

# **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, 2016**

**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, 2016**

**Prepared by**

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

# TABLE OF CONTENTS

<b>INTRODUCTORY SECTION</b>	<b><u>Page</u></b>
Letter of Transmittal	1 - 6
Organization Chart	7
Roster of Officials	8
Consultants and Advisors	9
<b>FINANCIAL SECTION</b>	
<b>Independent Auditor's Report</b>	10 - 12
<b>Required Supplementary Information - Part I</b>	
Management's Discussion and Analysis	13 - 22
<b>BASIC FINANCIAL STATEMENTS</b>	
A. District-wide Financial Statements	
A-1 Statement of Net Position	23
A-2 Statement of Activities	24
B. Fund Financial Statements	
Governmental Funds:	
B-1 Balance Sheet	25
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	26
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27 - 28
Proprietary Funds:	
B-4 Statement of Net Position	29
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	30
B-6 Statement of Cash Flows	31
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	32
B-8 Statement of Changes in Fiduciary Net Position	33
<b>Notes to the Financial Statements</b>	34 - 61

## TABLE OF CONTENTS (Continued)

FINANCIAL SECTION (Continued)	<u>Page</u>
<b>Required Supplementary Information - Part II</b>	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule - General Fund	62 - 74
C-2 Budgetary Comparison Schedule - Special Revenue Fund	75
<b>Notes to the Required Supplementary Information - Part II</b>	
C-3 Budget-to-GAAP Reconciliation	76
<b>Required Supplementary Information - Part III</b>	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	77
L-2 Schedule of District Contributions - PERS	78
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	79
<b>Notes to the Required Supplementary Information - Part III</b>	
	80
<b>Other Supplementary Information</b>	
D. School Based Budget Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	81
E-1a Nonpublic Services - Combining Schedule of Revenues and Expenditures - Budgetary Basis	82
E-1b E.S.E.A. - Combining Schedule of Revenues and Expenditures - Budgetary Basis	83
E-1c I.D.E.A. - Combining Schedule of Revenues and Expenditures - Budgetary Basis	84
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budgetary Basis	N/A
F-2(x) Schedule(s) of Project Revenues, Expenditures, Project Balance And Project Status - Budgetary Basis	N/A

## TABLE OF CONTENTS (Continued)

<b>FINANCIAL SECTION (Continued)</b>	<b><u>Page</u></b>
G. Proprietary Funds:	
Enterprise Funds:	
G -1 Combining Schedule of Net Position	N/A
G -2 Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	N/A
G -3 Combining Schedule of Cash Flows	N/A
Internal Service Funds:	
G -4 Combining Schedule of Net Position	N/A
G -5 Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	N/A
G -6 Combining Schedule of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	85
H-2 Combining Statement of Changes in Fiduciary Net Position	86
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	87
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	88
H-5 Payroll Fund Schedule of Receipts and Disbursements	89
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	90
I-2 Schedule of Obligations under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	91

## **STATISTICAL SECTION (UNAUDITED)**

### **Introduction to the Statistical Section**

#### **Financial Trends**

J-1 Net Position by Component	92
J-2 Changes in Net Position	93 - 94
J-3 Fund Balances - Governmental Funds	95
J-4 Changes in Fund Balances - Governmental Funds	96 - 97
J-5 General Fund - Other Local Revenue by Source	98

#### **Revenue Capacity**

J-6 Assessed Value and Estimated Actual Value of Taxable Property	99
J-7a Direct and Overlapping Property Tax Rates	100
J-7b Direct and Overlapping Property Tax Rates	101
J-8a Principal Property Taxpayers	102
J-8b Principal Property Taxpayers	103
J-9 Property Tax Levies and Collections	104

## TABLE OF CONTENTS (Continued)

<b>STATISTICAL SECTION (UNAUDITED) (Continued)</b>		<b><u>Page</u></b>
<b>Debt Capacity</b>		
J-10	Ratios of Outstanding Debt by Type	105
J-11	Ratios of General Bonded Debt Outstanding	106
J-12	Direct and Overlapping Governmental Activities Debt	107
J-13	Legal Debt Margin Information	108
 <b>Demographic and Economic Information</b>		
J-14	Demographic and Economic Statistics	109
J-15	Principal Employers	110
 <b>Operating Information</b>		
J-16	Full-time Equivalent District Employees by Function/Program	111
J-17	Operating Statistics	112
J-18	School Building Information	113
J-19	Schedule of Required Maintenance Expenditures by School Facilities	114
J-20	Insurance Schedule	115
 <b>SINGLE AUDIT SECTION</b>		
K-1	Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	116 - 117
K-2	Independent Auditor's Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by New Jersey OMB's Circular 15-08	118 - 119
K-3	Schedule of Expenditures of Federal Awards, Schedule A	120
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	121 - 122
K-5	Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance	123 - 125
K-6	Schedule of Findings and Questioned Costs	126 - 128
K-7	Summary Schedule of Prior-Year Audit Findings	129

# **INTRODUCTORY SECTION**

# RIVER DELL REGIONAL SCHOOL DISTRICT

230 Woodland Avenue, River Edge, NJ 07661

[www.riverdell.org](http://www.riverdell.org)

Patrick J. Fletcher, Superintendent of Schools

201-599-7201

Thomas L. Bonfiglio, Business Administrator/Board Secretary

Fax 201-261-3809

November 29, 2016

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, 2016. 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, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 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 1,645 students (as of June 30, 2016) 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 Business Administrator/Board Secretary is the chief financial officer of the District, responsible to the Board for maintaining all financial records, making payments of liabilities incurred by the District, acting as custodian of all District funds, and investing funds as permitted by New Jersey law.

## **Reporting Entity**

The River Dell Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board's (GASB). 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 2015-2016 fiscal year with an enrollment of 1,645 students, which is 20 students less than the previous year's enrollment. The following details the changes in the student average daily enrollment of the District over the last five years.

### **AVERAGE DAILY ENROLLMENT**

<b>Fiscal Year</b>	<b>Student Enrollment</b>	<b>Percent change</b>
2015 - 16	1,644.0	-1.49%
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%

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 2016-17 budget. Overall, total revenue for 2016-17 increased by 8.11%, while the expenditures increased by 7.77%. This increase is due to a one time restricted anticipated revenue of \$1,036,990 that is not tax levy generated. The increase in expenditures is also caused by a one time expenditure. 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 2016-17 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 2016 student body, 82% are attending four-year colleges and 8% 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, 90% of the Class of 2016 pursued higher education, with 82% 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 21% of seniors also take AP English or Syracuse University Project Advance English. Electives include Media/TV Production, which links English and Technology. In addition to required World Cultures and US History, social studies electives include Psychology, Sociology and European History. Our laboratory-based Chemistry, Physics and Biology are offered at levels ranging from College Prep to AP. Science electives include Forensic Science and Human Physiology. Mathematics courses range from Algebra I to AP Calculus. World languages are offered at various levels. Languages include Mandarin Chinese, Italian and Spanish. Each year students participate in a statewide Foreign Language Competition, sponsored by Rider University. The Related Arts Department has a wide selection of electives culminating in AP Studio Art, which requires a professional portfolio.

The District has highly competent teaching, supervisory and administrative staff with approximately 39.3% of our 168 certified staff (81% hold Masters Degrees) engaging in postgraduate studies beyond the masters level, while 3.6% hold earned doctoral degrees. This staff continues to refine its expertise and competency through ongoing staff development at local seminars, conferences and educational institutions.

### **Financial Information**

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

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

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

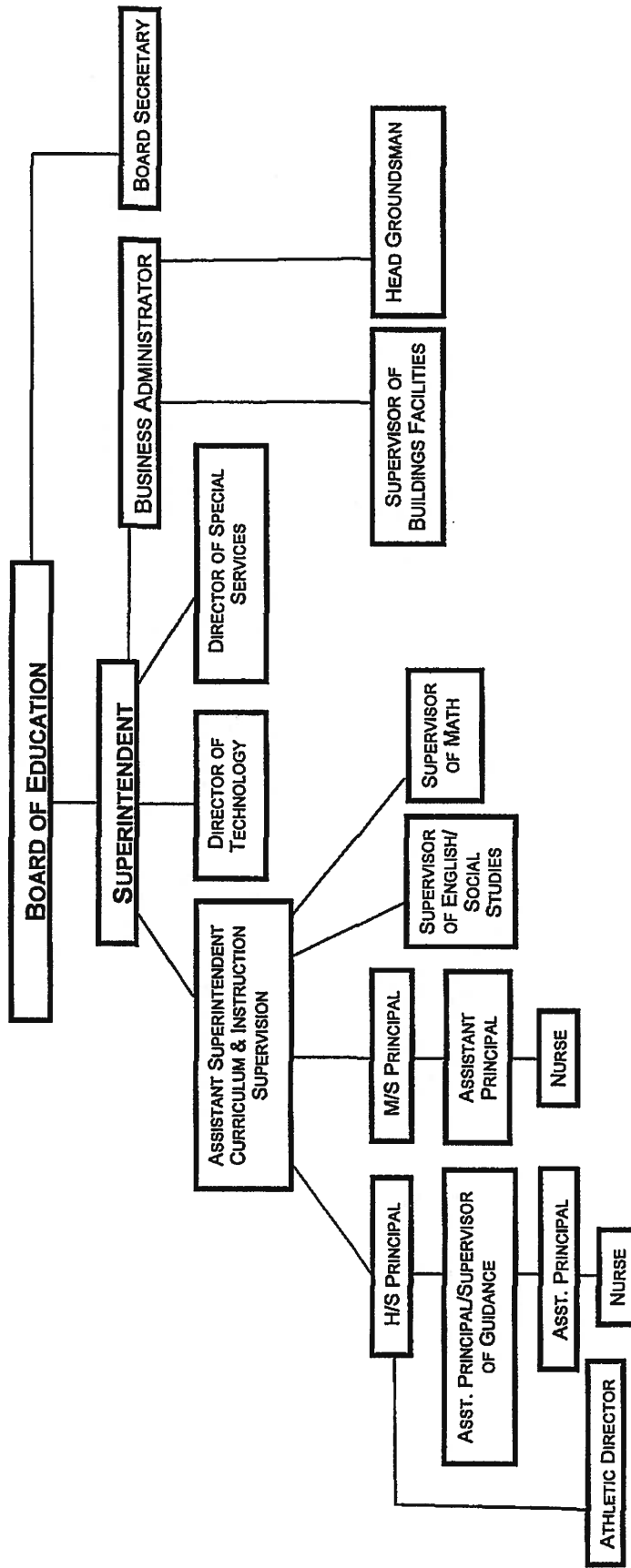


---

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, 2016

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Joseph P. Manzelli, Jr., President (River Edge)	December 31, 2018
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, 2018
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, 2018

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  
21-00 Route 208 South  
Fair Lawn, NJ 07410

Official Depository

TD Bank  
126 North Washington Avenue  
Bergenfield, New Jersey 07621



**FINANCIAL SECTION**

## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of River Dell Regional School District (the School District), in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2016, 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### ***Required Supplementary Information***

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

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise River Dell Regional School District's basic financial statements. The introductory section, combining and individual fund financial statements, financial schedules, statistical section, and schedule of expenditures of state financial assistance as required by New Jersey OMB's Circular 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 November 29, 2016 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  
November 29, 2016

**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

**RIVER DELL REGIONAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
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, 2016. 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 2016 are as follows:

- In total, net position increased by \$1,041,709, which represents a 7.35% increase from 2015.
- General revenues accounted for \$31,121,484 of revenue or 80.27% of the total revenue.
- Program specific revenues in the form of charges for services, capital grants and operating grants and contributions accounted for \$7,649,918 or 19.73% of total revenues of \$38,771,402.
- Total assets of governmental activities increased by \$430,312 as cash increased by \$1,069,758, receivables decreased by \$50,337, and capital assets decreased by \$589,109.
- The District had \$37,729,693 in expenses; only \$7,649,918 of these expenses was offset by program specific charges for services, grants, or contributions. General revenues (primarily taxes) of \$31,121,484 were adequate to provide for these programs.
- Among governmental funds, the general fund had \$33,184,041 in revenues and \$32,470,460 in expenditures. The general fund's fund balance increased by \$709,165 over 2014-2015, now totaling \$3,878,944.

**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, 2016  
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 2015-2016?" 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 net position. 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, 2016  
UNAUDITED (CONTINUED)**

**Proprietary Funds**

The District maintains an enterprise fund, which is used to report the activity of the food service. The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

**The School District as a Whole**

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

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

**TABLE 1  
NET POSITION**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>		<u>Amount Change</u>	<u>% Change</u>
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>		
<b>Assets:</b>								
Current and Other Assets	\$ 4,745,795	\$ 3,726,374	\$ 188,240	\$ 185,623	\$ 4,934,035	\$ 3,911,997	\$ 1,022,038	26.13%
Capital Assets	29,394,534	29,983,643	23,036	20,896	29,417,570	30,004,539	(586,969)	-1.96%
<b>Total Assets</b>	<u>34,140,329</u>	<u>33,710,017</u>	<u>211,276</u>	<u>206,519</u>	<u>34,351,605</u>	<u>33,916,536</u>	<u>435,069</u>	1.28%
<b>Deferred Outflows</b>	<u>1,549,271</u>	<u>548,071</u>			<u>1,549,271</u>	<u>548,071</u>	<u>1,001,200</u>	100.00%
<b>Liabilities:</b>								
Long-term Liabilities	17,127,906	16,723,310			17,127,906	16,723,310	404,596	2.42%
Other Liabilities	2,844,822	2,436,500			2,844,822	2,436,500	408,322	16.76%
<b>Total Liabilities</b>	<u>19,972,728</u>	<u>19,159,810</u>			<u>19,972,728</u>	<u>19,159,810</u>	<u>812,918</u>	4.24%
<b>Deferred Inflows</b>	<u>720,438</u>	<u>1,138,796</u>			<u>720,438</u>	<u>1,138,796</u>	<u>(418,358)</u>	-36.74%
<b>Net Position:</b>								
Investment in Capital Assets	19,161,174	18,547,763	23,036	20,896	19,184,210	18,568,659	615,551	3.31%
Restricted	3,343,091	2,638,746			3,343,091	2,638,746	704,345	26.69%
Unrestricted (deficit)	<u>(7,507,831)</u>	<u>(7,227,027)</u>	<u>188,240</u>	<u>185,623</u>	<u>(7,319,591)</u>	<u>(7,041,404)</u>	<u>(278,187)</u>	3.95%
<b>Total Net Position</b>	<u>\$ 14,996,434</u>	<u>\$ 13,959,482</u>	<u>\$ 211,276</u>	<u>\$ 206,519</u>	<u>\$ 15,207,710</u>	<u>\$ 14,166,001</u>	<u>\$ 1,041,709</u>	7.35%

The District's combined net position of \$15,207,710 on June 30, 2016, results in an increase of 7.35% from the prior year.



