

**DELAWARE VALLEY REGIONAL HIGH SCHOOL
BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

**DELAWARE VALLEY REGIONAL HIGH SCHOOL
BOARD OF EDUCATION
ALEXANDRIA TOWNSHIP, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Prepared by

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

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INTRODUCTORY SECTION

Delaware Valley Regional High School Board of Education



19 Senator Stout Road • Frenchtown • New Jersey • 08825-3721
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Elizabeth A. Nastus, Ed.D.
Superintendent

Daria A. Wasserbach, RSBA
Business Administrator/Board Secretary

November 29, 2012

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

Dear Board Members:

The comprehensive annual financial report of the Delaware Valley Regional High School District for the fiscal year ended June 30, 2012, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments, and Nonprofit Organizations" and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels 9 through 12. These include regular, vocational and special education. The District completed the 2011-2012 fiscal year with an enrollment of 975 students. The following details the changes in the student enrollment of the District over the last several years.

Average Daily Enrollment

| Fiscal Year | Student Enrollment | % Enrollment Change |
|-------------|--------------------|---------------------|
| 2011-12 | 975 | -2.69% |
| 2010-11 | 1,002 | -1.57% |
| 2009-10 | 1,018 | 4.19% |

| | | |
|---------|-------|--------|
| 2008-09 | 977 | -1.21% |
| 2007-08 | 989 | -1.59% |
| 2006-07 | 1,005 | 3.61% |
| 2005-06 | 970 | 2.54% |
| 2004-05 | 946 | -0.42% |
| 2003-04 | 950 | 8.50% |
| 2002-03 | 876 | 0.90% |
| 2001-02 | 868 | 6.10% |
| 2000-01 | 818 | 3.50% |
| 1999-00 | 790 | 2.30% |
| 1998-99 | 772 | -3.10% |
| 1997-98 | 796 | 1.40% |
| 1996-97 | 785 | |

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

Since the completion of Route 78, the commuter population has migrated westward into the Delaware Valley Region, primarily into Alexandria and Kingwood Townships. As a result, over the last few decades, the residential population, including school age children, has been increasing. In 1975, the 89 square miles comprising the Regional District contained about 11,800 residents. By 1990, that number had increased to 14,612. According to the official data from the 2000 U.S. Census, the Delaware Valley Regional was comprised of 16,327 people broken down by municipalities as follows:

| | | |
|---------------------|---|-------|
| Alexandria Township | - | 4,698 |
| Frenchtown Borough | - | 1,528 |
| Holland Township | - | 5,124 |
| Kingwood Township | - | 3,782 |
| Milford Borough | - | 1,195 |

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

- 3.) **STUDENT PROGRESS:** Two Hundred and fourteen (214) students comprised Delaware Valley's 2012 graduating class. Among these graduates, one hundred and ninety-three (193) (90%) have enrolled in either technical schools or two or four-year colleges. Two (2) (<1%) seniors entered the United States Armed Forces and twenty (20) (8%) other graduates were directly employed or did not indicate what activity they would pursue following graduation.

Each spring the state required High School Proficiency Assessment is administered to eleventh graders in New Jersey. Two hundred and sixty-six (266) Delaware Valley juniors took the HSPA in March, 2012. Two hundred and sixty (260) (98%) passed the Language Arts Literacy and two hundred and twenty-five (225) (85%) passed the mathematics section. Students who failed one or both parts have two more opportunities to pass. A passing score on both sections are required in order to receive a state endorsed high school diploma.

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

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

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2012.

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

- 7.) **DEBT ADMINISTRATION**: At June 30, 2012, the District's outstanding debt issues included \$5,049,425 of general obligation bonds. The bonds are a result of a referendum for construction and equipment additions and renovations to Delaware Valley Regional High School issued on December 14, 2003, and the Transportation Service Fund's issuance of a new capital lease in fiscal year 2012 for the purchase of six (6) new buses. The proceeds of this bond issue are to provide funds for capital improvements to the District's building and grounds.

- 8.) **CASH MANAGEMENT**: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

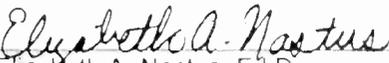
- 9.) **RISK MANAGEMENT**: The Board carries various forms of insurance, including but not limited to general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property, content, and fidelity bonds. The Board oversees risk management for the District. A schedule of insurance coverage is found on J-20.

- 10.) **OTHER INFORMATION**: **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of William Colantano, Jr., CPA, Registered Municipal Accountants, Public School Accountants, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the single Audit Act of 1996 and the related OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and State Treasury Circular Letter NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The

auditors' report on the basic financial statement and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

- 11.) **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Delaware Valley Regional High School District Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

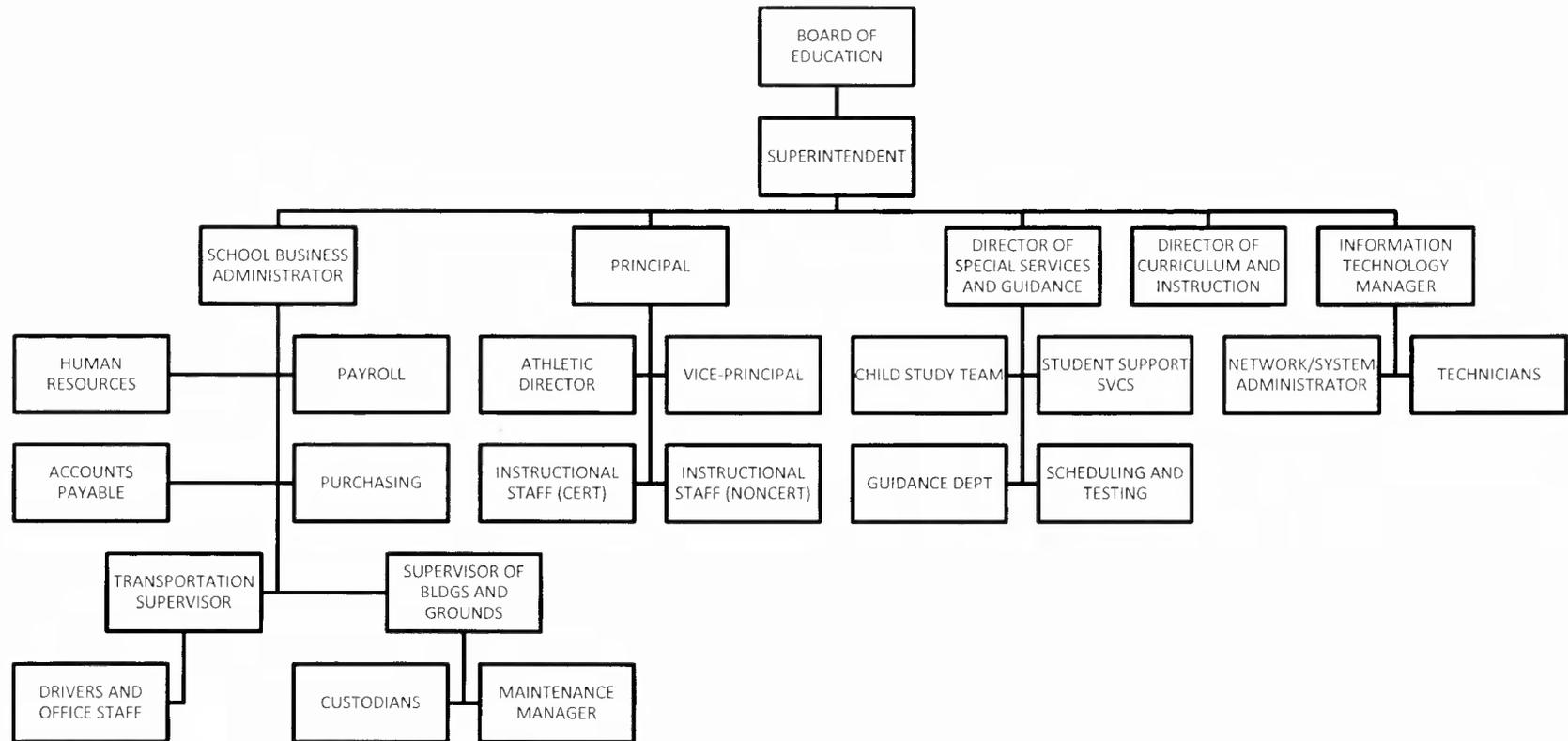
Respectfully submitted,


Elizabeth A. Nastus, Ed D.
Superintendent of Schools


Daria A. Wasserbach
Board Secretary/Business Administrator

DELAWARE VALLEY REGIONAL HIGH SCHOOL BOARD OF EDUCATION
 ORGANIZATIONAL CHART

Adopted: November 23, 2009



**DELAWARE VALLEY REGIONAL HIGH SCHOOL BOARD OF EDUCATION
 ROSTER OF OFFICIALS
 JUNE 30, 2012**

| Name | Municipality | Term Expires |
|-----------------------------|---------------------|--------------|
| Ellen Gordon, President | Milford Borough | 2013 |
| Brett Reina, Vice-President | Holland Township | 2012 |
| A. William Dietze | Kingwood Township | 2014 |
| Debora Frank | Kingwood Township | 2012 |
| Robert Haver | Frenchtown Borough | 2014 |
| Dr. Sandra Howell | Holland Township | 2013 |
| Sharon Kelly | Alexandria Township | 2012 |
| William Martin | Holland Township | 2013 |
| David Sousa | Alexandria Township | 2014 |

