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity System
Last Two Years *
(Unaudited)

	Fiscal Year Ended June 30,	
	<u>2014</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.00%	0.00%
State's proportion of the net pension liability (asset) associated to the District **	0.13011658%	0.13707852%
State's proportionate share of the net pension liability (asset) associated with the District **	<u>\$ 65,759,897</u>	<u>\$ 73,264,007</u>
District's covered - employee payroll	<u>\$ 13,654,051</u>	<u>\$ 13,677,840</u>
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll **	481.61%	535.64%
Plan fiduciary net position as a percentage of the total pension liability (local)	33.76%	33.64%

* The amount presented for each fiscal year were determined as of the previous fiscal year end.

** TPAF is a special funding situation defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the District (employer) does not contribute directly to the plan there is no net pension liability to report in the financial statements of the District.

Note - This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full ten year trend is compiled, the District will only present information for those years for which information is available.

**NOTES TO THE REQUIRED
SUPPLEMENTARY INFORMATION - PART III**

RIVER DELL REGIONAL SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
Schedule of the District's Proportionate Share of the Net Pension Liability
and Schedule of District Contributions
For the Fiscal Year Ended June 30, 2015

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.55% as of June 30, 2013 to 5.39% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.95% as of June 30, 2013 to 4.68% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

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, 2015

		BCUA Environmental Awareness Challenge Grant	(Exhibit E-1a) Nonpublic Services	(Exhibit E-1b) E.S.E.A.	(Exhibit E-1c) I.D.E.A. Part B - Basic	Totals
REVENUES:						
State sources	\$	2,000	256,093	108,526	384,168	\$ 258,093
Federal sources						492,694
Total revenues		<u>2,000</u>	<u>256,093</u>	<u>108,526</u>	<u>384,168</u>	<u>750,787</u>
EXPENDITURES:						
Instruction:						
Other salaries for instruction					119,253	119,253
Purchased professional - educational services					41,800	41,800
Tuition					47,619	47,619
General supplies			25,445		49,446	74,891
Textbooks			60,832			60,832
Total instruction			<u>86,277</u>		<u>258,118</u>	<u>344,395</u>
Support services:						
Salaries of other professional staff			29,460		40,875	70,335
Personal services - employee benefits			9,557			9,557
Purchased professional and technical services				54,814		54,814
Purchased professional educational services					10,133	98,385
Purchased technical services					75,042	10,133
Other purchased services		2,000		53,712		75,042
Supplies and materials			25,187			80,899
Total support services		<u>2,000</u>	<u>162,589</u>	<u>108,526</u>	<u>126,050</u>	<u>399,165</u>
Facilities acquisition and construction services:						
Instructional equipment			7,227			7,227
Total facilities acquisition and construction services			<u>7,227</u>			<u>7,227</u>
Total expenditures	\$	<u>2,000</u>	<u>256,093</u>	<u>108,526</u>	<u>384,168</u>	<u>\$ 750,787</u>

RIVER DELL REGIONAL SCHOOL DISTRICT
 Special Revenue Fund
 Nonpublic Services
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2015

	Compen- satory Education	English As A Second Language	Home Instruction	Supple- mental Instruction	Exam and Classifi- cation	Correc- tive Speech	Textbook	Technology	Nursing	Totals
REVENUES:										
State sources	\$ 15,766	\$ 1,736	\$ 110	\$ 14,909	\$ 46,827	\$ 7,421	\$ 60,832	\$ 32,672	\$ 75,820	\$ 256,093
EXPENDITURES:										
Instruction:										
General supplies							60,832	25,445		25,445
Textbooks							60,832	25,445		60,832
Total instruction							60,832	25,445		86,277
Support services:										
Salaries of other professional staff									29,460	29,460
Personal services - employee benefits									9,557	9,557
Purchased professional educational services	15,766	1,736	110	14,909	46,827	7,421			11,616	98,385
Supplies and materials									25,187	25,187
Total support services	15,766	1,736	110	14,909	46,827	7,421			75,820	162,589
Facilities acquisition and construction services:										
Instructional equipment								7,227		7,227
Total facilities acquisition and construction services								7,227		7,227
Total expenditures	\$ 15,766	\$ 1,736	\$ 110	\$ 14,909	\$ 46,827	\$ 7,421	\$ 60,832	\$ 32,672	\$ 75,820	\$ 256,093

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, 2015

	<u>Title II Part A Current Year</u>	<u>Title III Part A Current Year</u>	<u>Title III Immigrant Current Year</u>	<u>Totals</u>
REVENUES:				
Federal sources	\$ <u>63,935</u>	\$ <u>37,599</u>	\$ <u>6,992</u>	\$ <u>108,526</u>
EXPENDITURES:				
Support services:				
Purchased professional and technical services	42,281	12,533		54,814
Supplies and materials	<u>21,654</u>	<u>25,066</u>	<u>6,992</u>	<u>53,712</u>
Total support services	<u>63,935</u>	<u>37,599</u>	<u>6,992</u>	<u>108,526</u>
Total expenditures	<u>\$ <u>63,935</u></u>	<u>\$ <u>37,599</u></u>	<u>\$ <u>6,992</u></u>	<u>\$ <u>108,526</u></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, 2015

	<u>Part B - Basic</u> <u>Current</u> <u>Year</u>	<u>Totals</u>
REVENUES:		
Federal sources	\$ <u>384,168</u>	\$ <u>384,168</u>
EXPENDITURES:		
Instruction:		
Other salaries for instruction	119,253	119,253
Purchased professional - educational services	41,800	41,800
Tuition	47,619	47,619
General supplies	<u>49,446</u>	<u>49,446</u>
Total instruction	<u>258,118</u>	<u>258,118</u>
Support services:		
Salaries of other professional staff	40,875	40,875
Purchased technical services	10,133	10,133
Other purchased services	<u>75,042</u>	<u>75,042</u>
Total support services	<u>126,050</u>	<u>126,050</u>
Total expenditures	\$ <u><u>384,168</u></u>	\$ <u><u>384,168</u></u>

CAPITAL PROJECTS FUND DETAIL STATEMENTS

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

At June 30, 2015 there was no Capital Projects Fund.