**RIVER DELL REGIONAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED (CONTINUED)**

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

Table 2 shows changes in net position for fiscal years 2016 and 2015.

<b>Table 2 Changes in Net Position</b>				
	<b>2016</b>	<b>2015</b>	<b>Amount Change</b>	<b>% Change</b>
Revenues:				
Program Revenues:				
Charges for Services	\$ 299,587	\$ 428,468	\$ (128,881)	-30.08%
Operating Grants and Contributions	7,350,331	5,928,163	1,422,168	23.99%
General Revenues:				
Property Taxes	29,835,577	29,280,951	554,626	1.89%
Grants and Entitlements	632,191	639,418	(7,227)	-1.13%
Other	653,716	603,914	49,802	8.25%
<b>Total Revenues</b>	<b>38,771,402</b>	<b>36,880,914</b>	<b>1,890,488</b>	<b>5.13%</b>
Program Expenses:				
Instruction	21,139,308	19,673,537	1,465,771	7.45%
Support Services:				
Tuition	1,740,530	1,903,647	(163,117)	-8.57%
Students and Instructional Staff	5,016,339	4,168,847	847,492	20.33%
General Administration, School Administration, Central Services, Information Technology and Maintenance of Facilities	7,411,874	7,554,159	(142,285)	-1.88%
Pupil Transportation	619,292	563,994	55,298	9.80%
Interest on Debt	277,073	318,868	(41,795)	-13.11%
Unallocated Depreciation	1,226,031	1,217,743	8,288	0.68%
Enterprise Fund	299,246	285,052	14,194	4.98%
<b>Total Expenses</b>	<b>37,729,693</b>	<b>35,685,847</b>	<b>2,043,846</b>	<b>5.73%</b>
<b>Increase in Net Position</b>	<b>\$ 1,041,709</b>	<b>\$ 1,195,067</b>	<b>\$ (153,358)</b>	<b>-12.83%</b>

**Governmental Activities**

The District's total governmental activities revenues were \$38,467,399 for the year ended June 30, 2016. Property taxes made up 77.56% of revenues for governmental activities for the River Dell Regional School District for fiscal year 2016. Federal and state grants accounted for another 20.75% of governmental activities revenues.

The total cost of all governmental activities programs and services was \$37,430,447. Instruction comprises 56.48% of District expenses.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
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 \$4,301 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 2016</u>	<u>Net Cost of Services 2016</u>	<u>Total Cost of Services 2015</u>	<u>Net Cost of Services 2015</u>	<u>Amount Change Total Cost of Services</u>	<u>Amount Change Net Cost of Services</u>
Instruction	\$ 21,139,308	\$ 15,893,491	\$ 19,673,537	\$ 15,397,122	\$ 1,465,771	\$ 496,369
Support Services:						
Tuition	1,740,530	1,693,781	1,903,647	1,856,028	(163,117)	(162,247)
Student and Instructional Staff	5,016,339	3,734,458	4,168,847	3,048,896	847,492	685,562
General Administration, School Administration, Central Services, Administrative Information Technology and Maintenance of Facilities	7,411,874	6,635,990	7,554,159	6,928,243	(142,285)	(292,253)
Pupil Transportation	619,292	619,292	563,994	563,994	55,298	55,298
Interest on Debt	277,073	277,073	318,868	318,868	(41,795)	(41,795)
Depreciation and Disposal Equipment Loss	1,226,031	1,226,031	1,217,743	1,217,743	8,288	8,288
<b>Total Expenses</b>	<u>\$ 37,430,447</u>	<u>\$ 30,080,116</u>	<u>\$ 35,400,795</u>	<u>\$ 29,330,894</u>	<u>\$ 2,029,652</u>	<u>\$ 749,222</u>

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, 2016  
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 \$35,536,491 and expenditures were \$34,822,910. The net increase in fund balance for the year, \$709,165, was all in the general fund, after a transfer out of \$4,416 to the enterprise fund.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following table presents a summary of the revenues of the governmental funds for the general fund, special revenue fund and debt service fund for the fiscal year ended June 30, 2016, and the amount and percentage of increases and decreases in relation to prior year revenues. There was no capital projects fund in the current or prior year.

<u>Revenue</u>	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2014-15</u>	<u>Percent Of Increase (Decrease)</u>
Local Sources	\$ 30,489,293	85.80%	\$ 604,428	2.02%
State Sources	4,520,158	12.72%	449,972	11.06%
Federal Sources	<u>527,040</u>	<u>1.48%</u>	<u>34,346</u>	6.97%
Total	<u>\$ 35,536,491</u>	<u>100.00%</u>	<u>\$ 1,088,746</u>	3.16%

The increase in revenue from local sources of \$604,428 is primarily due to an increase in local tax levy. The increase in local revenue was needed to fund the additional expenditures associated with higher operating costs and the minimal increases in state aid.

Revenues from state sources increased by \$449,972. On-Behalf TPAF pension contributions, post-retirement medical and reimbursed TPAF social security contributions increased by a total amount of \$444,885 (which is off-set by an equal increase in expenditures). The other state aid recorded in the general fund and special revenue fund increased by \$5,087.

Federal revenues increased by \$34,346.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
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, 2016 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 2014-15</u>	<u>Percent of Increase (Decrease)</u>
Current Expense:				
Instruction	\$ 13,619,388	39.11%	\$ 168,484	1.25%
Undistributed Expenditures	18,214,150	52.31%	726,076	4.15%
Capital Outlay	636,922	1.83%	219,993	52.77%
Special Revenue	858,850	2.47%	108,063	14.39%
Debt Service	<u>1,493,600</u>	<u>4.29%</u>	<u>(11,400)</u>	-0.76%
Total	<u>\$ 34,822,910</u>	<u>100.00%</u>	<u>\$ 1,211,216</u>	3.60%

Changes in expenditures were the results of varying factors. The net increase in instruction and undistributed expenditures of \$894,560 is primarily the result of increases of salaries and benefits costs of additional teachers and staff along with additional repairs. Additionally, on-behalf TPAF pension contributions, post-retirement medical and reimbursed TPAF social security contributions increased by a total amount of \$444,885, (which is off-set by an equal increase in revenues). Capital outlay increased \$219,993 in the current year largely as a result of projects completed in the current year. Debt service decreased \$11,400 due to the change in current year principal and interest charges.

The \$108,063 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 2015-2016 school year. Key highlights include:

- Regular Programs Salaries of Teachers - budgeted salaries of teachers in grades 6-12 had a net decrease of \$18,015 for teachers being transferred between grades after the initial budget was prepared.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED (CONTINUED)**

**General Fund Budgeting Highlights (Continued)**

- General Supplies - Regular Programs - Undistributed Instruction - increased \$327,622 because additional "IT" purchases were made to replace old and outdated equipment.
- Resource Room/Resource Center Salaries of Teachers - increased \$107,349 due to a demand for more teachers for the Resource Room.
- Basic Skills/Remedial - Instruction - Salaries of Teachers - decreased \$78,553 due to fewer BSI teachers needed after budget was implemented.
- Instruction - Tuition to County Special Services School Districts and Regional Day Schools - decreased \$160,443 due to original budget modification for student classification.
- Educational Media Services/School Library - Supplies and Materials - increased \$92,591 due to media center furniture purchases.
- Support Services School Administration - Other Professional Staff - increased \$100,000 due to the hiring of additional personnel.
- Required Maintenance for School Facilities - General Supplies - increased \$81,859 due to purchasing of outside equipment and supplies.
- Custodial Services - Purchased Professional and Technical Services - increased \$183,103 due to more architectural services needed.
- Custodial Services - Energy (Natural Gas) - decreased \$186,778 due to warmer winter causing less demand for gas.
- Unallocated Benefits - Health Benefits - decreased \$518,041 due to fewer personnel taking benefits and lower actual premiums versus anticipated premiums.
- Facilities Acquisition and Construction Services - Construction Services - increased \$99,892 due to changes orders needed.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED (CONTINUED)**

**Capital Assets**

At June 30, 2016, the District had \$29,417,570 invested in land, building, improvements and machinery and equipment. Table 4 shows fiscal year 2016 balances compared to 2015.

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

	2016	2015
Land	\$ 216,520	\$ 216,520
Site Improvements	3,681,431	3,970,392
Building and Improvements	24,096,351	24,353,112
Machinery and Equipment	1,423,268	1,464,515
Total	\$ 29,417,570	\$ 30,004,539

Overall, net capital assets decreased \$586,969 from fiscal year 2015 to fiscal year 2016. The decrease in capital assets is due primarily to depreciation being more than current year additions.

**Debt Administration**

At June 30, 2016, the District had \$18,632,906 of outstanding debt. Of this amount, \$457,108 is for compensated absences; \$9,650,000 is serial bonds for school construction projects; and \$8,525,798 is the net pension liability for PERS.

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

	2016	2015
2004 General Obligation Refunded Bonds	\$ 9,650,000	\$ 10,715,000

At June 30, 2016, the District's available borrowing margin was \$106,523,754.

**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 concern is the student enrollment. Over the past several years, the student population has been decreasing, and this trend is projected to continue for several more years.

The River Dell Regional School District's budget for 2016-2017 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.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED (CONTINUED)**

**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, 2016

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash	\$ 2,907,324	\$ 186,959	\$ 3,094,283
Receivables, net	143,137		143,137
Inventories		1,281	1,281
Restricted assets:			
Capital reserve account - cash	1,695,334		1,695,334
Capital assets, net			
Not being depreciated	216,520		216,520
Being depreciated	29,178,014	23,036	29,201,050
Total assets	34,140,329	211,276	34,351,605
Deferred outflows of resources:			
Deferred outflows related to pensions	1,549,271		1,549,271
Total deferred outflows of resources	1,549,271		1,549,271
<b>LIABILITIES</b>			
Accounts payable	1,188,497		1,188,497
Payable to state government	24,406		24,406
Accrued interest	126,919		126,919
Noncurrent liabilities:			
Due within one year	1,505,000		1,505,000
Due beyond one year	8,602,108		8,602,108
Net pension liability	8,525,798		8,525,798
Total liabilities	19,972,728		19,972,728
Deferred inflows of resources:			
Deferred inflows related to refunding of debt	583,360		583,360
Deferred inflows related to pensions	137,078		137,078
Total deferred inflows or resources	720,438		720,438
<b>NET POSITION</b>			
Net investment in capital assets	19,161,174	23,036	19,184,210
Restricted for:			
Capital reserve	1,695,334		1,695,334
Other purposes	1,647,757		1,647,757
Unrestricted (deficit)	(7,507,831)	188,240	(7,319,591)
Total net position	\$ 14,996,434	\$ 211,276	\$ 15,207,710

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, 2016

Function/Programs	Expenses	Indirect Expenses Allocation	Program Charge for Services
Government activities:			
Instruction:			
Regular	\$ 10,726,852	\$ 5,524,400	\$ -
Special education	2,020,032	1,196,807	
Other special instruction	119,008	67,665	
Other instruction	1,053,535	431,009	
Support services:			
Tuition	1,740,530		
Student and instruction related services	3,548,885	1,467,454	
School administrative services	1,436,437	834,110	
General administration services	487,529	189,446	
Central services	497,024	213,617	
Administrative information technology services	467,762	236,895	
Plant operations and maintenance	2,449,096	599,958	
Pupil transportation	601,649	17,643	
Interest on long-term debt	277,073		
Unallocated depreciation	1,226,031		
Total governmental activities	<u>26,651,443</u>	<u>10,779,004</u>	
Business-type activities			
Food services	<u>299,246</u>		<u>299,587</u>
Total business-type activities	<u>299,246</u>		<u>299,587</u>
Total primary government	<u>\$ 26,950,689</u>		<u>\$ 299,587</u>

Revenues		Net (Expense) Revenue and Changes in Net Position		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ 4,015,169	\$ -	\$ (12,236,083)	\$ -	\$ (12,236,083)
893,150		(2,323,689)		(2,323,689)
45,795		(140,878)		(140,878)
291,703		(1,192,841)		(1,192,841)
46,749		(1,693,781)		(1,693,781)
1,281,881		(3,734,458)		(3,734,458)
469,843		(1,800,704)		(1,800,704)
77,837		(599,138)		(599,138)
67,876		(642,765)		(642,765)
160,328		(544,329)		(544,329)
		(3,049,054)		(3,049,054)
		(619,292)		(619,292)
		(277,073)		(277,073)
		(1,226,031)		(1,226,031)
<u>7,350,331</u>		<u>(30,080,116)</u>		<u>(30,080,116)</u>
			341	341
			341	341
<u>\$ 7,350,331</u>	<u>\$ -</u>	<u>(30,080,116)</u>	<u>341</u>	<u>(30,079,775)</u>
General revenues:				
Property taxes levied for:				
General purposes		28,341,977		28,341,977
Debt service		1,493,600		1,493,600
Federal and State aid not restricted		632,191		632,191
Tuition received		443,902		443,902
Interest - capital reserve funds		736		736
Investment earnings		4,306		4,306
Miscellaneous income		204,772		204,772
Transfers		(4,416)	4,416	
Total general revenues		<u>31,117,068</u>	<u>4,416</u>	<u>31,121,484</u>
Change in net position		1,036,952	4,757	1,041,709
Net position - beginning		<u>13,959,482</u>	<u>206,519</u>	<u>14,166,001</u>
Net position - ending		<u>\$ 14,996,434</u>	<u>\$ 211,276</u>	<u>\$ 15,207,710</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, 2016

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash	\$ 2,827,869	\$ 79,455	\$ -	\$ 2,907,324
Cash - capital reserve	1,695,334			1,695,334
Accounts receivable:				
State	141,202	312		141,514
Other	1,623			1,623
Total assets	\$ 4,666,028	\$ 79,767	\$ -	\$ 4,745,795
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 787,084	\$ 55,361	\$ -	\$ 842,445
Intergovernmental payable:				
State		24,406		24,406
Total liabilities	787,084	79,767		866,851
<b>Fund balances:</b>				
<b>Restricted for:</b>				
Capital reserve	1,695,334			1,695,334
Reserved for excess surplus	275,000			275,000
Reserved excess surplus - designated for subsequent year's expenditures	1,165,419			1,165,419
<b>Committed:</b>				
Year-end encumbrances	176,718			176,718
<b>Assigned:</b>				
Year-end encumbrances	30,620			30,620
Unassigned	535,853			535,853
Total fund balances	3,878,944			3,878,944
Total liabilities and fund balances	\$ 4,666,028	\$ 79,767	\$ -	