Other Officials

Dr. Elizabeth A. Nastus, Superintendent of Schools

Daria A. Wasserbach, School Business Administrator/Board Secretary

Raymond Krov, Treasurer of School Monies

Fogarty & Hara, Counselors at Law, Attorney

DELAWARE VALLEY REGIONAL HIGH SCHOOL BOARD OF EDUCATION**CONSULTANTS AND ADVISORS
JUNE 30, 2012**

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

Architect: The Spiezle Group
120 Sanhican Drive
Trenton, NJ 08618

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

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

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

FINANCIAL SECTION

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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INDEPENDENT AUDITOR'S REPORT

November 29, 2012

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Delaware Valley Regional School District in the County of Hunterdon, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Delaware Valley Regional Board of Education's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

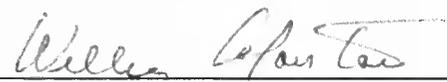
In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Delaware Valley Regional Board of Education in the County of Hunterdon, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 29, 2012 on our consideration of the Delaware Valley Regional Board of Education'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education's financial statements. The schedules of expenditures of federal awards and state financial assistance as required by Office of Management and Budget Circular A-133 "Audits of States, Local Governments and Non-Profit Organizations", and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", respectively and other accompanying supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and state financial assistance and other accompanying supplementary information are fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education's basic financial statements. The introductory section, statistical section and other accompanying information are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.



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

REQUIRED SUPPLEMENTARY INFORMATION-PART I

**DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
FRENCHTOWN, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

The discussion and analysis of the Delaware Valley Regional High School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2012 are as follows:

- In total, net assets increased \$255,475, which represents a 2.5% increase from fiscal year 2011.
- General revenues accounted for \$18,309,811, or 82.88% percent of all revenues. Program specific revenues in the form of operating grants and contributions, and charges for services, accounted for \$3,782,708, or 17.12% percent of the total revenues of \$22,092,519.
- The school district had \$21,615,074 in total expenses, \$3,782,708 of these expenses were offset by program specific charges, grants or contributions. General revenues (primarily taxes) of \$18,309,811 were adequate to provide for these expenses.
- Among governmental funds, the General Fund had \$17,788,067 in revenues and \$17,415,848 in expenditures. After factoring in other financing uses of \$97,268, the General Fund's balance increased \$274,951 from fiscal year 2011. This can be explained by the effective cost cutting measures implemented by the District.

Using this Comprehensive Annual Financial Report (CAFR)

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

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending.

The fund financial statements also look at the School district's most significant funds with all other non-major funds presented in total in one column. In the case of the Delaware Valley Regional High School District, the General Fund is by far the most significant fund.

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

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the questions, "How did we do financially in 2012?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting, similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- Governmental activities – All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation, and extracurricular activities.
- Business-type activities – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service and the Transportation Service enterprise funds are reported as business activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds (Enterprise Funds)

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

Fiduciary Funds

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

Notes to the Financial Statements

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

The School District as a Whole

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

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

Table 1 provides a summary of the District's net assets at June 30, 2012 with comparisons to June 30, 2011

| | 6/30/12 | 6/30/11 | Variance | |
|--|---------------------|---------------------|------------------|-------------|
| | | | Dollars | % |
| Current & Other Assets | \$2,580,787 | \$2,212,242 | \$368,545 | 16.66 |
| Capital Assets | 13,113,482 | 13,145,632 | (32,150) | (0.24) |
| Total Assets | <u>15,694,269</u> | <u>15,357,874</u> | <u>336,395</u> | <u>2.19</u> |
| Long-Term Liabilities | 5,059,425 | 4,871,187 | 188,238 | 3.86 |
| Other Liabilities | 161,167 | 268,485 | (107,318) | (39.97) |
| Total Liabilities | <u>5,220,592</u> | <u>5,139,672</u> | <u>80,920</u> | <u>1.57</u> |
| Net Assets | | | | |
| Invested in Capital Assets, Net of Related Debt | 9,155,873 | 9,106,632 | 49,241 | 0.54 |
| Restricted | 1,079,940 | 1,018,760 | 61,180 | 6.01 |
| Unrestricted | 237,864 | 92,810 | 145,054 | 156.29 |
| Total Net Assets | <u>\$10,473,677</u> | <u>\$10,218,202</u> | <u>\$255,475</u> | <u>2.50</u> |

- Total assets increased by \$336,395; as cash and cash equivalents increased \$517,042; receivables decreased \$194,643; capital assets decreased \$32,150 and other assets increased \$46,146. Unrestricted net assets, the part of net assets that can be used to finance day-to-day activities without legal constraints established by parties outside of the District, increased by \$145,054.

Table 2 provides a summary of the District's changes in net assets in fiscal year 2012 with comparisons to 2011.

Table 2
Changes in Net Assets

| | Fiscal Year Ending | | Variance | |
|--|--------------------|-------------------|------------------|----------------|
| | 6/30/12 | 6/30/11 | Dollars | % |
| Revenues | | | | |
| Program Revenues: | | | | |
| Charges for Services | \$3,382,525 | \$3,023,369 | \$359,156 | 11.88 |
| Operating Grants | 400,183 | 564,517 | (164,334) | (29.11) |
| General Revenues: | | | | |
| Property Taxes | 13,190,170 | 12,820,616 | 369,554 | 2.88 |
| Unrestricted Grants | 5,084,389 | 4,551,441 | 532,948 | 11.71 |
| Other | 35,252 | 166,217 | (130,965) | (78.79) |
| Total Revenues | <u>22,092,519</u> | <u>21,126,160</u> | <u>966,359</u> | <u>4.57</u> |
| Program Expenses | | | | |
| Instruction: | | | | |
| Regular | 6,567,284 | 5,921,348 | 645,936 | 10.91 |
| Special | 1,996,335 | 1,991,378 | 4,957 | 0.25 |
| Other | 1,344,778 | 1,500,838 | (156,060) | (10.40) |
| Support Services: | | | | |
| Tuition | 1,020,360 | 864,066 | 156,294 | 18.09 |
| Student & Instructional Staff | 2,801,731 | 2,589,517 | 212,214 | 8.20 |
| General & Business | | | | |
| Administration | 1,174,587 | 1,157,946 | 16,641 | 1.44 |
| School Administration | 537,653 | 532,398 | 5,255 | 0.99 |
| Maintenance | 1,654,596 | 1,641,870 | 12,726 | 0.78 |
| Transportation | 4,009,458 | 3,857,950 | 151,508 | 3.93 |
| Food Service | 380,362 | 355,819 | 24,543 | 6.90 |
| Interest on Long-Term Debt | 127,930 | 189,607 | (61,677) | (32.53) |
| Total Expenses | <u>21,615,074</u> | <u>20,602,737</u> | <u>1,012,337</u> | <u>4.91</u> |
| Increases (Decreases) Before Special Items | <u>477,445</u> | <u>523,423</u> | <u>(45,978)</u> | <u>(8.78)</u> |
| Special Items: | | | | |
| Transfers | (100,000) | (350,052) | 250,052 | (71.43) |
| Special Items: | | | | |
| Payment to Bond Agent | (114,463) | | (114,463) | * |
| Gain/(Loss) on Deletion of Assets | (7,507) | 39,205 | (46,712) | (119.15) |
| Total Special Items | <u>(221,970)</u> | <u>(310,847)</u> | <u>88,877</u> | <u>(28.59)</u> |
| Increase (Decrease) in Net Assets | <u>\$255,475</u> | <u>\$212,576</u> | <u>\$42,899</u> | <u>20.18</u> |

Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements of annually seeking voter approval for the School District's operations. Property taxes made up 69.9% percent of revenues for governmental activities for the Delaware Valley Regional High School District for fiscal year 2012. The District's total revenues were \$18,883,415 for the year ended June 30, 2012. Federal, state and local grants accounted for 26.9% percent of revenue. The total cost of all programs and services was \$18,391,931. Instruction comprises 53.9% percent of district expenses while support services comprised 45.4% percent and interest on long-term debt comprised .7%.