PROPRIETARY FUNDS DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District's board is that the costs of providing goods or services be financed through user 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, 2015

	<u>Private Purpose Scholarship Funds</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Agency Funds</u>	<u>Totals</u>
ASSETS:				
Cash	\$ 113,080	\$ 186,150	\$ 231,138	\$ 530,368
Total assets	<u>\$ 113,080</u>	<u>\$ 186,150</u>	<u>\$ 231,138</u>	<u>\$ 530,368</u>
LIABILITIES				
Liabilities:				
Accounts payable	\$	\$ 619	\$ -	\$ 619
Payroll deductions and withholdings			4,444	4,444
Due to student groups			<u>226,694</u>	<u>226,694</u>
Total liabilities		<u>619</u>	<u>231,138</u>	<u>231,757</u>
NET POSITION				
Held in trust for unemployment claims and other purposes		185,531		185,531
Reserved for scholarships	<u>113,080</u>			<u>113,080</u>
Total net position	<u>113,080</u>	<u>185,531</u>		<u>298,611</u>
Total liabilities and net position	<u>\$ 113,080</u>	<u>\$ 186,150</u>	<u>\$ 231,138</u>	<u>\$ 530,368</u>

RIVER DELL REGIONAL SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2015

	<u>Private Purpose Scholarship Funds</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
ADDITIONS:			
Contributions:			
Other	\$ 34,152	\$ -	\$ 34,152
Employer		30,000	30,000
Plan member		23,782	23,782
	<u>34,152</u>	<u>53,782</u>	<u>87,934</u>
Total contributions			
	<u>34,152</u>	<u>53,782</u>	<u>87,934</u>
Investment earnings:			
Interest	51	38	89
	<u>51</u>	<u>38</u>	<u>89</u>
Net investment earnings			
	<u>51</u>	<u>38</u>	<u>89</u>
Total additions	<u>34,203</u>	<u>53,820</u>	<u>88,023</u>
DEDUCTIONS:			
Scholarship/award payments	26,700		26,700
Unemployment compensation insurance claims and fees		18,225	18,225
	<u>26,700</u>	<u>18,225</u>	<u>44,925</u>
Total deductions			
	<u>26,700</u>	<u>18,225</u>	<u>44,925</u>
Change in net position	7,503	35,595	43,098
Net position - July 1	<u>105,577</u>	<u>149,936</u>	<u>255,513</u>
Net position - June 30	<u>\$ 113,080</u>	<u>\$ 185,531</u>	<u>\$ 298,611</u>

RIVER DELL REGIONAL SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
MIDDLE/SENIOR HIGH SCHOOLS:				
River Dell Regional	\$ <u>169,494</u>	\$ <u>559,848</u>	\$ <u>502,648</u>	\$ <u>226,694</u>
Total middle/senior high schools:	<u>169,494</u>	<u>559,848</u>	<u>502,648</u>	<u>226,694</u>
ATHLETICS:				
River Dell Regional	<u> </u>	<u>105,389</u>	<u>105,389</u>	<u> </u>
Total all schools	<u>\$ 169,494</u>	<u>\$ 665,237</u>	<u>\$ 608,037</u>	<u>\$ 226,694</u>

RIVER DELL REGIONAL SCHOOL DISTRICT
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
ASSETS:				
Cash	\$ <u>158</u>	\$ <u>9,575,505</u>	\$ <u>9,571,219</u>	\$ <u>4,444</u>
Total assets	\$ <u><u>158</u></u>	\$ <u><u>9,575,505</u></u>	\$ <u><u>9,571,219</u></u>	\$ <u><u>4,444</u></u>
LIABILITIES:				
Payroll deductions and withholdings	\$ <u>158</u>	\$ <u>9,575,505</u>	\$ <u>9,571,219</u>	\$ <u>4,444</u>
Total liabilities	\$ <u><u>158</u></u>	\$ <u><u>9,575,505</u></u>	\$ <u><u>9,571,219</u></u>	\$ <u><u>4,444</u></u>

RIVER DELL REGIONAL SCHOOL DISTRICT
 Payroll Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2015

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>
ASSETS:				
Cash	\$ <u> -</u>	\$ <u>10,903,550</u>	\$ <u>10,903,550</u>	\$ <u> -</u>
Total assets	\$ <u> -</u>	\$ <u>10,903,550</u>	\$ <u>10,903,550</u>	\$ <u> -</u>
 LIABILITIES:				
Accrued salaries and wages	\$ <u> -</u>	\$ <u>10,903,550</u>	\$ <u>10,903,550</u>	\$ <u> -</u>
Total liabilities	\$ <u> -</u>	\$ <u>10,903,550</u>	\$ <u>10,903,550</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, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2014	Issued	Retired	Balance June 30, 2015
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%	\$ 11,750,000	-	\$ 1,035,000	\$ 10,715,000
			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%				
						\$ 11,750,000	-	\$ 1,035,000	\$ 10,715,000

RIVER DELL REGIONAL SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 1,494,699	\$ -	\$ 1,494,699	\$ 1,494,699	\$ -
Total revenues	<u>1,494,699</u>		<u>1,494,699</u>	<u>1,494,699</u>	
EXPENDITURES:					
Regular debt service:					
Interest	470,000		470,000	470,000	
Redemption of principal	1,035,000		1,035,000	1,035,000	
Bond issuance costs:					
Total regular debt service	<u>1,505,000</u>		<u>1,505,000</u>	<u>1,505,000</u>	
Total expenditures	<u>1,505,000</u>		<u>1,505,000</u>	<u>1,505,000</u>	
Excess (deficiency) of revenues over (under) expenditures	(10,301)		(10,301)	(10,301)	
Fund balances - July 1	<u>10,301</u>		<u>10,301</u>	<u>10,301</u>	
Fund balances - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