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 \$44,464,524 and the accumulated depreciation is \$15,069,990.	29,394,534
Accrued interest is not due and payable in the current period, and therefore, is not reported as a liability in the funds.	(126,919)
Deferred outflows related to pensions.	1,549,271
Accounts payable related to the April 1, 2017 required PERS pension contribution that is not liquidated with current financial resources.	(346,052)
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 \$929,358.	(583,360)
Deferred inflows related to pensions.	(137,078)
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)	(10,107,108)
Net pension liability.	(8,525,798)
Net position of governmental activities	\$ 14,996,434

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, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>				
Local sources:				
Local tax levy	\$ 28,341,977	\$ -	\$ 1,493,600	\$ 29,835,577
Tuition	443,902			443,902
Interest - capital reserve funds	736			736
Interest earned on investments	4,306			4,306
Miscellaneous	<u>204,772</u>			<u>204,772</u>
Total revenues - local sources	28,995,693		1,493,600	30,489,293
State sources	4,188,348	331,810		4,520,158
Federal sources		<u>527,040</u>		<u>527,040</u>
Total revenues	<u>33,184,041</u>	<u>858,850</u>	<u>1,493,600</u>	<u>35,536,491</u>
<b>EXPENDITURES:</b>				
Current expense:				
Regular instruction	10,426,813	300,039		10,726,852
Special education instruction	2,020,032			2,020,032
Other special instruction	119,008			119,008
Other instruction	1,053,535			1,053,535
Support services and undistributed costs:				
Tuition	1,693,781	46,749		1,740,530
Student and instruction related services	3,046,953	501,932		3,548,885
School administration services	1,436,437			1,436,437
General administration services	487,529			487,529
Central services	497,024			497,024
Administrative information technology services	467,762			467,762
Plant operations and maintenance	2,449,096			2,449,096
Pupil transportation	601,649			601,649
Employee benefits	7,533,919	10,130		7,544,049
Capital outlay	636,922			636,922
Debt service:				
Principal			1,065,000	1,065,000
Interest			<u>428,600</u>	<u>428,600</u>
Total expenditures	<u>32,470,460</u>	<u>858,850</u>	<u>1,493,600</u>	<u>34,822,910</u>
Excess (deficiency) of revenues over (under) expenditures	<u>713,581</u>			<u>713,581</u>
Other financing sources (uses):				
Transfers out	<u>(4,416)</u>			<u>(4,416)</u>
Total other financing sources (uses)	<u>(4,416)</u>			<u>(4,416)</u>
Net change in fund balances	709,165			709,165
Fund balances - July 1	<u>3,169,779</u>			<u>3,169,779</u>
Fund balances - June 30	<u>\$ 3,878,944</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,878,944</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, 2016

Total net change in fund balances - governmental funds (from B-2) \$ 709,165

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

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.

Depreciation	\$ (1,226,031)	
Capital outlays	<u>636,922</u>	(589,109)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 1,065,000

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. (250,629)

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. 14,007

Sub-total 948,434

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, 2016

	Balance forward	\$	948,434
<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 of deferred amounts on refunding	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>			
			(49,002)
Change in net position of governmental activities		\$	1,036,952

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, 2016

	Business-type Activities - <u>Enterprise Funds</u> Food Services
<b>ASSETS</b>	
Current assets:	
Cash	\$ 186,959
Inventories	<u>1,281</u>
Total current assets	<u>188,240</u>
Noncurrent assets:	
Furniture, machinery and equipment	171,243
Less: accumulated depreciation	<u>148,207</u>
Total noncurrent assets	<u>23,036</u>
Total assets	<u>211,276</u>
 <b>NET POSITION</b>	
Net investment in capital assets	23,036
Unrestricted	<u>188,240</u>
Total net position	<u>\$ 211,276</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, 2016

	<u>Business-type Activities - Enterprise Funds</u>
	<u>Food Services</u>
OPERATING REVENUES:	
Charges for services:	
Daily sales - non-reimbursable programs	\$ <u>299,587</u>
Total operating revenues	<u>299,587</u>
OPERATING EXPENSES:	
Salaries	99,136
Payroll taxes	13,907
Employee benefits	24,383
Management and administrative fees	41,331
Insurance	5,869
Supplies	3,734
Rent	1,805
Repairs	62
Outside services	3,654
Miscellaneous	4,469
Depreciation	2,276
Cost of sales - food and general supplies	<u>98,620</u>
Total operating expenses	<u>299,246</u>
Operating income	341
Operating transfer:	
Operating transfer in - General Fund	<u>4,416</u>
Change in net position	4,757
Total net position - July 1	<u>206,519</u>
Total net position - June 30	<u>\$ <u>211,276</u></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, 2016

	<u>Business-type Activities - Enterprise Funds</u>
	<u>Food Services</u>
Cash flows from operating activities:	
Receipts from customers	\$ 299,587
Payments to employees	(99,136)
Payment for payroll taxes and employee benefits	(38,290)
Payments to suppliers	<u>(160,259)</u>
Net cash provided (used) by operating activities	<u>1,902</u>
Cash flows from noncapital financing activities:	
Operating subsidies and transfers from other funds	<u>4,416</u>
Net cash provided by noncapital financing activities	<u>4,416</u>
Cash flows from capital and related financing activities:	
Additions to leasehold improvements and equipment	<u>(4,416)</u>
Net cash used by capital and related financing activities	<u>(4,416)</u>
Net increase (decrease) in cash	1,902
Cash - July 1	<u>185,057</u>
Cash - June 30	<u>\$ 186,959</u>
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income	\$ <u>341</u>
Adjustments not affecting cash:	
Depreciation	2,276
Change in assets and liabilities:	
Increase in inventories	<u>(715)</u>
Total adjustments	<u>1,561</u>
Net cash provided (used) by operating activities	<u>\$ 1,902</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, 2016

	<u>Private Purpose Scholarship Funds</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Agency Funds</u>
<b>ASSETS</b>			
Cash	\$ <u>120,675</u>	\$ <u>185,363</u>	\$ <u>253,101</u>
Total assets	<u>120,675</u>	<u>185,363</u>	<u>\$ 253,101</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 4,931	\$ -
Payroll deductions and withholdings			10,855
Due to student groups			<u>242,246</u>
Total liabilities		<u>4,931</u>	<u>\$ 253,101</u>
<b>NET POSITION</b>			
Held in trust for unemployment claims and other purposes		<u>\$ 180,432</u>	
Reserved for scholarships	<u>\$ 120,675</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, 2016

	<u>Private Purpose Scholarship Funds</u>	<u>Unemployment Compensation Insurance Trust Fund</u>
ADDITIONS:		
Contributions:		
Other	\$ 48,538	\$ -
Plan member		24,434
	<u>48,538</u>	<u>24,434</u>
Total contributions		
	<u>48,538</u>	<u>24,434</u>
Investment earnings:		
Interest	57	118
	<u>57</u>	<u>118</u>
Net investment earnings		
	<u>57</u>	<u>118</u>
Total additions	<u>48,595</u>	<u>24,552</u>
DEDUCTIONS:		
Scholarship/award payments	41,000	
Unemployment compensation insurance claims and fees		29,651
	<u>41,000</u>	<u>29,651</u>
Total deductions	<u>41,000</u>	<u>29,651</u>
Change in net position	7,595	(5,099)
Net position - July 1	<u>113,080</u>	<u>185,531</u>
Net position - June 30	<u>\$ 120,675</u>	<u>\$ 180,432</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, 2016**

**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 2016, the District adopted the following GASB statements

- GASB No. 72, *Fair Value Measurement and Application*, June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement applies to donated capital assets, donated works of art, donated historical treasures, and also to similar assets and capital assets received in a service concession arrangement. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.



**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. New Accounting Standards (Continued):

- GASB No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, June 30, 2016. The objective of this Statement is to identify- in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

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

- GASB No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB No. 77, *Tax Abatement Disclosures*, will be effective beginning with the fiscal year ending June 30, 2017. The requirements of this Statement will improve financial reporting by providing disclosure of information about the nature and magnitude of tax abatements that will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. New Accounting Standards (Continued):

- GASB No. 82, *Pension Issues- An Amendment of GASB Statements No.67, No.68, and No. 73*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pension*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

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.

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.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

**C. Basis of Presentation (Continued):**

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.

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.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued):

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.

D. Measurement Focus and Basis of Accounting:

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

*District-wide, Proprietary, and Fiduciary Fund Financial Statements:* The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. 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". Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

*Governmental Fund Financial Statements:* Governmental fund financial statements 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 recorded only when payment is due. 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.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

**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.

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.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 District's deposits are insured through the Federal Deposit Insurance Corporation (FDIC), or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The District 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.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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:

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years.

The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, including assets acquired under capital leases, they are capitalized and reported at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. 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 and building improvements	45-50
Vehicles	8
Office, computer, instructional, and grounds equipment	5-15

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item which arises only under the accrual basis of accounting that qualifies for reporting in this category. The one item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the government-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investment; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Deferred Outflows/Inflows of Resources (Continued)

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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amounts on refunding of debt which results from the gain on a debt refunding reported in the government-wide statement of net position. Deferred amounts on debt refunding result from the gain on the transaction when the carrying value of the refunded debt is greater than the debt's reacquisition price. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the government-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

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. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2016, the amounts earned by these employees were disbursed to the employees' own individual accounts.



**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Compensated Absences:

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

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

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

Pensions

In the District-wide financial statements, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. 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.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

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.

Fund Equity:

Fund balances categories are designed to make the nature and extent of the constraints placed on a government's fund balance more transparent. These categories are comprised of 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.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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, 2015 audited excess surplus that was appropriated in the 2016/2017 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, 2016 audited excess surplus that is required to be appropriated in the 2017/2018 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 Trustees for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

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

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

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

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Revenues - Exchange and Nonexchange Transactions:

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

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

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

Interfund Transactions:

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

Tuition:

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

Tuition Expenditures - Tuition charges for the fiscal year 2015-2016 were based on rates established by the receiving district or private school for the disabled. These rates are subject to change when the actual costs have been certified by the state.

Operating Revenues and Expenses:

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

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

**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. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2016 through November 29, 2016, the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

**NOTE 2. CASH**

As of June 30, 2016, cash and restricted cash of the District consisted of \$4,789,617 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, 2016, the District's bank balances of \$5,385,978 was not exposed to custodial credit risk, as the District's deposits are primarily in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. See Note 1.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

There are no interfund balances remaining on the fund financial statements at June 30, 2016.

**Interfund transfers**

	<u>Transfers From General Fund</u>
Tranfers to:	
Enterprise Fund	\$ 4,416
	\$ 4,416

Transfers were used to move receipts from the General Fund to the Enterprise Fund for the purchase of capital equipment.

**NOTE 4. RECEIVABLES**

Receivables at June 30, 2016, consisted of accounts (fees for service), and intergovernmental State activities. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	<u>Amount</u>
Governmental activities	
General fund:	
State	\$ 141,213
Other	1,612
Special revenue fund:	
State	312
Total governmental activities	143,137
Total receivables	\$ 143,137

**NOTE 5. INVENTORIES**

Inventories in the food service fund at June 30, 2016, consisted of the following:

Food and Supplies	\$ 1,281
-------------------	----------

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 6. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers/ Retirements</u>	<u>Ending Balance</u>
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 216,520	\$ -	\$ -	\$ 216,520
Total capital assets not being depreciated	<u>216,520</u>	<u>-</u>	<u>-</u>	<u>216,520</u>
<i>Capital assets being depreciated:</i>				
Site improvements	6,974,571	34,624		7,009,195
Building and building improvements	33,500,294	400,065		33,900,359
Machinery and equipment	3,163,047	202,233	(26,830)	3,338,450
Totals at historical cost	<u>43,637,912</u>	<u>636,922</u>	<u>(26,830)</u>	<u>44,248,004</u>
Less accumulated depreciation for:				
Site improvements	3,004,179			3,004,179
Building and improvements	9,147,182	980,411		10,127,593
Equipment	1,719,428	245,620	(26,830)	1,938,218
Total accumulated depreciation	<u>13,870,789</u>	<u>1,226,031</u>	<u>(26,830)</u>	<u>15,069,990</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>29,767,123</u>	<u>(589,109)</u>	<u>-</u>	<u>29,178,014</u>
Government activity capital assets, net	<u>\$ 29,983,643</u>	<u>\$ (589,109)</u>	<u>\$ -</u>	<u>\$ 29,394,534</u>
Business-type activities:				
Equipment	\$ 166,827	\$ 4,416	-	\$ 171,243
Less accumulated depreciation	<u>145,931</u>	<u>2,276</u>	<u>-</u>	<u>148,207</u>
Business-type activities capital assets, net	<u>\$ 20,896</u>	<u>\$ 2,140</u>	<u>\$ -</u>	<u>\$ 23,036</u>

Depreciation expense was charged to functions as follows:

Governmental Activities:	
Unallocated	\$ 1,226,031
Business Type Activities:	
Food Services	<u>2,276</u>
Total	<u>\$ 1,228,307</u>

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 7. LONG-TERM OBLIGATIONS**

During the fiscal year ended June 30, 2016, the following changes occurred in long-term obligations:

	Balance, June 30, 2015	Increases	Decreases	Balance June 30, 2016	Amounts Due Within One Year
Bonds payable	\$ 10,715,000	\$ -	\$ (1,065,000)	\$ 9,650,000	\$ 1,120,000
Net pension liability	7,012,655	1,513,143		8,525,798	
Compensated absences payable	408,106	68,966	(19,964)	457,108	385,000
	<u>\$ 18,135,761</u>	<u>\$ 1,582,109</u>	<u>\$ (1,084,964)</u>	<u>\$ 18,632,906</u>	<u>\$ 1,505,000</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 District 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, 2016 are as follows:

Year Ended June 30,	Principal	Interest	Total
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	1,230,000	195,600	1,425,600
2022-2024	<u>3,660,000</u>	<u>292,400</u>	<u>3,952,400</u>
	<u>\$ 9,650,000</u>	<u>\$ 1,754,600</u>	<u>\$ 11,404,600</u>

- C. Bonds Authorized But Not Issued - The District has no authorized but not issued bonds at June 30, 2016.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8. PENSION PLANS**

*Descriptions of Systems*

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

*Teachers' Pension and Annuity Fund (TPAF)* - The Teachers' Pension and Annuity Fund was 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 health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60 and 62, respectively, with an annual benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 66, respectively, with an annual benefit generally determined to be 1/60<sup>th</sup> of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

*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 coverage including post-retirement health care to substantially all full time employees of the State of any county, municipality, school board, or public agency, provided the employee is not required to be a member of another state-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60 and 62, respectively, with an annual benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 66, respectively, with an annual benefit generally determined to be 1/60<sup>th</sup> of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions). According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system by terminated.



**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8. PENSION PLANS (CONTINUED)**

*Funding Policy*

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. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS increased from 5.5% to 6.5% percent of employees' annual compensation. An additional increase will be phased in over the next few years that will bring the total pension contribution rate to 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute, the District is a non-contributing employer of the TPAF.