Business-type Activities

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

- The Food Service Fund operated at a loss of \$17,451 for fiscal year 2012, and has a substantial fund balance of \$218,848 as of June 30, 2012. Sales revenues amounted to \$319,010, while Federal and state reimbursement for meals, including payments for free and reduced lunches, and donated commodities was \$43,901.
- The Transportation Service Fund operated at a profit of \$6,043 for fiscal year 2012. Fund balance as of June 30, 2012 of \$1,391,376 is comprised mostly of the amount invested in capital assets for the bus fleet, a transportation garage building, and other equipment assets. Unrestricted "free" fund balance of \$675,587 is available for future operations of the fund.
- The Technology Service Fund was a breakeven operation in 2012. Fees collected of \$33,570 matched the operating expenses of the fund.

Table 3 provides a summary of the District's cost of governmental services in 2012 and 2011.

Table 3
Cost of Governmental Services

| | Total Cost of Services | | Net Cost of Services | |
|-----------------------------------|---------------------------|---------------------|-------------------------|---------------------|
| | 6/30/12 | 6/30/11 | 6/30/12 | 6/30/11 |
| Instruction | \$9,908,397 | \$9,413,564 | \$9,749,742 | \$9,197,350 |
| Support Services: | | | | |
| Tuition | 1,020,360 | 864,066 | 827,038 | 676,314 |
| Student & Instructional Staff | 2,801,731 | 2,589,517 | 2,608,382 | 2,367,334 |
| General & Business Administration | 1,174,587 | 1,157,946 | 1,158,851 | 1,154,836 |
| School Administration | 537,653 | 532,398 | 537,498 | 531,248 |
| Plant Operations & Maintenance | 1,654,596 | 1,641,870 | 1,646,218 | 1,636,010 |
| Pupil Transportation | 1,166,677 | 1,080,191 | 1,162,606 | 1,079,841 |
| Interest on Long-Term Debt | 127,930 | 189,607 | 127,930 | 189,607 |
| Total Expenses | <u>\$18,391,931</u> | <u>\$17,469,159</u> | <u>\$17,818,265</u> | <u>\$16,832,540</u> |

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

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

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

Operation and maintenance of plant services includes expenses to keep the school grounds, building and equipment in an effective working condition.

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

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

The dependence upon tax revenue is apparent. For all activities, tax revenue support is 60.7%. The community as a whole is the primary support for the Delaware Valley Regional High School District.

The School District's Funds

Information about the District's major funds starts on page 16. All governmental funds (e.g., general fund, special revenue fund, capital projects fund and debt service fund) are accounted for using the modified accrual basis of accounting. Revenues for all governmental funds totaled \$18,698,042 and expenditures were \$18,437,601. The net increase in fund balances of \$235,529 was in the General Fund. Effective cost cutting measures implemented by the District helped restore General Fund Surplus to a higher balance of \$1,573,367.

General Fund Budgeting Highlights

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

For the General Fund, budget based revenues amounted to \$16,740,783 which was more than original budget estimates by \$88,437. This can be explained by unanticipated or unbudgeted revenue of extraordinary aid.

Capital Assets

At the end of the fiscal year 2012, the School District has \$13,113,482 invested in buildings, land, vehicles, equipment, and construction in progress. Some of the more significant asset acquisitions included six (6) new 54-passenger buses, five (5) point-of-sale cafeteria systems, and new athletic bleachers.

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

| | 6/30/12 | 6/30/11 | Variance | |
|--------------------------|---------------------|---------------------|-------------------|---------------|
| | | | Dollars | % |
| Land | \$36,845 | \$36,845 | \$0 | 0.00 |
| Construction in Progress | 5,000 | | 5,000 | * |
| Land Improvements | 706,186 | 760,810 | (54,624) | (7.18) |
| Buildings & Improvements | 10,722,159 | 10,911,398 | (189,239) | (1.73) |
| Machinery & Equipment | 760,884 | 797,016 | (36,132) | (4.53) |
| Vehicles | 882,408 | 639,563 | 242,845 | 37.97 |
| Total | \$13,113,482 | \$13,145,632 | \$(32,150) | (0.24) |

* = Undefined

At June 30, 2012, the District had \$5,049,425 in long-term liability obligations. The Transportation Service Fund issued a new capital lease in fiscal year 2012 for the purchase of six (6) new buses. A summary of the District's outstanding debt as of June 30, 2012 with comparisons to June 30, 2011 is provided in Table 5 below:

Table 5
Long-term Liabilities at Year-end

| | 6/30/12 | 6/30/11 | Variance | |
|-------------------------------|--------------------|--------------------|------------------|---------|
| | | | Dollars | % |
| Governmental Funds: | | | | |
| 2003 General Obligation Bonds | \$460,000 | \$4,039,000 | \$(3,579,000) | (88.61) |
| 2012 Refunding Bonds | 3,075,000 | | 3,075,000 | * |
| Unamortized Bond Premium | 238,232 | | 238,232 | * |
| Compensated Absences Payable | 863,584 | 832,187 | 31,397 | 3.77 |
| Business-Type Funds: | | | | |
| Capital Leases Payable | 422,609 | | 422,609 | * |
| Total | <u>\$5,059,425</u> | <u>\$4,871,187</u> | <u>\$188,238</u> | 3.86 |