River Dell Regional School District Statistical Section (Unaudited)

<u>Contents</u>	<u>Page</u>
Financial Trends	95 - 101
<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	102 - 107
<p>These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.</p>	
Debt Capacity	108 - 111
<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	112 - 113
<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	114 - 118
<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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Net investment in capital assets	\$ (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	\$ 18,547,763
Restricted	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	2,638,746
Unrestricted (deficit)	(109,538)	(101,991)	(182,982)	(211,664)	(335,643)	(216,628)	(196,850)	(11,043)	(36,081)	(7,227,027)
Total governmental activities net position	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	13,959,482
Business-type activities:										
Net investment in capital assets	28,927	24,580	29,687	22,092	19,251	25,528	23,263	21,175	17,577	20,896
Unrestricted	34,231	36,487	39,554	42,108	42,865	67,042	90,246	126,714	157,264	185,623
Total business-type activities net position	63,158	61,067	69,241	64,200	62,116	92,570	113,509	147,889	174,841	206,519
District-wide:										
Net investment in capital assets	(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	18,568,659
Restricted	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	2,638,746
Unrestricted (deficit)	(75,307)	(65,504)	(143,428)	(169,556)	(292,778)	(149,586)	(106,604)	115,671	121,183	(7,041,404)
Total district net position	\$ 9,325,798	\$ 13,271,766	\$ 14,587,101	\$ 14,557,281	\$ 15,395,072	\$ 17,208,429	\$ 18,651,707	\$ 19,685,254	\$ 20,128,167	\$ 14,166,001

Source: District Records

Notes: In accordance with GASB 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed.

For the fiscal year ended June 30, 2015, the District adopted GASB No.'s 68 and 71, which require the District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

RIVER DELL REGIONAL SCHOOL DISTRICT

Changes in Net Position
Last Ten Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 9,956,677	\$ 10,715,530	\$ 11,735,009	\$ 11,310,256	\$ 11,482,584	\$ 11,191,020	\$ 11,848,868	\$ 13,276,084	\$ 13,371,099	\$ 15,065,413
Special education	1,631,578	1,850,976	1,757,703	1,909,415	2,064,810	2,015,379	2,171,721	2,664,478	2,663,190	3,033,805
Other special education	216,386	236,889	305,971	320,463	446,683	324,060	361,432	503,972	504,068	191,483
Other instruction	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	1,382,836
Support services:										
Tuition	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	1,903,647
Student and instruction related services	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	4,168,847
School administrative services	1,485,887	1,623,573	1,572,807	1,462,008	1,500,244	1,514,430	1,699,706	1,792,359	1,794,915	2,178,476
General administrative services	404,117	551,957	572,089	592,925	740,026	585,028	548,219	583,681	638,662	620,491
Central services	503,618	500,502	542,815	520,085	544,581	535,547	581,377	634,643	611,285	652,087
Administrative information technology	173,194	202,482	308,815	271,938	452,763	494,972	484,424	611,822	592,653	775,753
Plant operations and maintenance	2,146,325	2,348,655	2,573,387	2,672,612	2,716,997	2,914,920	2,974,565	2,936,173	3,046,479	3,327,352
Pupil transportation	696,140	657,650	720,396	671,985	598,699	537,118	616,444	584,705	575,346	563,994
Interest on long-term debt	921,713	886,432	872,381	769,250	714,554	698,515	602,910	498,525	347,461	318,868
Unallocated depreciation	353,900	392,316	472,609	1,987,516	1,461,850	1,530,856	1,491,849	1,004,379	1,481,046	1,217,743
Total governmental activities expenses	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	38,400,795
Business-type activities:										
Food service	389,657	347,217	301,733	306,182	295,687	284,175	268,259	277,142	277,499	285,052
Valley Program										
Total business-type activities expense	389,657	347,217	301,733	306,182	295,687	284,175	268,259	277,142	277,499	285,052
Total district expenses	\$ 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	\$ 38,685,847
Program Revenues:										
Governmental activities:										
Charges for services:										
Student and instruction related services	\$ -	\$ -	\$ 170,856	\$ 283,784	\$ 191,926	\$ 162,470	\$ 160,764	\$ 149,768	\$ 147,606	\$ 141,738
Operating grants and contributions	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	5,928,163
Capital grants and contributions							97,079			
Total governmental activities program revenues	2,439,298	3,434,879	3,773,269	2,790,663	2,964,883	3,240,203	3,358,386	4,038,937	3,532,017	6,069,901
Business-type activities:										
Charges for services	384,584	338,955	295,518	300,941	290,259	279,424	264,198	281,522	279,451	286,730
Food service		144,000								
Valley Program										
Total business type activities program revenues	384,584	482,955	295,518	300,941	290,259	279,424	264,198	281,522	279,451	286,730
Total district program revenues	\$ 2,823,882	\$ 3,917,834	\$ 4,068,787	\$ 3,091,604	\$ 3,255,142	\$ 3,519,627	\$ 3,622,584	\$ 4,320,459	\$ 3,811,468	\$ 6,356,631
Net (expense)/revenue:										
Governmental activities	\$ (21,733,770)	\$ (23,012,250)	\$ (24,868,407)	\$ (26,853,268)	\$ (28,801,838)	\$ (25,942,151)	\$ (26,891,129)	\$ (28,181,112)	\$ (29,250,973)	\$ (29,330,894)
Business-type activities	(5,073)	135,738	(6,215)	(5,241)	(5,428)	(4,751)	(4,061)	4,380	1,952	1,678
Total district-wide net expense	\$ (21,738,843)	\$ (22,876,512)	\$ (24,874,622)	\$ (26,858,509)	\$ (26,807,266)	\$ (25,946,902)	\$ (26,895,190)	\$ (28,176,732)	\$ (29,249,021)	\$ (29,329,216)