During the years ended June 30, 2016, 2015, and 2014, the State of New Jersey contributed \$2,409,977, \$1,937,590 and \$1,530,713, respectively, to the TPAF for post-retirement medical benefits and normal costs of pension on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,023,011 during the fiscal year ended June 30, 2016, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. These amounts have been included in the government-wide and fund financial statements.

The District's actuarially determined contributions to PERS for each of the years ended June 30, 2016, 2015 and 2014 were \$326,528, \$308,604 and \$282,170, respectively, equal to the required contributions for each year.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. 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.

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

**Public Employee's Retirement System (PERS)**

At June 30, 2016, the District reported a liability of \$8,525,798 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2014, which was rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2015, the District's proportion was .01846605%, which was an increase of .00041538% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized full accrual pension expense of \$577,157 in the government-wide financial statements. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8. PENSION PLANS (CONTINUED)**

**Public Employee's Retirement System (PERS) (Continued)**

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between expected and actual experience	\$ 203,396	\$ -
Changes of assumptions	915,603	
Net difference between projected and actual earnings on pension plan investments		137,078
Changes in proportion and differences between District contribution and proportionate share of contributions	84,220	
District contributions subsequent to the measurement date	<u>346,052</u>	
Total	<u>\$ 1,549,271</u>	<u>\$ 137,078</u>

\$346,052 is reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date. 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 June 30,</u>	
2016	\$ 159,068
2017	159,068
2018	159,068
2019	238,779
2020	<u>134,952</u>
Total	<u>\$ 850,935</u>

***Actuarial Assumptions***

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following key actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.04%
Salary increases:	
2012-2021	2.15 - 4.40%
Thereafter	3.15 - 5.40%
Investment rate of return	7.90%

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8. PENSION PLANS (CONTINUED)**

**Public Employee's Retirement System (PERS) (Continued)**

*Mortality Rates*

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.

*Long-Term 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 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, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
US Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-.40%
REIT	4.25%	5.12%
	<u>100.00%</u>	

*Discount Rate*

The discount rate used to measure the total pension liability for PERS was 4.90% as of June 30, 2015. 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 3.80% as of June 30, 2015, 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 projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8. PENSION PLANS (CONTINUED)**

**Public Employee's Retirement System (PERS) (Continued)**

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate*  
The following presents the District's proportionate share of the net pension liability as of June 30, 2015, calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

	At 1% Decrease (3.90%)	At Current Discount Rate (4.90%)	At 1% Increase (5.90%)
District's proportionate share of the PERS Net Pension Liability	\$ 10,286,001	\$ 8,525,798	\$ 7,052,506

***Pension plan Fiduciary Net Position***

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

***Additional Information***

Collective balances at June 30, 2015 are as follows:

Collective deferred outflows of resources	\$ 5,086,138,484
Collective deferred inflows of resources	478,031,236
Collective net pension liability	46,170,131,656
District's proportion	0.018466047%

The components of the net pension liability of the participating employers for PERS as of June 30, 2015, are as follows:

	State	Local	Total
Total pension liability	\$ 31,614,118,524	\$ 43,109,580,038	\$ 74,723,698,562
Plan fiduciary net position	7,891,982,987	20,661,583,919	28,553,566,906
	\$ 23,722,135,537	\$ 22,447,996,119	\$ 46,170,131,656
District's net pension liability (as reported on June 30, 2016)			\$ 8,525,798

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) is 5.72 and 6.44 years for 2015 and 2014 respectively.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8. PENSION PLANS (CONTINUED)**

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

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 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. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2015 was \$87,543,211. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2014, which was rolled forward to June 30, 2015. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2015, the State's proportionate share of the TPAF net pension liability associated with the District was .13850838%, which was an increase of .00142986% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$5,345,301 for contributions incurred by the State.

***Actuarial Assumptions***

The actuarial valuation used the following assumptions, applied to all periods included 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***

Mortality rates were based on the RO-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.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8. PENSION PLANS (CONTINUED)**

**Teachers' Pensions 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, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation- Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds- Multi Strategy	4.00%	4.59%
Hedge Funds- Equity Hedge	4.00%	5.68%
Hedge Funds- Distressed	<u>4.00%</u>	4.30%
	<u>100.00%</u>	

*Discount Rate*

The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, 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 projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8. PENSION PLANS (CONTINUED)**

**Teachers' Pensions and Annuity Fund (TPAF) (Continued)**

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate*  
The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2015 calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage point lower (3.13%) or 1-percentage point higher (5.13%) than the current rate:

	<u>At 1% Decrease (3.13%)</u>	<u>At Current Discount Rate (4.13%)</u>	<u>At 1% Increase (5.13%)</u>
State's proportionate share of the net pension liability associated with the district	<u>\$ 104,041,834</u>	<u>\$ 87,543,211</u>	<u>\$ 73,328,660</u>

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

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

*Additional Information*

Collective deferred outflows of resources	\$	7,639,311,575
Collective deferred inflows of resources		672,332,323
Collective net pension liability, nonemployer		63,204,270,305
District's proportion		0.13850838%

Collective pension expense for the plan measurement period ended June 30, 2015 is \$3,882,198,351.

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 District 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 \$2,249 to the DCRP for the year ended June 30, 2016.

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.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**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, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in fiscal year 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, 2016, a liability did not exist for compensated absences in the enterprise funds.

**NOTE 11. DEFERRED COMPENSATION**

The District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows: AXA Equitable, Lincoln Investment Planning, Oppenheimer Funds, Aspire Financial Services, Vanguard, and Capital Bank & Trust.



**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**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.

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, 2015 to June 30, 2016 fiscal year is as follows:

Beginning balance, July 1, 2015	\$ 1,085,986
Increased by:	
Interest earnings	736
Deposit approved by board resolution June 6, 2016	608,612
Ending balance, June 30, 2016	\$ 1,695,334

The June 30, 2016 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 \$7,507,831 existed as of June 30, 2016 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.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 13. NET POSITION - UNRESTRICTED (DEFICIT) (CONTINUED)**

The deficit is a result of the following:

Unassigned fund balance (Exhibit C-1)	\$ 592,912
Unrecognized state aid payments for 2015-2016	(57,059)
Compensated absences payable	(457,108)
Accrued interest payable	(126,919)
State net pension liability and related deferred outflows and inflows	<u>(7,459,657)</u>
Unrestricted net assets (deficit) (Exhibit A-1)	<u><u>\$ (7,507,831)</u></u>

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

The District transferred \$99,969 from the 2015-16 current expense appropriations to capital outlay facilities acquisition and construction services for new auditorium seats and an additional \$93,228 was transferred to capital outlay equipment to cover additional costs for equipment.

**NOTE 15. FUND BALANCE APPROPRIATED**

General Fund - Of the \$3,878,944 general fund balance in the fund financial statements at June 30, 2016, \$207,338 is reserved for encumbrances; \$1,440,419 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$1,165,419 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2017); \$1,695,334 has been reserved in the Capital Reserve Account; and \$535,853 is unassigned. At the December 15, 2015 meeting, the Board authorized and approved appropriations of \$7,004 from general fund balance from 2015 additional nonpublic school transportation aid.

Debt Service Fund - There is no balance at June 30, 2016.

**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, 2016 is \$275,000.

**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.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**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 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.

**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>
2015-2016	\$ -	\$ 24,434	\$ 29,651	\$ 180,432
2014-2015	30,000	23,782	18,225	185,531
2013-2014	25,000	22,600	36,211	149,936

**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, 2016, significant amounts of grant expenditures have not been audited, but the District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the District. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

## **BUDGETARY COMPARISON SCHEDULES**

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	2016				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 28,341,977	\$ -	\$ 28,341,977	\$ 28,341,977	\$ -
Tuition	420,000		420,000	443,902	23,902
Interest - capital reserve funds	30		30	736	706
Interest on investments				4,306	4,306
Miscellaneous	350,000		350,000	204,772	(145,228)
<b>Total - local sources</b>	<b>29,112,007</b>		<b>29,112,007</b>	<b>28,995,693</b>	<b>(116,314)</b>
State sources:					
Transportation aid	33,530		33,530	33,530	
Extraordinary special education aid	200,000		200,000	90,776	(109,224)
Special education categorical aid	573,018		573,018	573,018	
Security aid	25,643		25,643	25,643	
Other state aids	33,962		33,962	46,125	12,163
On-behalf TPAF pension-post retirement medical contributions (non-budgeted)				1,309,894	1,309,894
On-behalf TPAF pension - normal (non-budgeted)				1,047,884	1,047,884
On-behalf TPAF pension - non-contributory insurance (non-budgeted)				52,199	52,199
Reimbursed TPAF social security contributions (non-budgeted)				1,023,011	1,023,011
<b>Total - state sources</b>	<b>866,153</b>		<b>866,153</b>	<b>4,202,080</b>	<b>3,335,927</b>
<b>Total revenues</b>	<b>29,978,160</b>		<b>29,978,160</b>	<b>33,197,773</b>	<b>3,219,613</b>

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	2016				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
	\$ 2,878,315	\$ 142,285	\$ 3,020,600	\$ 3,020,599	\$ 1
	6,278,050	(160,300)	6,117,750	6,117,749	1
	21,000	(13,565)	7,435	7,434	1
	15,000	(12,052)	2,948	2,947	1
	49,197	23,922	73,119	73,052	67
	2,320		2,320	600	1,720
	542,714	(9,144)	533,570	525,789	7,781
	295,103	327,622	622,725	604,865	17,860
	110,742	(40,076)	70,666	70,664	2
	4,690	(105)	4,585	3,114	1,471
	10,197,131	258,587	10,455,718	10,426,813	28,905
	172,273	(3,358)	168,915	168,914	1
	140,393	(66,455)	73,938	71,377	2,561
	1,653		1,653	1,242	411
	2,000	(2,000)			
	316,319	(71,813)	244,506	241,533	2,973

EXPENDITURES:

CURRENT EXPENSE:

Regular programs - instruction:

Salaries of teachers:

Grades 6-8

Grades 9-12

Home instruction - regular programs:

Salaries of teachers

Purchased professional - educational services

Regular programs - undistributed instruction:

Other salaries for instruction

Purchased professional - educational services

Other purchased services

General supplies

Textbooks

Other objects

Total regular programs - instruction

Special education - instruction:

Learning and/or language disabilities:

Salaries of teachers

Other salaries for instruction

General supplies

Textbooks

Total learning and/or language disabilities

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, 2016

	2016				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Resource room/resource center:					
Salaries of teachers	\$ 1,624,434	\$ 107,349	\$ 1,731,783	\$ 1,731,782	\$ 1
Other salaries for instruction	22,530	14,298	36,828	36,827	1
General supplies	8,741	(519)	8,222	8,222	
Textbooks	5,222	(3,553)	1,669	1,668	1
Total resource room/resource center	1,660,927	117,575	1,778,502	1,778,499	3
Total special education - instruction	1,977,246	45,762	2,023,008	2,020,032	2,976
Basic skills/remedial - instruction:					
Salaries of teachers	78,553	(78,553)	683	683	
General supplies	683				
Total basic skills/remedial - instruction	79,236	(78,553)	683	683	
Bilingual education - instruction:					
Salaries of teachers	111,481	1,566	113,047	113,045	2
General supplies	4,886		4,886	3,919	967
Textbooks	1,785		1,785	1,361	424
Total bilingual education - instruction	118,152	1,566	119,718	118,325	1,393

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, 2016

	2016				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
School sponsored cocurricular activities - instruction:					
Salaries	\$ 189,565	\$ (6,028)	\$ 183,537	\$ 174,004	\$ 9,533
Purchased services	10,710	(335)	10,375	7,240	3,135
Supplies and materials	36,236	(14,694)	21,542	21,542	
Other objects	13,360	(5,246)	8,114	6,240	1,874
Transfers to cover deficit (agency funds)	5,000		5,000	5,000	
<b>Total school sponsored cocurricular activities - instruction</b>	<b>254,871</b>	<b>(26,303)</b>	<b>228,568</b>	<b>214,026</b>	<b>14,542</b>
School sponsored athletics - instruction					
Salaries	545,826	239	546,065	546,064	1
Purchased services	44,550	6,018	50,568	50,567	1
Supplies and materials	77,340	2,193	79,533	79,533	
Other objects	60,120	6,501	66,621	66,439	182
Transfers to cover deficit	89,400	6,609	96,009	96,008	1
<b>Total school sponsored athletics - instruction</b>	<b>817,236</b>	<b>21,560</b>	<b>838,796</b>	<b>838,611</b>	<b>185</b>
Other instructional programs - instruction:					
Purchased services		898	898	898	
<b>Total other instructional programs - instruction</b>		<b>898</b>	<b>898</b>	<b>898</b>	
<b>Total - instruction</b>	<b>13,443,872</b>	<b>223,517</b>	<b>13,667,389</b>	<b>13,619,388</b>	<b>48,001</b>

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, 2016

	2016				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state-special	\$ 261,667	\$ (18,493)	\$ 243,174	\$ 179,022	\$ 64,152
Tuition to county vocational school-regular	458,000	27,227	485,227	485,226	1
Tuition to county vocational school districts-special	94,600		94,600	79,200	15,400
Tuition to county special services school districts and regional day schools	361,960	(160,443)	201,517	160,384	41,133
Tuition to private schools for the handicapped within the state	903,890	(40,300)	863,590	789,949	73,641
Total undistributed expenditures - instruction	<u>2,080,117</u>	<u>(192,009)</u>	<u>1,888,108</u>	<u>1,693,781</u>	<u>194,327</u>
Attendance and social work services:					
Salaries	39,020		39,020	39,020	
Total attendance and social work services	<u>39,020</u>		<u>39,020</u>	<u>39,020</u>	
Health services:					
Salaries	186,486	5,169	191,655	191,655	
Purchased professional and technical services	14,500		14,500	14,500	
Other purchased services	300		300	77	223
Supplies and materials	3,579	30	3,609	3,135	474
Other objects	50		50	50	
Total health services	<u>204,915</u>	<u>5,199</u>	<u>210,114</u>	<u>209,367</u>	<u>747</u>
Speech, OT, PT & related services:					
Salaries	121,052		121,052	116,180	4,872
Purchased professional - educational services		1,900	1,900	1,900	
Supplies and materials	469		469	445	24
Total speech, OT, PT & related services	<u>121,521</u>	<u>1,900</u>	<u>123,421</u>	<u>118,525</u>	<u>4,896</u>