* = Undefined

Factors Bearing on the District's Future

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

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

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2012

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|----------------------|
| ASSETS | | | |
| Cash & Cash Equivalents | \$ 521,504 | \$ 690,305 | \$ 1,211,809 |
| Receivables, Net | 102,311 | 90,116 | 192,427 |
| Inventory | | 3,252 | 3,252 |
| Bond Issuance Costs, Net | 93,359 | | 93,359 |
| Restricted Assets: | | | |
| Cash & Cash Equivalents | 1,079,940 | | 1,079,940 |
| Capital Assets (Note 4): | | | |
| Land and Construction in Progress | 41,845 | | 41,845 |
| Other Capital Assets, Net of Depreciation | 11,819,739 | 1,251,898 | 13,071,637 |
| Total Assets | <u>13,658,698</u> | <u>2,035,571</u> | <u>15,694,269</u> |
| LIABILITIES | | | |
| Accounts Payable | 103,723 | | 103,723 |
| Accrued Interest | 28,041 | | 28,041 |
| Deferred Revenue | 26,665 | 2,738 | 29,403 |
| Long-Term Liabilities (Note 5): | | | |
| Due Within One Year | 537,948 | 81,289 | 619,237 |
| Due Beyond One Year | 4,098,868 | 341,320 | 4,440,188 |
| Total Liabilities | <u>4,795,245</u> | <u>425,347</u> | <u>5,220,592</u> |
| NET ASSETS | | | |
| Invested in Capital Assets, Net of Related Debt | 8,326,584 | 829,289 | 9,155,873 |
| Restricted for: | | | |
| Legal Reserves | 1,079,940 | | 1,079,940 |
| Unrestricted | (543,071) | 780,935 | 237,864 |
| TOTAL NET ASSETS | <u>\$ 8,863,453</u> | <u>\$ 1,610,224</u> | <u>\$ 10,473,677</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| Functions/Programs | Direct Expenses | Indirect Expenses Allocation | Program Revenues | | | Net (Expense) Revenue & Changes in Net Assets | | |
|--|----------------------|------------------------------|----------------------|---------------------------------|-------------------------------|---|--------------------------|----------------------|
| | | | Charges for Services | Operating Grants & Contribution | Capital Grants & Contribution | Governmental Activities | Business-Type Activities | Total |
| Governmental Activities: | | | | | | | | |
| Instruction: | | | | | | | | |
| Regular | \$ 4,608,998 | \$ 1,958,286 | \$ 57,945 | \$ 14,209 | | \$ (6,495,130) | | \$ (6,495,130) |
| Special Education | 1,346,940 | 649,395 | 57,070 | | | (1,939,265) | | (1,939,265) |
| Other Special Instruction | 12,643 | 5,078 | | 16,082 | | (1,639) | | (1,639) |
| Other Instruction | 968,012 | 359,045 | 13,349 | | | (1,313,708) | | (1,313,708) |
| Support Services: | | | | | | | | |
| Tuition | 1,020,360 | | | 193,322 | | (827,038) | | (827,038) |
| Students & Instruction Related Services | 1,970,681 | 831,050 | 60,680 | 132,669 | | (2,608,382) | | (2,608,382) |
| General & Business Administration Services | 892,707 | 281,880 | 15,736 | | | (1,158,851) | | (1,158,851) |
| School Administration Services | 375,598 | 162,055 | 155 | | | (537,498) | | (537,498) |
| Plant Operations & Maintenance | 1,411,547 | 243,049 | 8,378 | | | (1,646,218) | | (1,646,218) |
| Pupil Transportation | 1,162,842 | 3,835 | 4,071 | | | (1,162,606) | | (1,162,606) |
| Interest on Long-Term Debt | 127,930 | | | | | (127,930) | | (127,930) |
| Total Governmental Activities | 13,898,258 | 4,493,673 | 217,384 | 356,282 | \$ - | (17,818,265) | \$ - | (17,818,265) |
| Business-Type Activities: | | | | | | | | |
| Food Service | 380,362 | | 319,010 | 43,901 | | | (17,451) | (17,451) |
| Transportation | 2,842,781 | | 2,846,131 | | | | 3,350 | 3,350 |
| Total Business-Type Activities | 3,223,143 | - | 3,165,141 | 43,901 | - | - | (14,101) | (14,101) |
| Total Primary Government | \$ 17,121,401 | \$ 4,493,673 | \$ 3,382,525 | \$ 400,183 | \$ - | (17,818,265) | (14,101) | (17,832,366) |
| General Revenues, Transfers & Special Items | | | | | | | | |
| Property Taxes Levied for General Purposes | | | | | | 12,636,477 | | 12,636,477 |
| Property Taxes Levied for Debt Service | | | | | | 553,693 | | 553,693 |
| Federal & State Aid Not Restricted | | | | | | 5,084,389 | | 5,084,389 |
| Investment Earnings | | | | | | 3,879 | | 3,879 |
| Miscellaneous Income | | | | | | 31,311 | 62 | 31,373 |
| Transfers | | | | | | (100,000) | | (100,000) |
| Special Item-Payment to Bond Agent | | | | | | (114,463) | | (114,463) |
| Special Item-Gain/(Loss) on Deletion of Assets | | | | | | (10,138) | 2,631 | (7,507) |
| Total General Revenues and Special Items | | | | | | 18,085,148 | 2,693 | 18,087,841 |
| Change in Net Assets | | | | | | 266,883 | (11,408) | 255,475 |
| Net Assets-Beginning | | | | | | 8,596,570 | 1,621,632 | 10,218,202 |
| Net Assets-Ending | | | | | | \$ 8,863,453 | \$ 1,610,224 | \$ 10,473,677 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

| | General | Special Revenue | Capital Projects | Debt Service | Total Governmental |
|---|---------------------|------------------|------------------|--------------|---------------------|
| ASSETS | | | | | |
| Cash & Cash Equivalents | \$ 495,147 | \$ 26,357 | | | \$ 521,504 |
| Due from Other Funds | 5,000 | | | | 5,000 |
| Receivables from Other Governments: | | | | | |
| Federal | | 2,200 | | | 2,200 |
| State | 84,897 | | | | 84,897 |
| Local | 10,014 | | | | 10,014 |
| Other Receivables | 200 | | | | 200 |
| Restricted Cash & Equivalents | 1,079,940 | | | | 1,079,940 |
| TOTAL ASSETS | \$ 1,675,198 | \$ 28,557 | \$ - | \$ - | \$ 1,703,755 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | \$ 101,831 | \$ 1,892 | | | 103,723 |
| Deferred Revenue | | 26,665 | | | 26,665 |
| Total Liabilities | 101,831 | 28,557 | \$ - | \$ - | 130,388 |
| Fund Balances: | | | | | |
| Restricted Fund Balance: | | | | | |
| Capital Reserve Account | 629,940 | | | | 629,940 |
| Maintenance Reserve Account | 200,000 | | | | 200,000 |
| Emergency Reserve Account | 250,000 | | | | 250,000 |
| Excess Surplus | 61,573 | | | | 61,573 |
| Committed Fund Balance: | | | | | |
| Year-End Encumbrances | 315,447 | | | | 315,447 |
| Assigned Fund Balance: | | | | | |
| Designated for Subsequent Year's Expenditures | 100,000 | | | | 100,000 |
| Unassigned Fund Balance | 16,407 | | | | 16,407 |
| Total Fund Balances | 1,573,367 | - | - | - | 1,573,367 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 1,675,198 | \$ 28,557 | \$ - | \$ - | \$ 1,703,755 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012
(Continued)

| | | |
|---|------------------|---------------------|
| Total Fund Balances for Governmental Funds | | \$ 1,573,367 |
| Amounts reported for governmental activities in the Statement of Net Assets (A-1) are different because: | | |
| Capital assets used in government activities are not financial resources & therefore are not reported in the funds: | | |
| The cost of the assets is | \$ 20,126,821 | |
| and the accumulated depreciation is | <u>8,265,237</u> | 11,861,584 |
| Long-term liabilities, including bonds payable, are not due & payable in the current period & therefore are not reported as liabilities in the funds (See Note 5) | | (4,636,816) |
| Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due | | (28,041) |
| Bond issuance costs are reported as expenditures in the governmental funds: | | |
| The costs are | 159,492 | |
| and the accumulated amortization is | <u>66,133</u> | <u>93,359</u> |
| Total Net Assets of Governmental Activities | | <u>\$ 8,863,453</u> |