RIVER DELL REGIONAL SCHOOL DISTRICT

Changes in Net Position
Last Ten Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General revenues and other changes in net position:										
Governmental activities:										
Property taxes levied for:										
General purposes	\$ 18,664,579	\$ 20,393,526	\$ 21,895,575	\$ 22,577,722	\$ 23,480,115	\$ 24,863,418	\$ 25,506,624	\$ 26,016,756	\$ 26,920,714	\$ 27,786,252
Debt services	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	1,494,699
Unrestricted grants and contributions	4,454,311	3,677,721	1,232,983	1,121,301	1,287,742	512,522	512,522	650,725	634,225	639,418
Tuition received	242,204	269,577	322,138	392,472	473,642	376,858	352,187	425,986	498,924	407,008
Interest - capital reserve funds	2,216	1,346				18	18	36	61	315
Investment earnings	1,071,872	272,118	159,573	42,671	7,515	30,066	747	473	9,795	1,910
Miscellaneous income	144,727	151,144	157,468	484,994	202,136	209,515	191,111	486,303	246,629	194,681
Transfers	(3,214)	(3,214)	(13,215)		(3,235)	(35,205)	(25,000)	(30,000)	(25,000)	(30,000)
Total governmental activities	26,772,697	26,960,309	25,975,568	26,828,489	27,641,713	27,627,975	28,410,547	29,160,279	29,844,877	30,494,283
Business-type activities:										
Investment earnings	2,001	2,957	1,174	200	109					
Transfers		3,214	13,215		3,235					
Total business-type activities	2,001	6,171	14,389	200	3,344	35,205	25,000	30,000	25,000	30,000
Total district-wide	26,774,698	26,966,480	25,989,957	26,828,689	27,645,057	27,663,180	28,435,547	29,190,279	29,869,877	30,524,283
Change in net position:										
Governmental activities	\$ 5,038,927	\$ 3,948,059	\$ 1,307,161	\$ (24,779)	\$ 839,875	\$ 1,685,824	\$ 1,519,418	\$ 979,167	\$ 593,904	\$ 1,163,389
Business-type activities	(3,072)	141,909	8,174	(5,041)	(2,084)	30,454	20,939	34,380	26,952	31,678
Total district	\$ 5,035,855	\$ 4,089,968	\$ 1,315,335	\$ (29,820)	\$ 837,791	\$ 1,716,278	\$ 1,540,357	\$ 1,013,547	\$ 620,856	\$ 1,195,067

Source: District Records

Notes: In accordance with GASB 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed.

For the fiscal year ended June 30, 2015, the District adopted GASB No.'s 68 and 71, which require the District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund:										
Reserved	\$ 1,566,914	\$ 1,494,292	\$ 566,796	\$ 351,507	\$ 587,610	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	371,252	400,022	426,847	346,352	190,376	-	-	-	-	-
Restricted						926,067	1,299,342	1,417,577	1,660,671	2,526,405
Committed						226,899	176,523	62,250	149,605	
Assigned						172,836	97,320	107,666		112,341
Unassigned						299,596	318,464	522,821	543,151	531,033
Total general fund	\$ 1,938,166	\$ 1,894,314	\$ 993,643	\$ 697,859	\$ 777,986	\$ 1,625,398	\$ 1,891,649	\$ 2,110,314	\$ 2,353,427	\$ 3,169,779
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	
Restricted							52,942	52,942		
Total all other governmental funds	\$ 19,375,654	\$ 8,552,673	\$ 285,146	\$ 597,690	\$ 182,856	\$ 81,661	\$ 52,942	\$ 52,942	\$ 10,301	\$ -

Source: District Records

Note: In accordance with GASB 54, effective for the fiscal year ended June 30, 2011, the description and terminology utilized to identify fund balance was changed.

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Tax levy	\$ 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	\$ 29,280,951
Tuition charges	242,204	269,577	322,138	392,472	473,642	376,858	352,187	425,986	498,924	407,008
Interest earnings	1,074,088	273,464	159,573	42,671	7,515	30,066	765	509	9,856	2,225
Miscellaneous	145,727	159,644	170,368	485,994	222,136	209,515	191,111	486,303	246,629	194,681
State sources	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	4,070,186
Federal sources	318,449	425,407	525,343	572,252	879,940	845,549	508,217	544,916	487,355	492,694
Total revenue	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	34,447,745
Expenditures:										
Instruction:										
Regular Instruction	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	10,536,627
Special education instruction	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	2,041,673
Other special instruction	164,036	170,077	219,757	250,701	343,675	247,746	272,980	368,613	377,500	130,130
Other instruction	758,320	803,628	856,724	935,442	909,537	872,315	928,726	962,758	975,464	1,039,250
Support services:										
Tuition	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	1,903,647
Student and instruction related services	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	2,965,208
School administrative services	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	1,468,607
General administration services	343,777	449,383	460,875	507,570	635,147	470,436	428,109	454,031	513,505	461,121
Central services	406,734	384,367	419,804	408,652	421,851	400,541	443,497	485,992	468,612	473,056
Administrative information technology services	133,904	146,924	226,848	215,031	354,724	390,894	370,291	481,367	470,723	557,582
Business and other support services										
Plant operations and maintenance	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	2,749,630
Pupil transportation	688,206	647,330	708,896	661,814	587,042	523,961	602,805	570,739	560,773	548,442
Employee benefits	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	6,807,565
Special Schools										
Capital outlay	14,425,047	11,930,545	1,288,319	2,837,575	272,055	418,659	831,528	732,049	659,685	424,156
Debt service:										
Principal	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	1,035,000
Interest and other charges	928,687	880,977	856,223	778,148	723,798	668,323	611,338	570,235	479,529	470,000
Advance to refunding escrow								1,115,640		
Bond issuance costs								127,764		
Total expenditures	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	33,611,694