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	2016				Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget	Actual	
Other support services - students - extraordinary:					
Salaries	\$ 99,795	\$ (47,860)	\$ 51,935	\$ 51,935	\$ -
Total support services - students- extraordinary	99,795	(47,860)	51,935	51,935	
Guidance:					
Salaries of other professional staff	757,443	(74,209)	683,234	681,842	1,392
Salaries of secretarial and clerical assistants	138,361	1	138,362	138,361	1
Purchased professional - educational services	8,442	(300)	8,142	7,026	1,116
Other purchased services	9,607	740	10,347	6,941	3,406
Supplies and materials	29,665	(4,899)	24,766	16,836	7,930
Other objects	997		997	925	72
Total guidance	944,515	(78,667)	865,848	851,931	13,917
Child study teams:					
Salaries of other professional staff	681,137	(15,312)	665,825	658,806	7,019
Salaries of secretarial and clerical assistants	27,445	33,912	61,357	61,357	
Purchased professional - educational services	101,859	61,030	162,889	146,564	16,325
Other purchased professional and technical services	32,500	(4,700)	27,800	27,724	76
Other purchased services	5,186	(2,030)	3,156	3,133	23
Supplies and materials	7,360	(1,950)	5,410	5,321	89
Other objects	1,100	300	1,400	1,334	66
Total child study teams	856,587	71,250	927,837	904,239	23,598

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, 2016

	2016				Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget	Actual	
Improvement of instruction services/ other support services - instructional staff:					
Salaries of supervisors of instruction	\$ 83,046	\$ 2	\$ 83,048	\$ 83,046	\$ 2
Purchased professional - educational services	6,226		6,226	2,960	3,266
Other purchased services	50,666	(11,057)	39,609	39,587	22
Supplies and materials	49,301	18,188	67,489	67,422	67
Other objects	1,600	(1,600)			
<b>Total improvement of instruction services/ other support services - instructional staff</b>	<b>190,839</b>	<b>5,533</b>	<b>196,372</b>	<b>193,015</b>	<b>3,357</b>
Educational media services/school library:					
Salaries	189,629	4,145	193,774	193,774	
Purchased professional and technical services	1,647	(147)	1,500	1,400	100
Other purchased services	28,810	(2,453)	26,357	26,346	11
Supplies and materials	29,729	92,591	122,320	102,274	20,046
Other objects	250	(50)	200	50	150
<b>Total educational media services/school library</b>	<b>250,065</b>	<b>94,086</b>	<b>344,151</b>	<b>323,844</b>	<b>20,307</b>
Instructional staff training services:					
Other salaries	262,288	23,690	285,978	285,976	2
Purchased professional - educational services	40,550	(2,579)	37,971	37,970	1
Other purchased services	18,840	(5,046)	13,794	13,794	
Supplies and materials	4,050	7,575	11,625	11,533	92
Other objects	3,180	2,625	5,805	5,804	1
<b>Total instructional staff training services</b>	<b>328,908</b>	<b>26,265</b>	<b>355,173</b>	<b>355,077</b>	<b>96</b>

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, 2016

	2016				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Support services general administration:					
Salaries	\$ 328,705	\$ (311)	\$ 328,394	\$ 328,394	\$ -
Legal services	65,000	9,266	74,266	74,258	8
Audit fees	51,330	4,700	56,030	35,008	21,022
Purchased technical services		3,450	3,450	3,450	
Communications/telephone	31,000	3,821	34,821	27,733	7,088
Other purchased services	11,450	(10,644)	806	804	2
General supplies	9,000	2,802	11,802	11,401	401
Miscellaneous expenditures	8,000	(295)	7,705	6,481	1,224
Total support services general administration	504,485	12,789	517,274	487,529	29,745
Support services school administration:					
Salaries of principals/assistant principals	741,742	14,585	756,327	756,325	2
Salaries of other professional staff	303,722	100,000	403,722	403,480	242
Salaries of secretarial and clerical assistants	271,039	(14,979)	256,060	256,060	
Other purchased services	14,750	(1,873)	12,877	5,725	7,152
Supplies and materials	7,620	2,235	9,855	9,787	68
Other objects	4,956	110	5,066	5,060	6
Total support services school administration	1,343,829	100,078	1,443,907	1,436,437	7,470
Support services central services:					
Salaries	374,623	366	374,989	374,989	
Purchased professional services	24,095	5,617	29,712	26,344	3,368
Miscellaneous purchased services	44,850	(17,004)	27,846	27,639	207
Supplies and materials	20,000	34,738	54,738	51,994	2,744
Miscellaneous expenditures	18,000	(1,351)	16,649	16,058	591
Total support services central services	481,568	22,366	503,934	497,024	6,910

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	2016				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Support services administrative information technology:					
Salaries	\$ 368,230	\$ 27,540	\$ 395,770	\$ 395,770	\$ -
Purchased professional services	11,983	(11,555)	428	428	428
Other purchased services	1,629	3,126	4,755	4,685	70
Supplies and materials	132,000	(67,817)	64,183	63,904	279
Other objects	1,534	1,900	3,434	3,403	31
<b>Total support services administrative information technology</b>	<b>515,376</b>	<b>(46,806)</b>	<b>468,570</b>	<b>467,762</b>	<b>808</b>
Required maintenance for school facilities:					
Salaries	345,797	(10,000)	335,797	327,806	7,991
Cleaning, repair and maintenance services	217,875	(5,250)	212,625	207,403	5,222
General supplies	108,000	81,859	189,859	160,756	29,103
Other objects	900	9,400	10,300	10,299	1
<b>Total required maintenance for school facilities</b>	<b>672,572</b>	<b>76,009</b>	<b>748,581</b>	<b>706,264</b>	<b>42,317</b>
Custodial Services:					
Salaries	579,368	29,335	608,703	606,784	1,919
Purchased professional and technical services		183,103	183,103	147,651	35,452
Cleaning, repair and maintenance services	15,000	3,835	18,835	18,835	
Other purchased property services	44,485	24,886	69,371	69,295	76
Insurance	125,000	15,442	140,442	140,442	
Miscellaneous purchased services	25	11	36	36	
General supplies	85,000	(7,487)	77,513	75,338	2,175
Energy (natural gas)	350,000	(186,778)	163,222	98,415	64,807
Energy (electricity)	335,000	(5,712)	329,288	310,651	18,637
Energy (gasoline)	2,500	(11)	2,489	2,489	
Other objects	125		125	125	
<b>Total custodial services</b>	<b>1,536,503</b>	<b>56,624</b>	<b>1,593,127</b>	<b>1,467,447</b>	<b>125,680</b>

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, 2016

	2016			Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget	
Care and upkeep of grounds:				
Salaries	\$ 132,051	\$ 4,910	\$ 136,961	\$ 136,960
Purchased professional and technical services	35,000	(4,763)	30,237	29,250
Cleaning, repair and maintenance services	30,000	20,462	50,462	49,918
General supplies	29,200	3,417	32,617	32,616
Other objects	100		100	100
Total care and upkeep of grounds	226,351	24,026	250,377	248,744
Security:				
Salaries	26,725		26,725	26,641
Total security	26,725		26,725	26,641
Student transportation services:				
Salaries for pupil transportation (between home and school) - regular	34,471	(55)	34,416	32,294
Cleaning, repair and maintenance services	3,500	3,741	7,241	7,238
Contracted services - aid in lieu of payments for non-public school students	50,000	24,700	74,700	50,830
Contracted services (between home and school) - vendors	225,000	(27,280)	197,720	151,121
Contracted services (other than between home and school) - vendors	148,143	(9,265)	138,878	116,002
Contracted services (between home and school) - joint agreements	20,000		20,000	17,181
Contracted services (special education students) - vendors	245,000	(21,610)	223,390	223,381
Transportation supplies	4,000		4,000	3,602
Total student transportation services	730,114	(29,769)	700,345	601,649
				98,696

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, 2016

	2016				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Unallocated employee benefits:					
Social security contributions	\$ 335,734	\$	\$ 335,734	\$ 303,956	\$ 31,778
Other retirement contributions - PERS	355,178		355,178	326,528	28,650
Workmen's compensation	128,750		128,750	121,228	7,522
Health benefits	4,312,095	(518,041)	3,794,054	3,309,255	484,799
Tuition reimbursement	17,100	2,901	20,001	20,000	1
Unused sick payments to terminated/retired staff	21,750		21,750	19,964	1,786
<b>Total unallocated employee benefits</b>	<b>5,170,607</b>	<b>(515,140)</b>	<b>4,655,467</b>	<b>4,100,931</b>	<b>554,536</b>
On-behalf TPAF pension-post retirement medical contributions (non-budgeted)				1,309,894	(1,309,894)
On-behalf TPAF pension - normal (non-budgeted)				1,047,884	(1,047,884)
On-behalf TPAF pension - non-contributory insurance (non-budgeted)				52,199	(52,199)
Reimbursed TPAF social security contributions (non-budgeted)				1,023,011	(1,023,011)
<b>Total undistributed expenditures</b>	<b>16,324,412</b>	<b>(414,126)</b>	<b>15,910,286</b>	<b>18,214,150</b>	<b>(2,303,864)</b>
<b>Total expenditures - current expense</b>	<b>29,768,284</b>	<b>(190,609)</b>	<b>29,577,675</b>	<b>31,833,538</b>	<b>(2,255,863)</b>

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, 2016

	2016				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
CAPITAL OUTLAY:					
Equipment:					
Regular programs - instruction:					
Grades 6-8	\$	43,629	\$	43,628	\$
Undistributed expenditures:					
School sponsored and other instructional programs		13,345		13,341	
Support services - instructional staff		5,000		4,192	
Required maintenance for school facilities		2,876		2,875	
Care and upkeep of grounds		28,378		28,378	
Total equipment		93,228		92,414	
Facilities acquisition and construction services:					
Other purchased professional and technical services	6,900	77	6,977	6,977	
Construction services	530,000	99,892	629,892	477,244	152,648
Other objects	60,287		60,287	60,287	
Total facilities acquisition and construction services	597,187	99,969	697,156	544,508	152,648
Total capital outlay	597,187	193,197	790,384	636,922	153,462
Total expenditures	30,365,471	2,588	30,368,059	32,470,460	(2,102,401)
Excess (deficiency) of revenues over (under) expenditures	(387,311)	(2,588)	(389,899)	727,313	1,117,212

RIVER DELL REGIONAL SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	2016			Variance
	Original Budget	Budget Transfers	Final Budget	Final to Actual
Other financing sources (uses):				
Operating transfers out - Food Service Fund	\$ -	\$ (4,416)	\$ (4,416)	\$ (4,416)
Total other financing sources (uses)		(4,416)	(4,416)	(4,416)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(387,311)	(7,004)	(394,315)	722,897
Fund balance - July 1	3,213,106		3,213,106	3,213,106
Fund balance - June 30	\$ 2,825,795	\$ (7,004)	\$ 2,818,791	\$ 3,936,003
				\$ 1,117,212

Recapitulation of Fund Balance:

Restricted Fund Balance:	
Reserved excess surplus - designated for subsequent year's expenditures	\$ 1,165,419
Reserved excess surplus	275,000
Capital reserve	1,695,334
Committed Fund Balance:	
Year-end encumbrances	176,718
Assigned Fund Balance:	
Year-end encumbrances	30,620
Unassigned Fund Balance	592,912
Total fund balance	3,936,003

Reconciliation to Governmental Funds Statements (GAAP):

State aid payments not recognized on GAAP basis	(57,059)
Fund balance per Governmental Funds (GAAP)	\$ 3,878,944

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, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State sources	\$ 76,000	\$ 280,216	\$ 356,216	\$ 331,810	\$ (24,406)
Federal sources	<u>375,000</u>	<u>152,040</u>	<u>527,040</u>	<u>527,040</u>	
Total revenues	<u>451,000</u>	<u>432,256</u>	<u>883,256</u>	<u>858,850</u>	<u>(24,406)</u>
EXPENDITURES:					
Instruction:					
Other salaries for instruction	120,000	(4,007)	115,993	115,993	
Purchased professional - educational services	52,000	6,758	58,758	58,758	
Tuition	40,000	6,749	46,749	46,749	
General supplies	1,000	69,016	70,016	70,016	
Textbooks	<u>40,000</u>	<u>15,272</u>	<u>55,272</u>	<u>55,272</u>	
Total instruction	<u>253,000</u>	<u>93,788</u>	<u>346,788</u>	<u>346,788</u>	
Support services:					
Salaries of other professional staff	34,000	56,290	90,290	76,581	13,709
Personal services - employee benefits		10,130	10,130	10,130	
Purchased professional and technical services	30,000	79,754	109,754	109,754	
Purchased professional educational services	90,000	83,047	173,047	162,350	10,697
Other purchased services		106,438	106,438	106,438	
Supplies and materials	<u>44,000</u>	<u>2,809</u>	<u>46,809</u>	<u>46,809</u>	
Total support services	<u>198,000</u>	<u>338,468</u>	<u>536,468</u>	<u>512,062</u>	<u>24,406</u>
Total expenditures/outflows	<u>451,000</u>	<u>432,256</u>	<u>883,256</u>	<u>858,850</u>	<u>24,406</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, 2016

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	\$ 33,197,773	\$ 858,850
Difference - budget to GAAP:		
State aid payments recognized for GAAP statements in the current year, previously recognized for budgetary purposes	43,327	
State aid payments recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	<u>(57,059)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 33,184,041</u>	<u>\$ 858,850</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 32,470,460	\$ 858,850
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 32,470,460</u>	<u>\$ 858,850</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 Three Years \*

	Fiscal Year Ended June 30,		
	2016	2015	2014
District's proportion of the net pension liability (asset)	0.01846605%	0.01805067%	0.01863348%
District's proportionate share of the net pension liability (asset)	<u>\$ 8,525,798</u>	<u>\$ 7,012,655</u>	<u>\$ 7,157,234</u>
District's covered - employee payroll	<u>\$ 2,549,096</u>	<u>\$ 2,554,913</u>	<u>\$ 2,527,709</u>
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	334.46%	274.48%	283.15%
Plan fiduciary net position as a percentage of the total pension liability (local)	47.92%	52.08%	48.72%

\* 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 Three Years

	Fiscal Year Ended June 30,		
	2016	2015	2014
Contractually required contribution	\$ 326,528	\$ 308,604	\$ 282,170
Contributions in relation to the contractually required contribution	<u>(326,528)</u>	<u>(308,604)</u>	<u>(282,170)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	<u>\$ 2,549,096</u>	<u>\$ 2,554,913</u>	<u>\$ 2,527,709</u>
Contributions as a percentage of covered - employee payroll	12.81%	12.08%	11.16%

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 Three Years \*

	Fiscal Year Ended June 30,		
	2016	2015	2014
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%
State's proportion of the net pension liability (asset) associated to the District **	0.13850838%	0.13707852%	0.13011658%
State's proportionate share of the net pension liability (asset) associated with the District **	<u>\$ 87,543,211</u>	<u>\$ 73,264,007</u>	<u>\$ 65,759,897</u>
District's covered - employee payroll	<u>\$ 14,062,930</u>	<u>\$ 13,677,840</u>	<u>\$ 13,654,051</u>
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll **	622.51%	535.64%	481.61%
Plan fiduciary net position as a percentage of the total pension liability (local)	28.71%	33.64%	33.76%