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|--|-------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| REVENUES | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 12,636,477 | | | \$ 553,693 | \$ 13,190,170 |
| Tuition Charges | 36,100 | | | | 36,100 |
| Interest Earned on Capital Reserve Funds | 602 | | | | 602 |
| Interest on Investments | 3,277 | | | | 3,277 |
| Miscellaneous | 27,222 | \$ 3,901 | | | 31,123 |
| Total | 12,703,678 | 3,901 | \$ - | 553,693 | 13,261,272 |
| State Sources | 4,936,247 | | | | 4,936,247 |
| Federal Sources | 148,142 | 352,381 | | | 500,523 |
| Total Revenues | 17,788,067 | 356,282 | - | 553,693 | 18,698,042 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular Instruction | 4,502,117 | 10,189 | | | 4,512,306 |
| Special Education Instruction | 1,324,608 | | | | 1,324,608 |
| Other Special Instruction | 1,202 | 11,441 | | | 12,643 |
| Cocurricular/School-Sponsored | 909,491 | | | | 909,491 |
| Support Service & Undistributed Costs: | | | | | |
| Tuition | 827,038 | 193,322 | | | 1,020,360 |
| Student & Instruction Related Services | 1,807,074 | 103,729 | | | 1,910,803 |
| General & Other Administrative Services | 849,361 | | 72,356 | | 921,717 |
| School Administrative Services | 372,540 | | | | 372,540 |
| Plant Operations & Maintenance | 1,373,582 | | | | 1,373,582 |
| Pupil Transportation | 1,161,492 | | | | 1,161,492 |
| Unallocated Benefits | 4,077,839 | 37,601 | | | 4,115,440 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|--|---------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| EXPENDITURES (Cont'd) | | | | | |
| Capital Outlay: | | | | | |
| Equipment | \$ 66,244 | | | | \$ 66,244 |
| Facilities Acquisition & Construction Services | 123,600 | | | | 123,600 |
| Debt Services: | | | | | |
| Principal | | | | \$ 445,000 | 445,000 |
| Interest & Other Charges | | | | 148,115 | 148,115 |
| Interest on NJ SDA obligations | 19,660 | | | | 19,660 |
| Total Expenditures | <u>17,415,848</u> | <u>\$ 356,282</u> | <u>\$ 72,356</u> | <u>593,115</u> | <u>18,437,601</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>372,219</u> | <u>-</u> | <u>(72,356)</u> | <u>(39,422)</u> | <u>260,441</u> |
| Other Financing Sources (Uses): | | | | | |
| Proceeds from Sale of Capital Assets | 2,732 | | | | 2,732 |
| Proceeds from Refunding Bond Issue | | | 3,075,000 | | 3,075,000 |
| Premium on Refunding Bond Issue | | | 245,819 | | 245,819 |
| Payment to Refunding Bond Agent | | | (3,248,463) | | (3,248,463) |
| Transfers Out | (100,000) | | | | (100,000) |
| Total Other Financing Sources (Uses) | <u>(97,268)</u> | <u>-</u> | <u>72,356</u> | <u>-</u> | <u>(24,912)</u> |
| Net Change in Fund Balances | 274,951 | - | - | (39,422) | 235,529 |
| Fund Balances, July 1 | <u>1,298,416</u> | <u>-</u> | <u>-</u> | <u>39,422</u> | <u>1,337,838</u> |
| Fund Balances, June 30 | <u>\$ 1,573,367</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,573,367</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| | | |
|--|------------------|-------------------|
| Total Net Changes in Fund Balances-Governmental Fund (from B-2) | | \$ 235,529 |
| <p>Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:</p> | | |
| <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Proceeds from the disposition of assets is an other financing source in the governmental funds, while only the gain or loss is reported in the statement of activities. The difference, which is the cost basis of the assets disposed, is a reduction in the reconciliation:</p> | | |
| Capital Outlays | \$ 189,844 | |
| Cost Basis of Capital Assets Disposed | (12,870) | |
| Depreciation Expense | <u>(466,723)</u> | (289,749) |
| <p>Government funds report bond proceeds as financing sources whereas issuing debt increases long-term liabilities in the government-wide statements</p> | | |
| | | (3,075,000) |
| <p>Repayment of bond principal and capital lease debt are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and are not reported in the statement of activities:</p> | | |
| Bond Principal Payments | 445,000 | |
| Defeasance of Refunded Bonds | <u>3,134,000</u> | 3,579,000 |
| <p>Governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred & amortized in the statement of activities:</p> | | |
| Bond Premium | (245,819) | |
| Bond Insurance Costs | 72,356 | |
| Amortization of Bond Premium | 7,587 | |
| Amortization of Bond Issuance Costs | <u>(25,469)</u> | (191,345) |
| <p>In the statement of activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.</p> | | |
| | | 39,845 |
| <p>In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.</p> | | |
| | | <u>(31,397)</u> |
| Change in Net Assets of Governmental Activities | | <u>\$ 266,883</u> |

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

| | Business Type Activities Enterprise Funds | | |
|---|---|--------------------------------|---------------------|
| | Food Service Fund | Transportation Service Fund | Total |
| ASSETS | | | |
| Current Assets: | | | |
| Cash & Cash Equivalents | \$ 103,341 | \$ 586,964 | \$ 690,305 |
| Receivables from Other Governments: | | | |
| State | 112 | | 112 |
| Federal | 1,381 | | 1,381 |
| Local | | 88,623 | 88,623 |
| Inventory | 3,252 | | 3,252 |
| Total Current Assets | <u>108,086</u> | <u>675,587</u> | <u>783,673</u> |
| Noncurrent Assets: | | | |
| Capital Assets | 253,107 | 3,650,629 | 3,903,736 |
| Less: Accumulated Depreciation | 139,607 | 2,512,231 | 2,651,838 |
| Total Noncurrent Assets | <u>113,500</u> | <u>1,138,398</u> | <u>1,251,898</u> |
| Total Assets | <u>221,586</u> | <u>1,813,985</u> | <u>2,035,571</u> |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Deferred Revenues | 2,738 | | 2,738 |
| Total Current Liabilities | <u>2,738</u> | <u>-</u> | <u>2,738</u> |
| Long-term Liabilities: | | | |
| Capital Leases-Due Within One Year | | 81,289 | 81,289 |
| Capital Leases-Due Beyond One Year | | 341,320 | 341,320 |
| Total Long-Term Liabilities | <u>-</u> | <u>422,609</u> | <u>422,609</u> |
| Total Liabilities | <u>2,738</u> | <u>422,609</u> | <u>425,347</u> |
| NET ASSETS | | | |
| Invested in Capital Assets, Net of Related Debt | 113,500 | 715,789 | 829,289 |
| Unrestricted | 105,348 | 675,587 | 780,935 |
| TOTAL NET ASSETS | <u>\$ 218,848</u> | <u>\$ 1,391,376</u> | <u>\$ 1,610,224</u> |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| | Food Service Fund | Transportation Service Fund | Technology Service Fund | Total |
|---|----------------------|--------------------------------|----------------------------|---------------------|
| Operating Revenues: | | | | |
| Charges for Services: | | | | |
| Daily Sales-Reimbursable Programs | \$ 147,730 | | | \$ 147,730 |
| Daily Sales-Nonreimbursable Programs | 171,280 | | | 171,280 |
| Transportation Fees | | \$ 2,846,131 | | 2,846,131 |
| Technology Fees | | | \$ 33,570 | 33,570 |
| Total Operating Revenues | <u>319,010</u> | <u>2,846,131</u> | <u>33,570</u> | <u>3,198,711</u> |
| Operating Expenses: | | | | |
| Costs of Sales | 162,702 | | | 162,702 |
| Salaries | 143,232 | 1,303,029 | 23,125 | 1,469,386 |
| Employee Benefits | 23,918 | 186,757 | 10,445 | 221,120 |
| Purchased Professional/Technical Services | | 24,036 | | 24,036 |
| Purchased Property Services | 1,320 | 23,758 | | 25,078 |
| Rental/Lease Payments for Vehicles | | 160,143 | | 160,143 |
| Contracted Services-Transportation | | 470,795 | | 470,795 |
| Insurance | 2,093 | 2,648 | | 4,741 |
| Management Fee | 8,500 | | | 8,500 |
| Other Purchased Services | 8,570 | 9,992 | | 18,562 |
| General Supplies | 18,773 | 10,667 | | 29,440 |
| Transportation Supplies | | 94,178 | | 94,178 |
| Energy (Natural Gas) | | 5,389 | | 5,389 |
| Energy (Gasoline) | | 284,911 | | 284,911 |
| Depreciation | 11,211 | 265,432 | | 276,643 |
| Miscellaneous | 43 | 1,046 | | 1,089 |
| Total Operating Expenses | <u>380,362</u> | <u>2,842,781</u> | <u>33,570</u> | <u>3,256,713</u> |
| Operating Income (Loss) | <u>(61,352)</u> | <u>3,350</u> | <u>-</u> | <u>(58,002)</u> |
| Nonoperating Revenues (Expenses): | | | | |
| State Sources: | | | | |
| State School Lunch Program | 1,948 | | | 1,948 |
| Federal Sources: | | | | |
| National School Lunch Program | 24,158 | | | 24,158 |
| Food Donation Program | 17,795 | | | 17,795 |
| Prior Year Accounts Payable Canceled | | 62 | | 62 |
| Total Nonoperating Revenues (Expenses) | <u>43,901</u> | <u>62</u> | <u>-</u> | <u>43,963</u> |
| Other Financing Sources (Uses): | | | | |
| Gain (Loss) on Disposal of Assets | | 2,631 | | 2,631 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>2,631</u> | <u>-</u> | <u>2,631</u> |
| Change in Net Assets | (17,451) | 6,043 | - | (11,408) |
| Total Net Assets, Beginning | <u>236,299</u> | <u>1,385,333</u> | <u>-</u> | <u>1,621,632</u> |
| Total Net Assets, Ending | <u>\$ 218,848</u> | <u>\$ 1,391,376</u> | <u>\$ -</u> | <u>\$ 1,610,224</u> |