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Excess (Deficiency) of revenues over (under) expenditures	\$ (10,353,660)	\$ (9,126,199)	\$ (1,114,537)	\$ (2,913,294)	\$ (17,833)	\$ 853,898	\$ 291,251	\$ (1,047,916)	\$ 268,113	\$ 836,051
Other financing sources (uses):										
Capital leases (non-budgeted)	68,366	818,034	539,625	2,202,676				11,750,000		
Proceeds from refunding								(12,008,778)		
Payments to escrow agent								1,512,718		
Premium on bonds issued	894,804	26,548	828,928	199,192	30	11	3			
Transfers in	(894,804)	(29,762)	(842,143)	(199,192)	(3,265)	(35,216)	(25,003)	(30,000)	(25,000)	(30,000)
Transfers out										
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)	(30,000)
Net change in fund balances	\$ (10,285,294)	\$ (8,311,379)	\$ (588,127)	\$ (710,618)	\$ (21,068)	\$ 818,693	\$ 266,251	\$ 176,024	\$ 243,113	\$ 806,051
Debt service as a percentage of noncapital expenditures	8.77%	8.03%	7.64%	7.53%	7.27%	7.38%	6.16%	4.82%	4.82%	4.53%

Source: District Records

Notes: Noncapital expenditures are total expenditures less capital outlay.

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Interest on investments	\$ 177,068	\$ 245,570	\$ 123,827	\$ 33,252	\$ 7,485	\$ 30,055	\$ 744	\$ 473	\$ 9,795	\$ 1,910
Student activity fees					73,516	86,150	73,540	87,570	84,210	64,985
Rentals	59,700	60,100	62,985	65,075	51,720	50,276	21,737	12,381	19,939	15,195
Sale of equipment				153,450						
Prior year's refunds	7,309	24,742	9,880	35	1,659	7,210	11,469	28,597	16,879	15,637
Miscellaneous - restricted:										
Reimbursement of counselor and other costs	38,726	29,463	24,866	32,947	34,800			19,880	20,142	21,158
Utility rebates		1,512	13,328		23,178	16,451	33,159	31,884	35,572	26,855
Athletic receipts	14,864	14,579	15,152	16,910	15,089	14,155	14,920	16,654	14,921	18,526
Other	14,483	11,464	27,160	26,364		22,672	21,895	14,231	24,745	26,562
Miscellaneous - unrestricted	9,645	9,284	280	440	2,174	12,601	14,391	6,011	5,221	5,763
Total Miscellaneous	321,795	396,714	277,478	328,473	209,621	239,570	191,855	217,681	231,424	196,591
Interest on capital reserve funds	2,216	1,346					18	36	61	315
Tuition	242,204	269,577	322,138	392,472	473,642	376,858	352,187	425,986	498,924	407,008
Total General Fund	\$ 566,215	\$ 667,637	\$ 599,616	\$ 720,945	\$ 683,263	\$ 616,428	\$ 544,060	\$ 643,703	\$ 730,409	\$ 603,914

Source: District Records

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

Fiscal Year Ended December 31,	Borough of Oradell										Total Direct School Tax Rate ^b
	Vacant Land	Residential	Industrial/Commercial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Memo Only Tax Exempt Property	Estimated Actual (County) Equalized Value	Total Direct School Tax Rate ^b	
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	4,510,900	1,400,052,700	205,794,900	8,253,800	1,619,450,701	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	3,565,500	1,242,733,700	193,823,300	7,298,700	1,447,421,200	1,449,149,500	1,448,343,125	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	
2015	3,565,500	1,248,969,400	187,018,800	7,325,200	1,446,878,900	1,356,001	1,448,234,901	146,750,100	1,645,169,703	1.828	

Borough of River Edge

Fiscal Year Ended December 31,	Borough of River Edge										Total Direct School Tax Rate ^b
	Vacant Land	Residential	Industrial/Commercial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Memo Only Tax Exempt Property	Estimated Actual (County) Equalized Value	Total Direct School Tax Rate ^b	
2006	\$ 6,698,100	\$ 1,398,508,700	\$ 134,152,200	\$ 71,056,500	\$ 1,610,415,500	\$ 7,045,356	\$ 1,617,460,856	\$ 132,172,600	\$ 1,622,061,554	\$ 1.381	
2007	7,055,300	1,402,078,700	132,811,800	70,886,900	1,612,832,700	7,062,847	1,619,895,547	132,487,200	1,798,693,560	1.496	
2008	6,331,700	1,414,404,500	125,241,700	70,523,500	1,616,501,400	6,740,506	1,623,241,906	133,995,200	1,912,093,406	1.550	
2009	11,167,500	1,421,404,500	117,120,400	70,523,500	1,620,215,900	6,952,327	1,627,168,227	134,659,500	1,920,855,215	1.650	
2010	11,257,500	1,423,100,600	122,801,500	70,523,500	1,627,683,100	7,502,187	1,635,185,287	131,812,000	1,842,825,877	1.694	
2011	11,268,700	1,424,860,900	121,449,300	70,523,500	1,628,102,400	6,992,114	1,635,094,514	131,812,000	1,845,519,614	1.740	
2012	7,651,800	1,230,634,900	112,819,600	79,154,600	1,430,260,900	7,391,212	1,437,652,112	136,031,600	1,612,162,697	2.004	
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	
2015	3,035,800	1,237,865,699	120,292,100	76,839,700	1,438,033,299	4,509,632	1,442,542,931	136,292,300	1,652,674,244	2.074	

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.

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	
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	^c 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	^c 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
2015	1.777	0.051	1.828	0.812	0.271	2.911

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.
- c - Borough undertook a revaluation of real property.