\* 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, 2016

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.39% as of June 30, 2014 to 4.90% as of June 30, 2015 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 4.68% as of June 30, 2014 to 4.13% as of June 30, 2015 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, 2016

	(Exhibit E-1a) Nonpublic Services	(Exhibit E-1b) E.S.E.A.	(Exhibit E-1c) I.D.E.A. Part B - Basic	Totals
<b>REVENUES:</b>				
State sources	\$ 331,810	\$	\$	\$ 331,810
Federal sources		109,754	417,286	527,040
Total revenues	331,810	109,754	417,286	858,850
<b>EXPENDITURES:</b>				
Instruction:				
Other salaries for instruction			115,993	115,993
Purchased professional - educational services			58,758	58,758
Tuition			46,749	46,749
General supplies	25,168		44,848	70,016
Textbooks	55,272			55,272
Total instruction	80,440		266,348	346,788
Support services:				
Salaries of other professional staff	34,980		41,601	76,581
Personal services - employee benefits	10,130			10,130
Purchased professional and technical services		109,754		109,754
Purchased professional educational services	162,350			162,350
Other purchased services			106,438	106,438
Supplies and materials	43,910		2,899	46,809
Total support services	251,370	109,754	150,938	512,062
Total expenditures	\$ 331,810	\$ 109,754	\$ 417,286	\$ 858,850

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, 2016

	Compen- satory Education	English As A Second Language	Home Instruction	Supple- mental Instruction	Exam and Classifi- cation	Correc- tive Speech	Textbook	Security	Technology	Nursing	Totals
REVENUES:											
State sources	\$ 28,765	\$ 2,588	\$ 312	\$ 33,016	\$ 78,902	\$ 8,026	\$ 55,272	\$ 19,600	\$ 25,168	\$ 80,161	\$ 331,810
EXPENDITURES:											
Instruction:											
General supplies							55,272		25,168		25,168
Textbooks							55,272		25,168		55,272
Total instruction							55,272		25,168		80,440
Support services:											
Salaries of other professional staff										34,980	34,980
Personal services - employee benefits										10,130	10,130
Purchased professional educational services	28,765	2,588	312	33,016	78,902	8,026		19,600		10,741	162,350
Supplies and materials										24,310	43,910
Total support services	28,765	2,588	312	33,016	78,902	8,026		19,600		80,161	251,370
Total expenditures	\$ 28,765	\$ 2,588	\$ 312	\$ 33,016	\$ 78,902	\$ 8,026	\$ 55,272	\$ 19,600	\$ 25,168	\$ 80,161	\$ 331,810



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, 2016

	<u>Title II Part A Current Year</u>	<u>Title III Part A Current Year</u>	<u>Totals</u>
REVENUES:			
Federal sources	\$ <u>63,303</u>	\$ <u>46,451</u>	\$ <u>109,754</u>
EXPENDITURES:			
Support services:			
Purchased professional and technical services	<u>63,303</u>	<u>46,451</u>	<u>109,754</u>
Total support services	<u>63,303</u>	<u>46,451</u>	<u>109,754</u>
Total expenditures	\$ <u><u>63,303</u></u>	\$ <u><u>46,451</u></u>	\$ <u><u>109,754</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, 2016

	Part B - Basic		Totals
	Current Year	Carry- over	
<b>REVENUES:</b>			
Federal sources	\$ 405,619	\$ 11,667	\$ 417,286
<b>EXPENDITURES:</b>			
Instruction:			
Other salaries for instruction	115,993		115,993
Purchased professional - educational services	47,091	11,667	58,758
Tuition	46,749		46,749
General supplies	44,848		44,848
Total instruction	254,681	11,667	266,348
Support services:			
Salaries of other professional staff	41,601		41,601
Other purchased services	106,438		106,438
Supplies and materials	2,899		2,899
Total support services	150,938		150,938
Total expenditures	\$ 405,619	\$ 11,667	\$ 417,286

## **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, 2016 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.

**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, 2016

	<u>Private Purpose Scholarship Funds</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Agency Funds</u>	<u>Totals</u>
<b>ASSETS:</b>				
Cash	\$ 120,675	\$ 185,363	\$ 253,101	\$ 559,139
Total assets	<u>\$ 120,675</u>	<u>\$ 185,363</u>	<u>\$ 253,101</u>	<u>\$ 559,139</u>
<b>LIABILITIES</b>				
Liabilities:				
Accounts payable	\$ -	\$ 4,931	\$ -	\$ 4,931
Payroll deductions and withholdings			10,855	10,855
Due to student groups			<u>242,246</u>	<u>242,246</u>
Total liabilities		<u>4,931</u>	<u>253,101</u>	<u>258,032</u>
<b>NET POSITION</b>				
Held in trust for unemployment claims and other purposes		180,432		180,432
Reserved for scholarships	<u>120,675</u>			<u>120,675</u>
Total net position	<u>120,675</u>	<u>180,432</u>		<u>301,107</u>
Total liabilities and net position	<u>\$ 120,675</u>	<u>\$ 185,363</u>	<u>\$ 253,101</u>	<u>\$ 559,139</u>

RIVER DELL REGIONAL SCHOOL DISTRICT  
Fiduciary Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2016

	<u>Private Purpose Scholarship Funds</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
ADDITIONS:			
Contributions:			
Other	\$ 48,538	\$ -	\$ 48,538
Plan member		<u>24,434</u>	<u>24,434</u>
Total contributions	<u>48,538</u>	<u>24,434</u>	<u>72,972</u>
Investment earnings:			
Interest	<u>57</u>	<u>118</u>	<u>175</u>
Net investment earnings	<u>57</u>	<u>118</u>	<u>175</u>
Total additions	<u>48,595</u>	<u>24,552</u>	<u>73,147</u>
DEDUCTIONS:			
Scholarship/award payments	41,000		41,000
Unemployment compensation insurance claims and fees		<u>29,651</u>	<u>29,651</u>
Total deductions	<u>41,000</u>	<u>29,651</u>	<u>70,651</u>
Change in net position	7,595	(5,099)	2,496
Net position - July 1	<u>113,080</u>	<u>185,531</u>	<u>298,611</u>
Net position - June 30	<u>\$ 120,675</u>	<u>\$ 180,432</u>	<u>\$ 301,107</u>

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Student Activity Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
MIDDLE/SENIOR HIGH SCHOOLS:				
River Dell Regional	\$ 226,694	\$ 614,505	\$ 598,953	\$ 242,246
ATHLETICS:				
River Dell Regional	<u>                    </u>	<u>114,411</u>	<u>114,411</u>	<u>                    </u>
Total all schools	<u>\$ 226,694</u>	<u>\$ 728,916</u>	<u>\$ 713,364</u>	<u>\$ 242,246</u>



RIVER DELL REGIONAL SCHOOL DISTRICT  
 Payroll Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>ASSETS:</b>				
Cash	\$ <u>4,444</u>	\$ <u>9,606,960</u>	\$ <u>9,600,549</u>	\$ <u>10,855</u>
Total assets	\$ <u><u>4,444</u></u>	\$ <u><u>9,606,960</u></u>	\$ <u><u>9,600,549</u></u>	\$ <u><u>10,855</u></u>
 <b>LIABILITIES:</b>				
Payroll deductions and withholdings	\$ <u>4,444</u>	\$ <u>9,606,960</u>	\$ <u>9,600,549</u>	\$ <u>10,855</u>
Total liabilities	\$ <u><u>4,444</u></u>	\$ <u><u>9,606,960</u></u>	\$ <u><u>9,600,549</u></u>	\$ <u><u>10,855</u></u>

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Payroll Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>ASSETS:</b>				
Cash	\$ <u>          -</u>	\$ <u>10,674,632</u>	\$ <u>10,674,632</u>	\$ <u>          -</u>
Total assets	\$ <u>          -</u>	\$ <u>10,674,632</u>	\$ <u>10,674,632</u>	\$ <u>          -</u>
 <b>LIABILITIES:</b>				
Accrued salaries and wages	\$ <u>          -</u>	\$ <u>10,674,632</u>	\$ <u>10,674,632</u>	\$ <u>          -</u>
Total liabilities	\$ <u>          -</u>	\$ <u>10,674,632</u>	\$ <u>10,674,632</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, 2016

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2015	Issued	Retired	Balance June 30, 2016
Improvements to High School and (Refunded 2004 bonds maturing 3-1-2013 to 3-1-2024)	3/1/2013	\$ 11,750,000	3/1/2016	1,065,000	4.000%	\$ 10,715,000	\$ -	\$ 1,065,000	\$ 9,650,000
			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%				
						\$ 10,715,000	\$ -	\$ 1,065,000	\$ 9,650,000

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Debt Service Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 1,493,600	\$ -	\$ 1,493,600	\$ 1,493,600	\$ -
Total revenues	1,493,600		1,493,600	1,493,600	
<b>EXPENDITURES:</b>					
Regular debt service:					
Interest	428,600		428,600	428,600	
Redemption of principal	1,065,000		1,065,000	1,065,000	
Total regular debt service	1,493,600		1,493,600	1,493,600	
Total expenditures	1,493,600		1,493,600	1,493,600	
Excess (deficiency) of revenues over (under) expenditures					
Fund balances - July 1					
Fund balances - June 30	\$ -	\$ -	\$ -	\$ -	\$ -

# River Dell Regional School District Statistical Section (Unaudited)

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b>	92 - 98
<p>These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.</p>	
<b>Revenue Capacity</b>	99 - 104
<p>These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.</p>	
<b>Debt Capacity</b>	105 - 108
<p>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the district's ability to issue additional debt in the future.</p>	
<b>Demographic and Economic Information</b>	109 - 110
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.</p>	
<b>Operating Information</b>	111 - 115
<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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 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	\$ 19,161,174
Restricted	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	3,343,091
Unrestricted (deficit)	(101,991)	(182,982)	(211,664)	(335,643)	(216,628)	(196,850)	(11,043)	(36,081)	(7,227,027)	(7,507,831)
<b>Total governmental activities net position</b>	<b>13,210,699</b>	<b>14,517,860</b>	<b>14,493,081</b>	<b>15,332,956</b>	<b>17,115,859</b>	<b>18,538,198</b>	<b>19,517,365</b>	<b>19,953,326</b>	<b>13,959,482</b>	<b>14,996,434</b>
<b>Business-type activities:</b>										
Net investment in capital assets	24,580	29,687	22,092	19,251	25,528	23,263	21,175	17,577	20,896	23,036
Restricted										
Unrestricted	36,487	39,554	42,108	42,865	67,042	90,246	126,714	157,264	185,623	188,240
<b>Total business-type activities net position</b>	<b>61,067</b>	<b>69,241</b>	<b>64,200</b>	<b>62,116</b>	<b>92,570</b>	<b>113,509</b>	<b>147,889</b>	<b>174,841</b>	<b>206,519</b>	<b>211,276</b>
<b>District-wide:</b>										
Net investment in capital assets	11,557,832	13,569,862	14,192,474	15,018,579	15,979,271	17,132,184	17,951,789	18,186,407	18,588,659	19,184,210
Restricted	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	3,343,091
Unrestricted (deficit)	(65,504)	(143,428)	(169,556)	(292,778)	(149,586)	(106,604)	115,671	121,183	(7,041,404)	(7,319,591)
<b>Total district-wide net position</b>	<b>\$ 13,271,766</b>	<b>\$ 14,587,101</b>	<b>\$ 14,557,281</b>	<b>\$ 15,395,072</b>	<b>\$ 17,208,429</b>	<b>\$ 18,651,707</b>	<b>\$ 19,665,254</b>	<b>\$ 20,128,167</b>	<b>\$ 14,166,001</b>	<b>\$ 15,207,710</b>

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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses:</b>										
Governmental activities:										
Instruction:										
Regular	\$ 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	\$ 16,251,252
Special education	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	3,216,839
Other special education	236,899	305,971	320,463	446,683	324,060	361,432	503,972	504,058	191,483	186,673
Other instruction	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	1,484,544
Support services:										
Tuition	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	1,740,530
Student and instruction related services	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	5,016,339
School administrative services	1,623,573	1,573,807	1,462,008	1,500,244	1,514,430	1,699,706	1,792,359	1,794,915	2,178,476	2,270,547
General administration services	551,957	572,089	592,925	740,026	585,028	548,219	583,681	638,662	620,491	676,975
Central services	500,502	542,815	520,085	544,581	535,547	581,377	634,643	611,285	652,087	710,641
Administrative information technology	202,482	308,815	271,938	452,763	494,972	484,424	611,822	592,653	775,753	704,657
Plant operations and maintenance	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	3,049,054
Pupil transportation	657,650	720,396	671,985	598,699	537,118	616,444	584,705	575,346	563,994	619,292
Interest on long-term debt	886,432	872,381	769,250	714,554	658,515	602,910	498,525	347,461	318,868	277,073
Unallocated depreciation	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	1,226,031
Total governmental activities expenses	26,447,129	28,441,676	29,643,931	29,766,721	29,182,354	30,249,495	32,220,049	32,782,990	35,400,795	37,430,447
Business-type activities:										
Food service	347,217	301,733	306,182	295,687	284,175	268,259	277,142	277,499	285,052	299,246
Valley Program										
Total business-type activities expense	347,217	301,733	306,182	295,687	284,175	268,259	277,142	277,499	285,052	299,246
Total district expenses	\$ 26,794,346	\$ 28,743,409	\$ 29,950,113	\$ 30,062,408	\$ 29,466,529	\$ 30,517,754	\$ 32,497,191	\$ 33,060,489	\$ 35,685,847	\$ 37,729,693
<b>Program Revenues:</b>										
Governmental activities:										
Charges for services:										
Student and instruction related services	\$ -	\$ 170,856	\$ 293,784	\$ 191,926	\$ 162,470	\$ 160,764	\$ 149,768	\$ 147,606	\$ 141,738	\$ -
Operating grants and contributions	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	7,350,331
Capital grants and contributions						97,079				
Total governmental activities program revenues	3,434,879	3,773,269	2,790,663	2,964,883	3,240,203	3,358,366	4,038,937	3,532,017	6,069,901	7,350,331
Business-type activities:										
Charges for services:										
Food service	338,955	295,518	300,941	290,259	279,424	264,198	281,522	279,451	286,730	299,587
Valley Program	144,000									
Total business-type activities program revenues	482,955	295,518	300,941	290,259	279,424	264,198	281,522	279,451	286,730	299,587
Total district program revenues	\$ 3,917,834	\$ 4,068,787	\$ 3,091,604	\$ 3,255,142	\$ 3,519,627	\$ 3,622,564	\$ 4,320,459	\$ 3,811,468	\$ 6,356,631	\$ 7,649,918