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| | Food Service Fund | Transportation Service Fund | Technology Service Fund | Total |
|---|----------------------|--------------------------------|----------------------------|-------------------|
| Cash Flows from Operating Activities: | | | | |
| Receipts from Services Provided | \$ 320,789 | \$ 2,836,324 | \$ 33,570 | \$ 3,190,683 |
| Payments to Employees | (34,076) | (1,303,029) | (23,125) | (1,360,230) |
| Payments for Employee Benefits | | (186,757) | (10,445) | (197,202) |
| Payments to Food Service Mgmt Company | (305,430) | | | (305,430) |
| Payments to Vendors | (16,245) | (1,104,879) | | (1,121,124) |
| Net Cash Provided by (Used For) Operating Activities | <u>(34,962)</u> | <u>241,659</u> | <u>-</u> | <u>206,697</u> |
| Cash Flows from Noncapital Financing Activities: | | | | |
| State Sources | 1,965 | | | 1,965 |
| Federal Sources | 22,777 | | | 22,777 |
| Miscellaneous | | 62 | | 62 |
| Net Cash Provided by (Used For) Noncapital Financing Activities | <u>24,742</u> | <u>62</u> | <u>-</u> | <u>24,804</u> |
| Cash Flows from Capital Financing Activities: | | | | |
| Proceeds from Equipment Disposal | | 13,625 | | 13,625 |
| Proceeds from Equipment Lease | | 492,609 | | 492,609 |
| Payment of Capital Leases | | (70,000) | | (70,000) |
| Acquisition of Equipment | (46,127) | (499,109) | | (545,236) |
| Net Cash Provided by (Used For) Capital Financing Activities | <u>(46,127)</u> | <u>(62,875)</u> | <u>-</u> | <u>(109,002)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (56,347) | 178,846 | - | 122,499 |
| Cash and Cash Equivalents, Beginning | 159,688 | 408,118 | | 567,806 |
| Cash and Cash Equivalents, Ending | <u>\$ 103,341</u> | <u>\$ 586,964</u> | <u>\$ -</u> | <u>\$ 690,305</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities: | | | | |
| Operating Income (Loss) | \$ (61,352) | \$ 3,350 | \$ - | \$ (58,002) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities: | | | | |
| Depreciation | 11,211 | 265,432 | | 276,643 |
| Federal Food Donation Program | 17,795 | | | 17,795 |
| (Increase) Decrease in Inventory | 741 | | | 741 |
| (Incr) Decr in Accounts Receivable | | (9,807) | | (9,807) |
| Incr (Decr) in Accounts Payable | (5,050) | (17,316) | | (22,366) |
| Incr (Decr) in Deferred Revenue | 1,693 | | | 1,693 |
| Net Cash Provided by (Used For) Operating Activities | <u>\$ (34,962)</u> | <u>\$ 241,659</u> | <u>\$ -</u> | <u>\$ 206,697</u> |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2012

| | Unemployment Compensation Fund | Private Purpose Scholarship Fund | Agency Funds |
|---|--------------------------------------|---|-------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 197,639 | \$ 44,925 | \$ 268,083 |
| Total Assets | <u>197,639</u> | <u>44,925</u> | <u>\$ 268,083</u> |
| LIABILITIES | | | |
| Due to Other Funds | | | \$ 5,000 |
| Accounts Payable | 23,869 | | |
| Due to Student Groups | | | 118,876 |
| Payroll Deductions & Withholdings | | | 144,207 |
| Total Liabilities | <u>23,869</u> | <u>-</u> | <u>\$ 268,083</u> |
| NET ASSETS | | | |
| Held in Trust for Unemployment Claims & Other Purposes | <u>\$ 173,770</u> | | |
| Reserved for Scholarships | | <u>\$ 44,925</u> | |

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| | Unemployment Compensation Fund | Private Purpose Scholarship Fund |
|--------------------------------------|--------------------------------------|---|
| ADDITIONS | | |
| Contributions: | | |
| Employees | \$ 17,774 | |
| Other | | \$ 4,890 |
| Investment Earnings: | | |
| Interest | 156 | 155 |
| Total Additions | <u>17,930</u> | <u>5,045</u> |
| DEDUCTIONS | | |
| Unemployment Claims | 92,797 | |
| Scholarships Awarded | | 4,050 |
| Total Deductions | <u>92,797</u> | <u>4,050</u> |
| Other Financing Sources (Uses): | | |
| Transfers In from General Fund | 100,000 | |
| Total Other Financing Sources (Uses) | <u>100,000</u> | <u>-</u> |
| Change in Net Assets | 25,133 | 995 |
| Net Assets, Beginning of the Year | <u>148,637</u> | <u>43,930</u> |
| Net Assets, End of the Year | <u>\$ 173,770</u> | <u>\$ 44,925</u> |

NOTES TO THE BASIC FINANCIAL STATEMENTS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The basic financial statements include:

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

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

A. Reporting Entity

The District is a Type II district located in the County of Hunterdon, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the district is to educate students in Grades 9-12. The District serves the communities of Alexandria Township, Frenchtown Borough, Holland Township, Kingwood Township and Milford Borough (the constituent districts). The District had an approximate enrollment at June 30, 2012 of 972 students.

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

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

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

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

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

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

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

The District reports the following major governmental funds:

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

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

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

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

Additionally, the District reports the following fund types:

Proprietary Fund Types

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

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

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

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

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

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

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

Fiduciary Fund Types

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

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

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

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

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

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

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2012 were insignificant.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the Governmental Fund Types. Unencumbered appropriations lapse at fiscal year end.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

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

D. Budgets/Budgetary Control (Cont'd)

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

E. Encumbrances

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

Open encumbrances in the Special Revenue Fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. Tuition Receivable

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

G. Tuition Payable

Tuition charges for the fiscal years 2011-2012 and 2010-2011 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-Term Interfund Receivables/Payables

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

I. Inventories and Prepaid Items

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

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as a deferred revenue as title does not pass to the school district until the commodities are used. Prepaid items in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

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

J. Capital Assets

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

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

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

K. Compensated Absences

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

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

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

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

L. Deferred Revenue

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

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

M. Long-Term Obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

N. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a restricted purpose. Designations of fund balance represent tentative plans for future use of financial resources that are subject to change.

In the government-wide statements, net assets represent the difference between assets and liabilities. Invested in Capital Assets, Net of Related Debt consists of capital assets, net of accumulated depreciation, and reduced by the balance of long-term debt used to finance these assets. Net assets are reported as restricted when there are limitations externally imposed on their use either through enabling legislation or other restricting imposed by creditors, grantors or laws or regulations of other governments. The District's restricted net assets in the governmental activities as of June 30, 2012 consists of the following:

| | |
|-----------------------------|---------------------|
| Capital Reserve | \$ 629,940 |
| Maintenance Reserve | 200,000 |
| Emergency Reserve | <u>250,000</u> |
| Total Restricted Net Assets | <u>\$ 1,079,940</u> |

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

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

O. Comparative Data/Reclassifications

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

P. Allocation of Indirect Expenses

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

NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES

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

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

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

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

Deposits and investments at June 30, 2012 appear in the basic financial statements as summarized below:

| | | |
|---|-------------|---------------------|
| Cash | | <u>\$ 2,802,396</u> |
| Total Cash | | <u>\$ 2,802,396</u> |
| Cash: | <u>Ref.</u> | |
| Governmental Funds, Statement of Net Assets | B-1 | \$ 1,601,444 |
| Enterprise Fund, Statement of Net Assets | B-4 | 690,305 |
| Fiduciary Funds, Statement of Net Assets | B-7 | <u>510,647</u> |
| Total Cash | | <u>\$ 2,802,396</u> |

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposits – The District's carrying amount of bank deposits at June 30, 2012 is \$2,802,396 and the bank balance is \$3,296,032. Of the bank balance, \$250,000 is covered by federal depository insurance and \$3,046,032 is insured by GUDPA.

Deposit and Investment Risk

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

1. Custodial credit risk disclosures for investments defined as category 3 assets under GASB Statement No. 3. Since all of the deposits and investments of the district are category 1 assets, these disclosures are not required.
2. Credit quality ratings for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. As the district has no such investments, this disclosure is not applicable.
3. Disclosure of investments by amount and issuer for any issuer that represents five percent of more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the US government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.
4. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the district has no such investments, this disclosure is not applicable.
5. Investments that are exposed to foreign currency risk should be disclosed. As the district has no such investments this disclosure is not applicable.