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

Fiscal Year Ended June 30,	River Dell Regional School District			Overlapping Rates		Total direct and overlapping tax rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct School	Borough of River Edge	County of Bergen	
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	^c 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
2015	2.021	0.053	2.074	0.868	0.275	3.217

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.
- c - 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					
	2015			2006		
	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	1.23%	10,414,000	2	1.24%
600 Kinderkamack Road, LLC	14,000,000	3	0.97%	10,600,000	1	1.26%
Rio Vista Properties 690, LLC	9,897,000	4	0.68%			
Kamack Realty Corp.	8,579,800	5	0.60%	4,429,500	5	0.53%
PSE&G	6,808,600	6	0.47%	3,813,400	9	0.45%
White Beeches Realty Corp	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%			
Emet Realty	5,147,800	10	0.36%			
Oradell Office Plaza, LLC				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	0.58%
Rivervale Realty				3,942,700	7	0.47%
Hackensack Golf Club				3,609,800	10	0.43%
Total	\$ 97,811,000		6.77%	\$ 56,867,200		6.77%

Source: Municipal Tax Assessor

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

Taxpayer	Borough of River Edge				Borough of River Edge			
	2015		% of Total District Net Assessed Value		2006		% of Total District Net Assessed Value	
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank
River Terrace Gardens	\$ 21,816,700	1	1.51%	\$ 19,825,900	1	1.23%		
River Edge Associates	19,446,100	2	1.35%	15,753,900	2	0.97%		
Route 4 Main Street LLC	11,763,500	3	0.82%	10,176,800	4	0.63%		
East Coast Storage	9,844,800	4	0.68%	10,040,200	5	0.62%		
Gainesborough Coop Corp.	8,600,000	5	0.60%	10,509,000	3	0.65%		
First Real Estate Investment Trust of NJ	8,475,900	6	0.59%	7,297,900	8	0.45%		
River Terrace Gardens	8,289,500	7	0.57%					
Grand Four Associates	6,500,000	8	0.45%	8,624,100	6	0.53%		
Milpau Family, LLC	5,327,100	9	0.37%	5,032,600	9	0.31%		
Verizon Communications	4,509,632	10	0.31%	7,498,646	7	0.46%		
Riverside Medical Arts Assoc.				3,992,200	10	0.25%		
Total	\$ 104,573,232		7.26%	\$ 98,751,246		6.11%		

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	
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%	
2015	29,280,951	29,280,951	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			
2006	\$ 12,122,044	\$ 10,233	\$ 12,132,277	2.47%	\$ 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	2.01%	1,287
2010	8,389,687	529,132	8,918,819	1.75%	1,116
2011	7,986,990	276,401	8,263,391	1.53%	1,026
2012	7,097,259		7,097,259	1.27%	878
2013	6,171,394		6,171,394	1.09%	758
2014	5,830,615		5,830,615	N/A	714
2015	5,261,446		5,261,446	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			
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%	856
2011	8,036,010	278,098	8,314,108	1.08%	727
2012	7,664,741		7,664,741	0.96%	668
2013	6,658,606		6,658,606	0.83%	577
2014	5,919,385		5,919,385	N/A	511
2015	5,453,554		5,453,554	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		
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%	992
2012	7,097,259		7,097,259	0.44%	878
2013	6,171,394		6,171,394	0.43%	758
2014	5,830,615		5,830,615	0.40%	714
2015	5,261,446		5,261,446	0.36%	645

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		
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%	703
2012	7,664,741		7,664,741	0.53%	668
2013	6,658,606		6,658,606	0.46%	577
2014	5,919,385		5,919,385	0.41%	511
2015	5,453,554		5,453,554	0.38%	471

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, 2014

<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)	\$ 21,574,149	100%	\$ 21,574,149
Borough of River Edge	(1)	10,102,858	100%	10,102,858
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				31,677,007
River Dell Regional School District Direct Debt				11,750,000
Total direct and overlapping debt				\$ 43,427,007

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 2014

December 31, Year	Borough of River Edge Equalized Valuation Basis	Borough of Oradell Equalized Valuation Basis	Combined Equalized Valuation Basis
2014	\$ 1,635,739,388	\$ 1,641,340,177	\$ 3,277,079,565
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
		[A]	\$ 9,907,509,952
	Average equalized valuation of taxable property	[A/3]	\$ 3,302,503,317
	Debt limit (3.5 % of average equalization value)	[B]	115,587,616 ^a
	Total Net Debt Applicable to Limit	[C]	10,715,000
	Legal debt margin	[B-C]	\$ 104,872,616

Fiscal Year Ending June 30,

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 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	\$ 115,587,616
Total net debt applicable to limit	23,168,000	21,833,000	20,443,000	19,008,000	17,538,000	16,023,000	14,762,000	12,830,000	11,750,000	10,715,000
Legal debt margin	\$ 79,871,486	\$ 92,927,509	\$ 103,600,318	\$ 109,781,063	\$ 111,813,876	\$ 111,440,501	\$ 110,234,970	\$ 108,761,435	\$ 106,471,834	\$ 104,872,616
Total net debt applicable to the limit as a percentage of debt limit	22.48%	19.02%	16.48%	14.76%	13.56%	12.57%	11.81%	10.55%	9.94%	9.27%

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
2006	7,798	\$	492,077,194	\$	63,103	2.80%
2007	7,773		525,019,512		67,544	2.50%
2008	7,755		522,151,905		67,331	3.30%
2009	7,787		497,386,838		63,874	5.90%
2010	7,992		510,568,920		63,885	6.10%
2011	8,052		541,480,896		67,248	6.00%
2012	8,081		559,859,761		69,281	6.10%
2013	8,143		565,897,785		69,495	4.70%
2014	8,161		N/A		N/A	4.20%
2015	8,161 ⁽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
2006	10,633	\$	670,974,199	\$	63,103	3.00%
2007	10,609		716,574,296		67,544	2.60%
2008	10,627		715,526,537		67,331	3.40%
2009	10,691		682,876,934		63,874	6.20%
2010	11,357		725,541,945		63,885	6.40%
2011	11,434		768,913,632		67,248	6.30%
2012	11,475		794,999,475		69,281	6.40%
2013	11,536		801,694,320		69,495	6.60%
2014	11,579		N/A		N/A	4.60%
2015	11,579 ⁽³⁾		N/A		N/A	N/A