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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (expense)/revenue:										
Governmental activities	\$ (23,012,250)	\$ (24,668,407)	\$ (26,853,268)	\$ (26,801,838)	\$ (25,942,151)	\$ (26,891,129)	\$ (28,181,112)	\$ (29,250,973)	\$ (29,330,894)	\$ (30,080,116)
Business-type activities	135,738	(6,215)	(5,241)	(5,428)	(4,751)	(4,061)	4,380	1,952	1,678	341
Total district-wide net expense	\$ (22,876,512)	\$ (24,674,622)	\$ (26,858,509)	\$ (26,807,266)	\$ (25,946,902)	\$ (26,895,190)	\$ (28,176,732)	\$ (29,249,021)	\$ (29,329,216)	\$ (30,079,775)
General revenues and other changes in net position:										
Governmental activities:										
Property taxes levied for:										
General purposes	\$ 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	\$ 28,341,977
Debt services	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	1,493,600
Unrestricted grants and contributions	3,677,721	1,232,983	1,121,301	1,287,742	1,287,742	512,522	650,725	634,225	639,418	632,191
Tuition received	269,577	322,138	392,472	473,642	376,858	352,187	425,986	498,924	407,008	443,902
Interest - capital reserve funds	1,346					18	36	61	315	736
Investment earnings	272,118	159,573	42,671	7,515	30,066	747	473	9,795	1,910	4,306
Miscellaneous income	151,144	157,468	484,994	202,136	209,515	191,111	486,303	246,629	194,681	204,772
Transfers	(3,214)	(13,215)		(3,235)	(35,205)	(25,000)	(30,000)	(25,000)	(30,000)	(4,416)
Total governmental activities	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	31,117,068
Business-type activities:										
Investment earnings	2,957	1,174	200	109	35,205	25,000	30,000	25,000	30,000	4,416
Transfers	3,214	13,215		3,235	(35,205)	(25,000)	(30,000)	(25,000)	(30,000)	(4,416)
Total business-type activities	6,171	14,389	200	3,344	35,205	25,000	30,000	25,000	30,000	4,416
Total district-wide	\$ 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	\$ 31,121,484
Change in net position										
Governmental activities	\$ 3,948,059	\$ 1,307,161	\$ (24,779)	\$ 839,875	\$ 1,685,824	\$ 1,519,418	\$ 979,167	\$ 593,904	\$ 1,163,389	\$ 1,036,952
Business-type activities	141,909	8,174	(5,041)	(2,084)	30,454	20,939	34,380	26,952	31,678	4,757
Total district	\$ 4,089,968	\$ 1,315,335	\$ (29,820)	\$ 837,791	\$ 1,716,278	\$ 1,540,357	\$ 1,013,547	\$ 620,856	\$ 1,195,067	\$ 1,041,709

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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General fund:										
Reserved	\$ 1,494,292	\$ 566,796	\$ 351,507	\$ 587,610	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	400,022	426,847	346,352	190,376	-	-	-	-	-	-
Restricted					926,067	1,299,342	1,417,577	1,660,671	2,526,405	3,135,753
Committed					226,899	176,523	62,250	149,605		176,718
Assigned					172,836	97,320	107,666		112,341	30,620
Unassigned					299,596	318,464	522,821	543,151	531,033	535,853
<b>Total general fund</b>	<b>\$ 1,894,314</b>	<b>\$ 993,643</b>	<b>\$ 697,859</b>	<b>\$ 777,986</b>	<b>\$ 1,625,398</b>	<b>\$ 1,891,649</b>	<b>\$ 2,110,314</b>	<b>\$ 2,353,427</b>	<b>\$ 3,169,779</b>	<b>\$ 3,878,944</b>
All other governmental funds:										
Reserved	\$ 10,073,651	\$ 301,254	\$ 279,000	\$ -	\$ 315	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Capital projects fund	(1,538,868)	(16,112)	314,871	182,856	81,346			10,301		
Debt service fund	17,890	4	3,819							
Restricted						52,942	52,942			
<b>Total all other governmental funds</b>	<b>\$ 8,552,673</b>	<b>\$ 285,146</b>	<b>\$ 597,690</b>	<b>\$ 182,856</b>	<b>\$ 81,661</b>	<b>\$ 52,942</b>	<b>\$ 52,942</b>	<b>\$ 10,301</b>	<b>\$ -</b>	<b>\$ -</b>

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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues:</b>										
Tax levy	\$ 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	\$ 29,835,577
Tuition charges	269,577	322,138	392,472	473,642	376,858	352,187	425,986	498,924	407,008	443,902
Interest earnings	273,464	159,573	42,671	7,515	30,066	765	509	9,856	2,225	5,042
Miscellaneous	159,644	170,368	485,994	222,136	209,515	191,111	486,303	246,629	194,681	204,772
State sources	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	4,520,158
Federal sources	425,407	525,343	572,252	879,940	845,549	508,217	544,916	487,355	492,694	527,040
<b>Total revenue</b>	<b>30,398,402</b>	<b>29,591,196</b>	<b>29,325,368</b>	<b>30,417,905</b>	<b>30,837,992</b>	<b>31,536,070</b>	<b>33,079,448</b>	<b>33,254,288</b>	<b>34,447,745</b>	<b>35,536,491</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular instruction	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	10,726,852
Special education instruction	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	2,020,032
Other special instruction	170,077	219,757	250,701	343,675	247,746	272,980	368,613	377,500	130,130	119,008
Other instruction	803,628	856,724	935,442	909,537	872,315	928,726	962,758	975,464	1,039,250	1,053,535
<b>Support services:</b>										
Tuition	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	1,740,530
Student and instruction related services	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	3,548,885
School administrative services	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	1,436,437
General administration services	449,383	460,875	507,570	635,147	470,436	428,109	454,031	513,505	461,121	487,529
Central services	384,367	419,804	408,652	421,851	400,541	443,497	485,992	468,612	473,056	497,024
Administrative information technology services	146,924	226,848	215,031	354,724	390,894	370,291	481,367	470,723	557,582	467,762
<b>Business and other support services</b>										
Plant operations and maintenance	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	2,449,096
Pupil transportation	647,330	708,896	661,814	587,042	523,961	602,805	570,739	560,773	548,442	601,649
Employee benefits	5,723,240	5,822,659	4,749,444	5,168,926	5,163,388	5,646,039	6,564,723	6,335,053	6,807,565	7,544,049
<b>Special Schools</b>										
Capital outlay	11,930,545	1,288,319	2,837,575	272,055	418,659	831,528	732,049	659,685	424,156	636,922
<b>Debt service:</b>										
Principal	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	1,065,000
Interest and other charges	880,977	856,223	778,148	723,798	668,323	611,338	570,235	479,529	470,000	428,600
Advance to refunding escrow							1,115,640			
Bond issuance costs							127,764			
<b>Total expenditures</b>	<b>39,524,601</b>	<b>30,705,733</b>	<b>32,238,662</b>	<b>30,435,738</b>	<b>29,984,094</b>	<b>31,244,819</b>	<b>34,127,364</b>	<b>32,986,175</b>	<b>33,611,694</b>	<b>34,822,910</b>

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Excess (Deficiency) of revenues over (under) expenditures	\$ (9,126,199)	\$ (1,114,537)	\$ (2,913,294)	\$ (17,833)	\$ 853,898	\$ 291,251	\$ (1,047,916)	\$ 268,113	\$ 836,051	\$ 713,581
Other financing sources (uses):										
Capital leases (non-budgeted)	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	26,548	828,928	199,192	30	11	3				
Transfers in	(29,762)	(842,143)	(199,192)	(3,265)	(35,216)	(25,003)	(30,000)	(25,000)	(30,000)	(4,416)
Transfers out										
Total other financing sources (uses)	814,820	526,410	2,202,676	(3,235)	(35,205)	(25,000)	1,223,940	(25,000)	(30,000)	(4,416)
Net change in fund balances	\$ (8,311,379)	\$ (588,127)	\$ (710,618)	\$ (21,068)	\$ 818,693	\$ 266,251	\$ 176,024	\$ 243,113	\$ 806,051	\$ 709,165
Debt service as a percentage of noncapital expenditures	8.03%	7.64%	7.53%	7.27%	7.38%	6.16%	4.82%	4.82%	4.53%	4.37%

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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Interest on investments	\$ 245,570	\$ 123,827	\$ 33,252	\$ 7,485	\$ 30,055	\$ 744	\$ 473	\$ 9,795	\$ 1,910	\$ 4,306
Student activity fees				73,516	86,150	73,540	87,570	84,210	64,985	86,885
Rentals	60,100	62,985	65,075	51,720	50,276	21,737	12,381	19,939	15,195	18,420
Sale of equipment			153,450							
Prior year's refunds	24,742	9,880	35	1,659	7,210	11,469	28,597	16,879	15,637	14,673
Miscellaneous - restricted:										
Reimbursement of counselor and other costs	29,463	24,866	32,947	34,800	16,451	33,159	19,880	20,142	21,158	22,061
Utility rebates	1,512	13,328		23,178	14,155	14,920	31,884	35,572	26,855	36,280
Athletic receipts	14,579	15,152	16,910	15,089	22,672	21,895	16,654	14,921	18,526	19,821
Other	11,464	27,160	26,364				14,231	24,745	26,562	
Miscellaneous - unrestricted	9,284	280	440	2,174	12,601	14,391	6,011	5,221	5,763	6,632
Total Miscellaneous	396,714	277,478	328,473	209,621	239,570	191,855	217,681	231,424	196,591	209,078
Interest on capital reserve funds	1,346					18	36	61	315	736
Tuition	269,577	322,138	392,472	473,642	376,858	352,187	425,986	498,924	407,008	443,902
Total General Fund	\$ 667,637	\$ 599,616	\$ 720,945	\$ 683,263	\$ 616,428	\$ 544,060	\$ 643,703	\$ 730,409	\$ 603,914	\$ 653,716

Source: District Records

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

Borough of Oradell													
Fiscal Year Ended December 31,	Vacant Land	Residential	Industrial/Commercial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Memo Only Tax Exempt Property	Estimated Actual (County) Equalized Value	Total Direct School Tax Rate <sup>b</sup>			
2007	\$ 2,623,700	\$ 733,704,800	\$ 100,066,600	\$ 3,575,900	\$ 839,971,000	\$ 843,283	\$ 840,814,283	\$ N/A	\$ 1,833,122,682	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	1,618,612,300	838,401	1,619,450,701	160,702,900	1,818,510,684	1.376			
2010	4,769,900	1,400,255,300	205,949,300	8,253,800	1,619,228,300	1,782,462	1,621,010,762	161,113,300	1,806,117,582	1.450			
2011	3,901,100	1,408,484,200	201,008,500	8,137,800	1,621,531,600	1,736,535	1,623,268,135	161,113,300	1,761,002,376	1.441			
2012	3,637,800	1,401,620,300	208,127,400	8,137,800	1,621,523,300	1,724,316	1,623,247,616	160,961,500	1,732,579,488	1.460			
2013	3,565,500	1,242,733,700	193,823,300	7,298,700	1,447,421,200	1,728,300	1,449,149,500	146,988,500	1,571,313,680	1.704			
2014	3,565,500	1,246,404,200	189,737,100	7,298,700	1,447,005,500	1,337,625	1,448,343,125	146,750,100	1,630,493,967	1.740			
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			
2016	3,622,100	1,250,345,100	186,327,100	7,325,200	1,447,619,500	1,344,599	1,448,964,099	147,099,800	1,717,435,009	1.849			

Borough of River Edge

Fiscal Year Ended December 31,	Vacant Land	Residential	Industrial/Commercial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Memo Only Tax Exempt Property	Estimated Actual (County) Equalized Value	Total Direct School Tax Rate <sup>b</sup>
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	11,288,700	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
2016	2,533,300	1,245,022,199	123,252,100	76,839,700	1,447,647,299	4,742,304	1,452,389,603	136,292,300	1,667,677,142	2.120

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

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

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

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

b - Tax rates are per \$100.

c - Borough undertook a revaluation of real property.

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

Fiscal Year Ended June 30,	River Dell Regional School District			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct School	Borough of Oradell	County of Bergen	
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	<sup>c</sup> 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	<sup>c</sup> 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
2016	1.796	0.053	1.849	0.836	0.291	2.976

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 <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct School	Borough of River Edge	County of Bergen	
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	<sup>c</sup> 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
2016	2.070	0.050	2.120	0.880	0.286	3.286

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				2007			
	2016		% of Total District Net Assessed Value		2007		% 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
Hajjar Medical Office Bldg of Kinderkamack	\$ 18,818,500	1	1.30%	\$ -	-	-	-	-
Cranston Associates	17,778,300	2	1.23%	10,414,000	1	1.24%	10,414,000	1
600 Kinderkamack Road, LLC	14,000,000	3	0.97%	8,500,000	2	1.01%	8,500,000	2
SFIII Kinderkamack, LLC	9,897,000	4	0.68%					
Rio Vista Properties 690, LLC				7,215,500	3	0.86%	7,215,500	3
Kamack Realty Corp.	8,579,800	5	0.59%	4,429,500	5	0.53%	4,429,500	5
Public Service Electric & Gas Co.	6,808,600	6	0.47%	3,813,400	9	0.45%	3,813,400	9
White Beeches Realty Corp	6,171,000	7	0.43%	4,130,100	6	0.49%	4,130,100	6
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%	3,837,200	8
680-690 Kinderkamack Assoc.				4,930,000	4	0.59%	4,930,000	4
Rivervale Realty				3,942,700	7	0.48%	3,942,700	7
Hackensack Golf Club				3,760,200	10	0.45%	3,760,200	10
<b>Total</b>	<b>\$ 98,011,000</b>		<b>6.78%</b>	<b>\$ 54,972,600</b>		<b>6.56%</b>	<b>\$ 54,972,600</b>	

Source: Municipal Tax Assessor

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

Taxpayer	Borough of River Edge					
	2016			2007		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
River Terrace Gardens, LLC	\$ 21,816,700	1	1.50%	\$ 19,825,900	1	1.22%
River Edge Associates	19,446,100	2	1.34%	15,761,300	2	0.97%
Route 4 - Main Street, LLC	14,382,000	3	0.99%	10,176,800	4	0.63%
ESS WCOT Owner LLC, PTA	9,844,800	4	0.68%			
Gainesborough COOP Corp.	8,600,000	5	0.59%	10,524,100	3	0.65%
First Real Estate Investment Trust of NJ	8,475,900	6	0.58%	7,297,900	7	0.45%
River Terrace Gardens Assoc - R E Gardens	8,289,500	7	0.57%			
Grand Four Associates	6,500,000	8	0.45%	8,624,100	6	0.53%
Milpau, LLC	5,431,200	9	0.37%	5,032,600	9	0.31%
Verizon - New Jersey	4,742,304	10	0.33%	7,062,847	8	0.44%
Riverside Medical Arts Center				4,015,600	10	0.25%
East Coast Storage				10,040,200	5	0.62%
<b>Total</b>	<b>\$ 107,528,504</b>		<b>7.41%</b>	<b>\$ 98,361,347</b>		<b>6.07%</b>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup> Amount	Percentage of Levy	Collections in Subsequent Years
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%	
2016	29,835,577	29,835,577	100.00%	