Concentration of Credit Risk

The State of New Jersey does not place any limit on the amount that the district may invest with any one issuer. As of June 30, 2012, the district had no investments.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

NOTE 4. CAPITAL ASSETS

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

| | Beginning Balance | Increases | Decreases | Ending Balance |
|----------------------------------|----------------------|---------------------|------------------|----------------------|
| GOVERNMENTAL ACTIVITIES | | | | |
| Capital Assets, Not Being | | | | |
| Depreciated: | | | | |
| Land | \$ 36,845 | | | \$ 36,845 |
| Construction in Progress | | \$ 5,000 | | 5,000 |
| Total | <u>36,845</u> | <u>5,000</u> | <u>\$ -0-</u> | <u>41,845</u> |
| Capital Assets, Being | | | | |
| Depreciated: | | | | |
| Land Improvements | 1,589,630 | | | 1,589,630 |
| Building & Improvements | 16,399,652 | 127,000 | | 16,526,652 |
| Furniture & Equipment | 1,914,395 | 57,844 | 81,100 | 1,891,139 |
| Buses & Other Vehicles | 77,555 | | | 77,555 |
| Total | <u>19,981,232</u> | <u>184,844</u> | <u>81,100</u> | <u>20,084,976</u> |
| Accumulated Depreciation: | | | | |
| Land Improvements | 828,820 | 54,624 | | 883,444 |
| Building & Improvements | 5,719,521 | 308,759 | | 6,028,280 |
| Furniture & Equipment | 1,258,153 | 98,396 | 68,230 | 1,288,319 |
| Vehicles | 60,250 | 4,944 | | 65,194 |
| Total | <u>7,866,744</u> | <u>466,723</u> | <u>68,230</u> | <u>8,265,237</u> |
| Total Capital Assets, Being | | | | |
| Depreciated, Net | <u>12,114,488</u> | <u>(281,879)</u> | <u>12,870</u> | <u>11,819,739</u> |
| Transfers | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Governmental Activities Capital | | | | |
| Assets, Net | <u>\$ 12,151,333</u> | <u>\$ (276,879)</u> | <u>\$ 12,870</u> | <u>\$ 11,861,584</u> |
| Business-Type Activities: | | | | |
| Building & Improvements | \$ 374,000 | | | \$ 374,000 |
| Furniture & Equipment | 340,728 | \$ 46,127 | | 386,855 |
| Buses & Other Vehicles | 2,807,749 | 499,109 | \$ 163,977 | 3,142,881 |
| Less: Accum Depreciation | <u>(2,528,178)</u> | <u>(276,643)</u> | <u>(152,983)</u> | <u>(2,651,838)</u> |
| Business-Type Activities Capital | | | | |
| Assets, Net | <u>\$ 994,299</u> | <u>\$ 268,593</u> | <u>\$ 10,994</u> | <u>\$ 1,251,898</u> |

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

| | |
|--|-------------------|
| Instruction: | |
| Regular | \$ 194,581 |
| Special Education | 47,108 |
| Other Special Instruction | 437 |
| Co-Curricular Activities | 76,582 |
| Support Services: | |
| Student & Instruction | 68,131 |
| General & Business Admin | 33,973 |
| School Administration | 15,924 |
| Plant & Maintenance | 29,987 |
| Total Depreciation Expense, Governmental Activities | <u>\$ 466,723</u> |

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

NOTE 5. LONG-TERM DEBT

Long-Term Liability Activity for the Year Ended June 30, 2012 is as Follows:

| | <u>Beginning Balance</u> | <u>Accruals</u> | <u>Payments</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|--|------------------------------|---------------------|---------------------|---------------------------|--------------------------------|
| Governmental Activities: | | | | | |
| General Obligation Bonds Payable | \$ 4,039,000 | \$ 3,075,000 | \$ 3,579,000 | \$ 3,535,000 | \$ 480,000 |
| Unamortized Bond Premium | | 245,819 | 7,587 | 238,232 | 36,418 |
| Compensated Absences Payable | 832,187 | 54,843 | 23,346 | 863,584 | 21,530 |
| Total Governmental Activities Long-Term Liabilities | \$ 4,871,187 | \$ 3,375,562 | \$ 3,609,933 | \$ 4,636,816 | \$ 537,948 |
| Business-Type Activities: | | | | | |
| Capital Leases Payable | | \$ 492,609 | \$ 70,000 | \$ 422,609 | \$ 81,289 |
| Total Business-Type Activities | \$ -0- | \$ 492,609 | \$ 70,000 | \$ 422,609 | \$ 81,289 |

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

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2012 including interest payments are listed as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|---------------------|-------------------|---------------------|
| 2013 | \$ 480,000 | \$ 92,094 | \$ 572,094 |
| 2014 | 475,000 | 102,300 | 577,300 |
| 2015 | 490,000 | 88,050 | 578,050 |
| 2016 | 505,000 | 73,350 | 578,350 |
| 2017 | 520,000 | 58,200 | 578,200 |
| 2018-2019 | 1,065,000 | 63,800 | 1,128,800 |
| Total | \$ 3,535,000 | \$ 477,794 | \$ 4,012,794 |

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

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

General Obligation Bonds – General obligation school building bonds payable at June 30, 2012, with their outstanding balances are comprised of the following individual issues:

| | |
|---|---------------------|
| \$6,719,000 – 2003 general obligation school building bonds, \$3,134,000 defeased on April 17, 2012, remainder due in one installment of \$460,000 on January 15, 2013 interest at 3.40% | \$ 460,000 |
| \$3,075,000 – 2012 general obligation refunding bonds, due in annual installments of \$20,000 to \$535,000 beginning January 15, 2013, through January 15, 2019 interest from 2.00% to 4.00% | <u>3,075,000</u> |
| | <u>\$ 3,535,000</u> |

Advance Refunding of School Bond Series 2003

On April 17, 2012, the District issued \$3,075,000 in general obligation bonds with an average interest rate of 3.50% and a net interest rate of 1.77% to advance refund \$3,134,000 of outstanding 2003 series bonds with an average interest rate of 3.83%. The net proceeds of \$3,248,463 (issue amount of \$3,075,000 plus the bond premium of \$245,819 and less \$71,912 in underwriting fees, insurance and other issuance costs and less \$444 of excess proceeds) were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments of the 2003 series bonds. As a result, the portion of the 2003 series bonds to be refunded are considered defeased and both the trust account cash and investment balance asset and the liability for those bonds has been removed from the financial statements. The advance refunding of outstanding callable 2003 series bonds generated \$145,906 in gross debt service savings and an economic gain (difference between the present values of the old and new debt service payments) of \$138,709.

Capital Leases Payable

The District is leasing six school buses totaling \$492,609 under a capital lease. The following is a schedule of the future minimum lease payments under the capital lease and the net minimum lease payment at June 30, 2012:

| <u>Year Ending June 30,</u> | <u>General Fund</u> |
|--|---------------------|
| 2013 | \$ 89,530 |
| 2014 | 89,530 |
| 2015 | 89,530 |
| 2016 | 89,530 |
| 2017 | 89,530 |
| Total Minimum Lease Payments | <u>447,650</u> |
| Amount Representing Interest | <u>25,041</u> |
| Present Value of Minimum Leases Payments | <u>\$ 422,609</u> |

The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2012 is \$78,254,366. General obligation debt at June 30, 2012 is \$3,535,000, resulting in a legal debt margin of \$74,719,366.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

NOTE 6. PENSION PLANS

Description of Systems

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

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

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

C. Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch 92, PL 2007 and expanded under the provisions of Ch 89, PL 2008 and Ch 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$7,700 in 2011) but who earn salary of at least \$5,000 annually are eligible to participate. The program administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcrp.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (cont'd)

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

Significant Legislation

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

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

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

Contribution Requirements

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

Contribution Requirements (cont'd)

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

| Year Funding | TPAF Retirement Benefit Costs | Percentage of APC Contributed |
|-----------------|-------------------------------------|-------------------------------------|
| 06/30/12 | \$ 621,026 | 100% |
| 06/30/11 | 452,175 | 100% |
| 06/30/10 | 448,219 | 100% |

Three-Year Trend Information for PERS

| Year Funding | Annual Pension Cost (APC) | Percentage of APC Contributed |
|-----------------|---------------------------------|-------------------------------------|
| 06/30/12 | \$ 272,159 | 100% |
| 06/30/11 | 319,374 | 100% |
| 06/30/10 | 235,604 | 100% |

During the year ended June 30, 2012, the State of New Jersey contributed \$414,723 to the TPAF for post-retirement medical benefits and \$19,994 for the non-contributory insurance premiums, and \$186,309 for normal pension costs and accrued liability on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$456,742 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members calculated on their base salaries. These amounts have been included in the basic financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 27.