Source:

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

Notes:

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

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

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

Function/Program	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction	86.0	107.0	110.0	109.0	110.0	111.0	114.0	112.9	110.4	111.2
Regular	23.0	16.0	21.0	23.0	23.0	17.0	24.0	27.6	29.2	29.0
Special education										
Support Services:										
Student & instruction related services	27.0	20.0	22.0	21.0	22.0	26.0	29.0	33.0	36.0	36.0
General administration	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0
School administrative services	8.0	9.2	9.0	9.0	9.0	9.0	11.0	10.0	10.0	10.0
Central services	4.5	4.8	4.5	5.0	5.0	5.0	5.0	5.5	4.5	4.5
Administrative Information Technology	2.0	2.0	2.0	2.0	2.0	4.0	4.0	4.0	4.0	4.0
Plant operations and maintenance	21.0	19.0	21.0	21.0	21.0	22.0	19.0	19.0	21.0	22.0
Pupil transportation	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total	174.0	180.5	192.0	192.5	194.5	196.5	209.5	215.5	218.6	220.2

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				
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	30,541,676	18,521	8.37%	123.4	1:16	1:15	1,650.5	1,579.7	-0.99%	95.71%
2014	1,651	30,766,961	18,635	0.62%	125.7	1:15	1:14	1,661.7	1,593.9	0.68%	95.92%
2015	1,665	31,682,538	19,029	2.11%	125.2	1:16	1:15	1,669.1	1,599.6	0.45%	95.84%

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

<u>District Building</u>	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<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	518	515	552	569	553	576	587	571	606	601
<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	953	983	975	1,041	1,069	1,045	1,083	1,078	1,045	1,064

116 Number of Schools at June 30, 2015
 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
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
2015	359,203	530,467	889,670
Total School Facilities	\$ <u>3,174,500</u>	\$ <u>4,731,491</u>	\$ <u>7,905,991</u>

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

Source: District Records

RIVER DELL REGIONAL SCHOOL DISTRICT
Insurance Schedule
June 30, 2015
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - School Alliance Insurance Fund		
Property - Blanket Building & Contents	\$ 88,488,892	\$ 2,500
Automobile Liability	5,000,000	1,000
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	5,000
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, 2015, 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 December 16, 2015.

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 December 16, 2015.

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



Susan T. White
Public School Accountant
License #20CS00119300

Fairfield, New Jersey
December 16, 2015

**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
NEW JERSEY OMB'S CIRCULARS 04-04 AND 15-08**

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 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, 2015. 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's Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey OMB's Circulars 04-04 and 15-08, 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, 2015.

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's Circulars 04-04 and 15-08, 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's Circulars 04-04 and 15-08. Accordingly, this report is not suitable for any other purpose.