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

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

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

Borough of Oradell

Fiscal Year Ended June 30,	Governmental Activities			Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General	Capital	Total		
	Obligation Bonds	Leases	District		
2007	\$ 11,321,416	\$ 326,691	\$ 11,648,107	2.20%	\$ 1,499
2008	10,391,470	421,291	10,812,761	2.03%	1,394
2009	9,219,463	802,654	10,022,117	1.99%	1,287
2010	8,389,687	529,132	8,918,819	1.71%	1,116
2011	7,986,990	276,401	8,263,391	1.50%	1,026
2012	7,097,259		7,097,259	1.23%	878
2013	6,171,394		6,171,394	1.08%	758
2014	5,830,615		5,830,615	0.97%	714
2015	5,261,446		5,261,446	N/A	640
2016	4,992,503		4,992,503	N/A	N/A

Borough of River Edge

Fiscal Year Ended June 30,	Governmental Activities			Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General	Capital	Total		
	Obligation Bonds	Leases	District		
2007	\$ 10,511,584	\$ 303,322	\$ 10,814,906	1.50%	\$ 1,019
2008	10,051,530	407,509	10,459,039	1.44%	984
2009	9,788,537	852,198	10,640,735	1.54%	995
2010	9,148,313	576,979	9,725,292	1.31%	856
2011	8,036,010	278,098	8,314,108	1.06%	726
2012	7,664,741		7,664,741	0.93%	667
2013	6,658,606		6,658,606	0.82%	576
2014	5,919,385		5,919,385	0.69%	510
2015	5,453,554		5,453,554	N/A	467
2016	4,657,497		4,657,497	N/A	N/A

Source: District Records

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

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

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

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

Borough of Oradell

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value Property <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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%	640
2016	4,992,503		4,992,503	0.34%	608

Borough of River Edge

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value Property <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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%	805
2011	8,036,010		8,036,010	0.49%	702
2012	7,664,741		7,664,741	0.53%	667
2013	6,658,606		6,658,606	0.46%	576
2014	5,919,385		5,919,385	0.41%	510
2015	5,453,554		5,453,554	0.38%	467
2016	4,657,497		4,657,497	0.32%	399

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, 2015

<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)	\$ 21,395,982	100%	\$ 21,395,982
Borough of River Edge	(1)	11,978,693	100%	11,978,693
Other debt				
County of Bergen - Borough of Oradell's share	(2);(A)	N/A	N/A	
County of Bergen - Borough of River Edge's share	(2);(A)	N/A	N/A	
Subtotal, overlapping debt				<u>33,374,675</u>
River Dell Regional School District Direct Debt				<u>10,715,000</u>
Total direct and overlapping debt				<u>\$ 44,089,675</u>

Sources: (1) Municipal Chief Financial Officer

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

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

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



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

Borough of Oradell					
Year	Population <sup>a(1)</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c(2)</sup>	Unemployment Rate <sup>d</sup>	
2007	7,773	\$ 529,706,631	\$ 68,147		2.50%
2008	7,755	531,589,740	68,548		3.30%
2009	7,787	502,814,377	64,571		5.90%
2010	7,992	521,677,800	65,275		6.10%
2011	8,051	549,432,444	68,244		6.00%
2012	8,086	577,178,680	71,380		6.10%
2013	8,138	573,712,724	70,498		4.70%
2014	8,171	600,862,656	73,536		4.20%
2015	8,218	N/A	N/A		3.50%
2016	8,218 <sup>(3)</sup>	N/A	N/A		N/A

Borough of River Edge					
Year	Population <sup>a(1)</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c(2)</sup>	Unemployment Rate <sup>d</sup>	
2007	10,609	\$ 722,971,523	\$ 68,147		2.60%
2008	10,627	728,459,596	68,548		3.40%
2009	10,691	690,328,561	64,571		6.20%
2010	11,361	741,589,275	65,275		6.40%
2011	11,446	781,120,824	68,244		6.30%
2012	11,497	820,655,860	71,380		6.40%
2013	11,560	814,956,880	70,498		6.60%
2014	11,609	853,679,424	73,536		4.60%
2015	11,668	N/A	N/A		3.60%
2016	11,668 <sup>(3)</sup>	N/A	N/A		N/A

## Source:

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

## Notes:

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

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



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

Borough of Oradell						
Employer	2016			2007		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
	N/A	1	N/A	N/A	1	N/A
	N/A	2	N/A	N/A	2	N/A
	N/A	3	N/A	N/A	3	N/A
	N/A	4	N/A	N/A	4	N/A
	N/A	5	N/A	N/A	5	N/A
	N/A	6	N/A	N/A	6	N/A
	N/A	7	N/A	N/A	7	N/A
	N/A	8	N/A	N/A	8	N/A
	N/A	9	N/A	N/A	9	N/A
	N/A	10	N/A	N/A	10	N/A
	-		-	-		-

Borough of River Edge						
Employer	2016			2007		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
	N/A	1	N/A	N/A	1	N/A
	N/A	2	N/A	N/A	2	N/A
	N/A	3	N/A	N/A	3	N/A
	N/A	4	N/A	N/A	4	N/A
	N/A	5	N/A	N/A	5	N/A
	N/A	6	N/A	N/A	6	N/A
	N/A	7	N/A	N/A	7	N/A
	N/A	8	N/A	N/A	8	N/A
	N/A	9	N/A	N/A	9	N/A
	N/A	10	N/A	N/A	10	N/A
	-		-	-		-

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

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

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

Function/Program	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction	107.0	110.0	109.0	110.0	111.0	114.0	112.9	110.4	111.2	113.4
Regular	16.0	21.0	23.0	23.0	17.0	24.0	27.6	29.2	29.0	30.2
Special education										
Support Services:	20.0	22.0	21.0	22.0	26.0	29.0	33.0	36.0	36.0	37.5
Student & instruction related services	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0
General administration	9.2	9.0	9.0	9.0	9.0	11.0	10.0	10.0	10.0	10.0
School administrative services	4.8	4.5	5.0	5.0	5.0	5.0	5.5	4.5	4.5	4.5
Central services	2.0	2.0	2.0	2.0	4.0	4.0	4.0	4.0	4.0	4.5
Administrative information technology	19.0	21.0	21.0	21.0	22.0	19.0	19.0	21.0	22.0	22.0
Plant operations and maintenance	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Pupil transportation										
<b>Total</b>	<b>180.5</b>	<b>192.0</b>	<b>192.5</b>	<b>194.5</b>	<b>196.5</b>	<b>209.5</b>	<b>215.5</b>	<b>218.6</b>	<b>220.2</b>	<b>225.6</b>

Source: District Personnel Records

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Operating Statistics  
 Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Middle School	Senior High School					
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	1:15	1:14	1,669.1	1,599.6	0.45%	95.84%	
2016	1,645	32,692,388	19,874	4.44%	126.3	1:16	1:15	1,644.0	1,577.0	-1.50%	95.92%	

Sources: District Records

Note: Enrollment based on annual October district count.

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

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>District Building</u>										
<u>Middle School</u>										
River Dell Middle School (1956)	100,800	100,800	117,834	117,834	117,834	117,834	117,834	117,834	117,834	117,834
Square Feet	623.75	623.75	729.70	729.70	729.70	729.70	729.70	729.70	729.70	729.70
Capacity (students)	515	552	569	553	576	587	571	606	601	578
Enrollment										
<u>High School</u>										
River Dell High School (1958)	127,200	127,200	174,016	174,016	174,016	174,016	174,016	174,016	174,016	174,016
Square Feet	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	1,476.1
Capacity (students)	983	975	1,041	1,069	1,045	1,083	1,078	1,045	1,064	1,067
Enrollment										
Number of Schools at June 30, 2016										
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
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
2016	<u>285,153</u>	<u>421,111</u>	<u>706,264</u>
Total School Facilities	<u>\$ 3,148,688</u>	<u>\$ 4,760,193</u>	<u>\$ 7,908,881</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, 2016  
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - School Alliance Insurance Fund		
Property - Blanket Building & Contents	\$ 98,745,055	\$ 2,500
Comprehensive General Liability	5,000,000	1,000
Automobile Liability	5,000,000	1,000
Uninsured Motorists	30,000	
Auto Medical Payments	5,000	
Employee Benefits Liability	100,000	1,000
Cyber Liability	2,000,000	10,000
Crime and Fidelity - Faithful Performance	500,000	1,000
Theft, Disappearance and Destruction	50,000	1,000
Flood	10,000,000	25,000
Earthquake	25,000,000	25,000
Boiler and Machinery Equipment Coverage	100,000,000	2,500
School Leaders Professional Liability - School Alliance Insurance Fund	5,000,000	5,000
Environmental Impairment Liability Aggregate Limit - Ace Insurance Group	1,000,000	10,000
Additional Excess Liability (each occurrence) - Markel Insurance Co./Torus	30,000,000	
Travel Accident - Gerber Life Insurance Co.	500,000	
Public Official 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**

**INDEPENDENT AUDITOR'S 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**

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, 2016, and the related notes to the financial statements, which collectively comprise River Dell Regional School District's basic financial statements, and have issued our report dated November 29, 2016.

**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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



**Compliance and Other Matters**

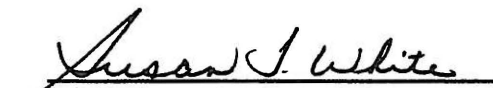
As part of obtaining reasonable assurance about whether River Dell Regional School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have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

We noted certain matters that we reported to the Board of Education of River Dell Regional School District in a separate report entitled, *Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* dated November 29, 2016.

**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  
November 29, 2016

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

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 year ended June 30, 2016. 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 state statutes, regulations, and the terms and conditions of 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 Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey OMB's Circular 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 year ended June 30, 2016.

## **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 Circular 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 Circular 15-08. Accordingly, this report is not suitable for any other purpose.

*Smolin, Lupin & Co., P.A.*

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

*Susan T. White*

Susan T. White  
Public School Accountant  
License #20CS00119300

RIVER DELL REGIONAL SCHOOL DISTRICT  
 Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From/To	Balance at June 30, 2015	Carryover/ Walkover Amount	Cash Received	Budgetary Expenditures	Adjust- ments	Repayment of Prior Years' Balances	June 30, 2016		
												Accounts Receivable	Due to Grantor	
<b>U.S. Department of Education</b>														
<b>Passed-through State Department of Education:</b>														
<b>Special Revenue Fund:</b>														
I.D.E.A. Part B:														
Current Year	84.027	H027A150100	IDEA-4405-16	\$405,619	7/1/15 - 6/30/16	-	11,667	\$ 405,619	(417,286)	-	-	\$ -	\$ -	
Prior Year	84.027	H027A150100	IDEA-4405-15	11,667	7/1/14 - 6/30/15	11,667	(11,667)	-	-	-	-	-	-	
E.S.E.A., Title II Part A, Teacher and Principal Training and Recruiting Fund:														
Current Year	84.367A	S367A150029	NCLB-4405-16	63,303	7/1/15 - 6/30/16	-	-	63,303	(63,303)	-	-	-	-	
E.S.E.A., Title III, English Language Acquisition and Language Enhancement:														
Current Year	84.365A	S365A150030	NCLB-4405-16	46,451	7/1/15 - 6/30/16	-	-	46,451	(46,451)	-	-	-	-	
<b>Total Special Revenue Fund</b>						11,667	-	515,373	(527,040)	-	-	\$ -	\$ -	
<b>Total Federal Awards</b>						11,667	-	515,373	(527,040)	-	-	\$ -	\$ -	

Note - This schedule was not subject to an audit in accordance with the Uniform Guidance.



RIVER DELL REGIONAL SCHOOL DISTRICT  
 Schedule of Expenditures of State Financial Assistance  
 For the Fiscal Year Ended June 30, 2016

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From/To	As of June 30, 2015			GAAP Cash Received	Adjustments/Repayment of Prior Years' Balances	Balance at June 30, 2016		MEMO Cumulative Total Expenditures
				Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/Walkover Amount			Accounts Receivable	Deferred Revenue	
<b>Total Special Revenue Fund</b>				(110)	43,941		356,014	(43,941)	(312)	24,406	331,810
<b>Total State Financial Assistance</b>				(171,305)	43,941		4,574,355	(43,941)	(141,514)	24,406	4,520,158
<b>State Financial Assistance Not Subject to Single Audit Determination</b>											
<b>General Fund:</b>											
TPAF Pension - Non-contributory Insurance	16-495-034-5094-007	52,199	7/1/15 - 6/30/16				(52,199)				(52,199)
TPAF Pension - Normal	16-495-034-5094-006	1,047,884	7/1/15 - 6/30/16				(1,047,884)				(1,047,884)
TPAF Pension - Post-retirement Medical Contributions	16-495-034-5094-001	1,309,894	7/1/15 - 6/30/16				(1,309,894)				(1,309,894)
<b>Total State Expenditures Subject to Major Program Determination</b>				\$ (171,305)	\$ 43,941	\$ -	\$ 2,164,378	\$ (43,941)	\$ (141,514)	\$ 24,406	\$ 2,110,181

R - Repayment of prior year's balances  
 A - Adjustment to transfer cash received from Examination & Classification to Supplemental Instruction

**RIVER DELL REGIONAL SCHOOL DISTRICT**  
**Notes to Schedule of Expenditures of**  
**Federal Awards and State Financial Assistance**  
**June 30, 2016**

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting. This basis of accounting is described in Note 1 to the District's financial statements. The information in these schedules are presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the 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**  
**Federal Awards and State Financial Assistance**  
**June 30, 2016**

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

On-behalf state programs for TPAF Pension - Normal Costs, Post-Retirement Medical Contributions, and Non-Contributory Insurance 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.

**NOTE 7. DE MINIMIS INDIRECT COST RATE**

The District has elected to not use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.



**RIVER DELL REGIONAL SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs (Continued)  
For the Fiscal Year Ended June 30, 2016**

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, 2016**

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal awards and state financial assistance programs, as required by the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

Not applicable.

**CURRENT YEAR STATE FINANCIAL ASSISTANCE**

There are none.

**RIVER DELL REGIONAL SCHOOL DISTRICT  
Summary Schedule of Prior-Year Audit Findings  
For the Fiscal Year Ended June 30, 2016**

This section identifies the status of prior-year findings related to the basic financial statements and federal awards and state financial assistance that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

There were no prior-year audit findings.