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


Susan T. White
Public School Accountant
License #20CS00119300

RIVER DELL REGIONAL SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2015

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From/To	As of June 30, 2014		GAAP Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2015		MEMO Cumulative Total Expenditures	
				Deferred Revenue (Accounts Receivable)	Due to Grantor				Accounts Receivable	Deferred Revenue		Due to Grantor
General Fund:												
State Aid - Public Cluster:												
Special Education Categorical Aid	15-495-034-5120-089	\$ 573,018	7/1/14 - 6/30/15	\$	\$	\$ 560,860	\$ (560,660)	\$	\$	\$	\$ 31,245	\$ 560,660
Security Aid	15-495-034-5120-084	25,643	7/1/14 - 6/30/15			25,090	(25,090)				1,398	25,090
Adjustment Aid	15-495-034-5120-085	2	7/1/14 - 6/30/15			2	(2)					2
PARCC Readiness	15-495-034-5120-098	16,980	7/1/14 - 6/30/15			16,054	(16,054)				926	16,054
Per Pupil Growth Aid	15-495-034-5120-097	16,980	7/1/14 - 6/30/15			16,054	(16,054)				926	16,054
						617,860	(617,860)				34,495	617,860
Transportation Aid:												
Transportation Aid	15-495-034-5120-014	33,530	7/1/14 - 6/30/15			32,807	(32,807)				1,828	32,807
Additional Nonpublic School Transportation Aid	15-100-034-5120-014	7,004	7/1/14 - 6/30/15			12,170	(12,170)				7,004	12,170
Additional Nonpublic School Transportation Aid	14-100-034-5120-014	12,170	7/1/13 - 6/30/14			44,977	(44,977)				8,832	44,977
						166,171	(166,171)			(115,165)	115,165	115,165
Extraordinary Special Education Costs Aid	15-100-034-5120-473	115,165	7/1/14 - 6/30/15			166,171	(115,165)				4,904	45,988
Extraordinary Special Education Costs Aid	14-100-034-5120-473	166,171	7/1/13 - 6/30/14							(4,904)	51,126	1,050,513
Payment for Institutionalized Children - Unknown District of Residence	15-495-034-5120-005	45,988	7/1/14 - 6/30/15			999,387	(45,988)					
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	1,050,513	7/1/14 - 6/30/15				(1,050,513)					
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	955,470	7/1/13 - 6/30/14			49,072	(49,072)					50,259
TPAF Pension - Non-contributory Insurance	15-495-034-5094-007	50,259	7/1/14 - 6/30/15			698,568	(698,568)					698,568
TPAF Pension - Normal	15-495-034-5094-006	698,568	7/1/14 - 6/30/15									
TPAF Pension - Post-retirement												
Medical Contributions	15-495-034-5094-001	1,188,763	7/1/14 - 6/30/15			1,188,763	(1,188,763)					1,188,763
						(215,243)				(171,195)	214,522	3,812,093
						3,856,141	(3,812,093)					
Total General Fund												
Special Revenue Fund:												
State Department of Education:												
N.J. Nonpublic Aid:												
Auxiliary Services:												
Compensatory Education	15-100-034-5120-067	17,020	7/1/14 - 6/30/15			17,020	(15,766)					1,254
Compensatory Education	14-100-034-5120-067	16,264	7/1/13 - 6/30/14			4,109		(4,109)				456
English as a Second Language	15-100-034-5120-067	2,192	7/1/14 - 6/30/15			2,192	(1,736)					
English as a Second Language	14-100-034-5120-067	2,619	7/1/13 - 6/30/14			524		(524)				
Home Instruction	15-100-034-5120-067	110	7/1/14 - 6/30/15				(110)					110
Home Instruction	14-100-034-5120-067	290	7/1/13 - 6/30/14					(290)				
Handicapped Services:												
Supplemental Instruction	15-100-034-5120-066	16,479	7/1/14 - 6/30/15			16,479	(14,909)					1,570
Supplemental Instruction	14-100-034-5120-066	13,877	7/1/13 - 6/30/14			3,411		(3,411)				8,650
Examination & Classification	15-100-034-5120-066	55,477	7/1/14 - 6/30/15			55,477	(46,827)					4,065
Examination & Classification	14-100-034-5120-066	46,024	7/1/13 - 6/30/14			18,956		(18,956)				7,421
Corrective Speech	15-100-034-5120-066	11,486	7/1/14 - 6/30/15			11,486	(7,421)					60,832
Corrective Speech	14-100-034-5120-066	4,887	7/1/13 - 6/30/14			2,422		(2,422)				75,820
Textbook Aid	15-100-034-5120-064	60,832	7/1/14 - 6/30/15			60,832	(60,832)					32,672
Nursing Services Aid	15-100-034-5120-070	103,766	7/1/14 - 6/30/15			103,766	(75,820)					27,946
Nursing Services Aid	14-100-034-5120-070	76,737	7/1/13 - 6/30/14			6,734		(6,734)				
Technology Initiative Aid	15-100-034-5120-373	32,672	7/1/14 - 6/30/15			32,672	(32,672)					43,941
						(290)				(110)	110	256,093
						300,214	(256,093)					
Total State Department of Education												

See accompanying notes to Schedule of Expenditures of State Financial Assistance.

RIVER DELL REGIONAL SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance
 For the Fiscal Year Ended June 30, 2015

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From/To	As of June 30, 2014			GAAP Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Years' Balances	Balance at June 30, 2015		MEMO Cumulative Total Expenditures
				Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/Walkover Amount				Accounts Receivable	Deferred Revenue	
State Department of Environmental Protection:												
BCUA Environmental Awareness Challenge Grant	Not Available	\$ 1,000	7/1/14 - 6/30/15	\$ -	\$ -	\$ 1,000	(1,000)	-	\$ -	\$ -	\$ -	1,000
BCUA Environmental Awareness Challenge Grant	Not Available	1,000	7/1/14 - 6/30/15			1,000	(1,000)					1,000
						2,000	(2,000)					2,000
Total Special Revenue Fund				(290)	36,156	302,214	(258,093)	(36,156)	(110)	43,941	110	258,093
Total State Financial Assistance				(215,533)	36,156	4,158,355	(4,070,186)	(36,156)	(171,305)	43,941	214,632	4,070,186
State Financial Assistance:												
Not Subject to Single Audit Determination												
General Fund:												
TPAF Pension - Non-contributory Insurance	15-495-034-5094-007	50,259	7/1/14 - 6/30/15			(50,259)	50,259					(50,259)
TPAF Pension - Normal	15-495-034-5094-006	698,568	7/1/14 - 6/30/15			(698,568)	698,568					(698,568)
TPAF Pension - Post-retirement Medical Contributions	15-495-034-5094-001	1,188,763	7/1/14 - 6/30/15			(1,188,763)	1,188,763					(1,188,763)
Total State Financial Assistance				\$ (215,533)	\$ 36,156	\$ 2,220,765	\$ (2,132,596)	\$ (36,156)	\$ (171,305)	\$ 43,941	\$ 214,632	\$ 2,132,596

See accompanying notes to Schedule of Expenditures of State Financial Assistance.

RIVER DELL REGIONAL SCHOOL DISTRICT
Notes to Schedule of Expenditures of
State Financial Assistance
June 30, 2015

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 Circulars 04-04 and 15-08, *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, 2015

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$43,327 for the general fund. There are no adjustments for the special revenue fund and debt service fund. See Exhibit C-3, Notes to Required Supplementary Information – Part II, 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	\$ 3,812,093
Special Revenue Fund	<u>258,093</u>
Total state financial assistance - GAAP basis	4,070,186
Less: TPAF Pension Contributions, Post-Retirement Medical and Normal Costs	<u>(1,937,590)</u>
Total per schedule of expenditures of state financial assistance	<u>\$ 2,132,596</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, 2015. 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, 2015.

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, 2015

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 Circulars 04-04 and 15-08, as amended? yes x no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
15-495-034-5120-089	State Aid Public Cluster:
15-495-034-5120-084	Special Education Categorical Aid
15-495-034-5120-085	Security Aid
15-495-034-5120-098	Adjustment Aid
15-495-034-5120-097	PARCC Readiness
	Per Pupil Growth Aid

**RIVER DELL REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2015**

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, 2015**

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 Circulars 04-04 and 15-08.

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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, 2015**

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 Circulars 04-04 and 15-08.

There were no prior-year audit findings.