NOTE 7. POST-RETIREMENT BENEFITS

Chapter 384 of PL 1987 and Ch 6 of PL 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after reaching age 60 and accumulating 25 years of credited service or on a disability retirement. PL 2007, Ch 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Ch 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

The State is also responsible for the cost attributable to Ch 126, PL 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2011, the State paid \$144 million toward Ch 126 benefits for 15,709 eligible retired members.

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

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

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The school district adopted a resolution to participate in the SHBP. The State Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/pdf/financial/gasb-43-july2011.pdf>

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

NOTE 8. DEFERRED COMPENSATION

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

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

NOTE 9. INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of June 30, 2012 is as follows:

| | Receivable Fund | Payable Fund |
|-------------------------|--------------------|-----------------|
| General Fund | \$ 5,000 | |
| Net Payroll Agency Fund | | 5,000 |
| Total | <u>\$ 5,000</u> | <u>\$ 5,000</u> |

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

NOTE 9. INTERFUND RECEIVABLES AND PAYABLES

The balance due from the Net Payroll Agency Fund to the General Fund of \$5,000 represents an imprest balance of \$5,000.

All interfund balances will be liquidated within one year, except the net payroll imprest balance which is a continuous loan to maintain a minimum balance in the bank account.

The District transferred \$100,000 from the General Fund to the Unemployment Compensation Fund representing contributions to help cover the cost of unemployment claims which exceeded the amount of employee withholdings for the fiscal year

NOTE 10. INVENTORY

Inventory in the Food Service Fund at June 30, 2012 consisted of the following:

| | | |
|----------|----|-------|
| Food | \$ | 2,239 |
| Supplies | | 1,013 |
| | \$ | 3,252 |

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

NOTE 11. CONTINGENT LIABILITIES

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

NOTE 12. RISK MANAGEMENT

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

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

| <u>Fiscal Year</u> | <u>District Contrib</u> | <u>Interest Earnings</u> | <u>Employee Contrib</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|--------------------|-----------------------------|------------------------------|-----------------------------|------------------------------|---------------------------|
| 2011-2012 | \$100,000 | \$ 156 | \$ 17,774 | \$ 92,797 | \$ 173,770 |
| 2010-2011 | 350,052 | 112 | 16,079 | 218,605 | 148,637 |
| 2009-2010 | 110,929 | 102 | 17,415 | 153,672 | 999 |

NOTE 13. LEGAL RESERVE ACCOUNTS

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

Funds placed in the capital reserve account are restricted to capital projects in the districts approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per NJSA 18A:7F-41(a) & 41(b) to deposit to the legal reserves by board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$100,000 to their Capital Reserve account by board resolution in June 2012 as summarized in the following schedule.

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

| <u>Legal Reserve Type</u> | <u>Beginning Balance</u> | <u>District Contribution</u> | <u>Interest Earnings</u> | <u>Withdrawals</u> | <u>Ending Balance</u> |
|-------------------------------|------------------------------|----------------------------------|------------------------------|--------------------|---------------------------|
| Capital | \$ 529,338 | \$ 100,000 | \$ 602 | | \$ 629,940 |
| Emergency | 250,000 | | | | 250,000 |
| Maintenance | 200,000 | | | | 200,000 |
| Total | <u>\$ 979,338</u> | <u>\$ 100,000</u> | <u>\$ 602</u> | <u>\$ -0-</u> | <u>\$ 1,079,940</u> |

The June 30, 2012 LRFP balance of local support costs of uncompleted capital projects at June 30, 2012 exceeded the balance in the capital reserve account.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

NOTE 14. FUND BALANCES-GAAP BASIS

As described in Note 1 N-Fund Equity (Fund Balance) may be restricted, committed or assigned. An analysis of the General Fund Balance on June 30, 2012 and 2011 is as follows:

| | <u>2012</u> | <u>2011</u> |
|--|---------------------|---------------------|
| Restricted: | | |
| Capital Reserve Account-Represents funds restricted to capital projects in the Districts Long Range Facilities Plan | \$ 629,940 | \$ 529,338 |
| Maintenance Reserve Account-Represents funds restricted for the required maintenance of a school facility | 200,000 | 200,000 |
| Emergency Reserve Account-Represents funds restricted to finance unanticipated general fund expenditures required for a thorough and efficient education | 250,000 | 250,000 |
| Excess Surplus-Represents amount in excess of allowable percentage of expenditures. In accordance with state statute, the excess surplus is designated for utilization in succeeding year's budget | 61,573 | |
| Committed: | | |
| Year End Encumbrance-Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30, | 315,447 | 159,544 |
| Assigned: | | |
| Designated Surplus-Designated for Subsequent Year's Expenditures-represents amount appropriated in the succeeding year's budget to reduce tax requirements | 100,000 | 115,916 |
| Unassigned: | | |
| Undesignated-Represents fund balance which has not been restricted or designated | <u>390,598</u> | <u>387,325</u> |
| Total Fund Balance | <u>\$ 1,947,558</u> | <u>\$ 1,642,123</u> |

NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended by PL 2004, Ch 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2012 is \$61,573.

REQUIRED SUPPLEMENTARY INFORMATION-PART II

BUDGETARY COMPARISON SCHEDULES

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|----------------------|---------------------|----------------------|----------------------|--------------------------------|
| REVENUES | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 12,636,477 | | \$ 12,636,477 | \$ 12,636,477 | |
| Tuition from Individuals | 35,000 | | 35,000 | 36,100 | \$ 1,100 |
| Interest on Investments | | | | 3,277 | 3,277 |
| Interest Earned on Capital Reserve Funds | 100 | | 100 | 602 | 502 |
| Building Use Rental Fees | | | | 400 | 400 |
| Prior Year Expense Restitution Recovery | | | | 6,500 | 6,500 |
| Miscellaneous-Unrestricted | 10,000 | | 10,000 | 20,322 | 10,322 |
| Total | <u>12,681,577</u> | <u>\$ -</u> | <u>12,681,577</u> | <u>12,703,678</u> | <u>22,101</u> |
| State Sources: | | | | | |
| Categorical Special Education Aid | 564,259 | | 564,259 | 564,259 | |
| Equalization Aid | 3,180,615 | | 3,180,615 | 3,180,615 | |
| Categorical Security Aid | 75,293 | | 75,293 | 75,293 | |
| Categorical Transportation Aid | 6,960 | | 6,960 | 6,960 | |
| Extraordinary Special Education Costs Aid | | | | 50,544 | 50,544 |
| Nonpublic Transportation Aid | | | | 11,292 | 11,292 |
| On-Behalf TPAF Pension Contribution | | | | 621,026 | 621,026 |
| Reimbursed TPAF Social Security Contribution | | | | 456,742 | 456,742 |
| Total | <u>3,827,127</u> | <u>-</u> | <u>3,827,127</u> | <u>4,966,731</u> | <u>1,139,604</u> |
| Federal Sources: | | | | | |
| Educational Jobs Fund Program Aid | 143,642 | 4,500 | 148,142 | 148,142 | |
| TOTAL REVENUES | <u>\$ 16,652,346</u> | <u>\$ 4,500</u> | <u>\$ 16,656,846</u> | <u>\$ 17,818,551</u> | <u>\$ 1,161,705</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Regular Programs-Instruction: | | | | | |
| Salaries of Teachers: | | | | | |
| Grades 9-12 | | | | | |
| | \$ 3,891,146 | \$ (137,224) | \$ 3,753,922 | \$ 3,753,922 | |
| Regular Programs-Home Instruction: | | | | | |
| Salaries of Teachers | 25,000 | 12,212 | 37,212 | 37,212 | |
| Purchased Professional Educational Services | 7,500 | 57,999 | 65,499 | 65,499 | |
| Other Purchased Services | 5,000 | (1,923) | 3,077 | 3,077 | |
| Regular Programs-Undistributed Instruction: | | | | | |
| Other Salaries for Instruction | 73,137 | 314 | 73,451 | 73,451 | |
| Purchased Professional Educational Services | 3,650 | 980 | 4,630 | 4,630 | |
| Other Purchased Services | 235,226 | (18,255) | 216,971 | 216,971 | |
| General Supplies | 332,461 | 56,161 | 388,622 | 316,843 | \$ 71,779 |
| Textbooks | 65,222 | (36,437) | 28,785 | 28,785 | |
| Other Objects | 3,998 | (2,271) | 1,727 | 1,727 | |
| Total | <u>4,642,340</u> | <u>(68,444)</u> | <u>4,573,896</u> | <u>4,502,117</u> | <u>71,779</u> |
| Special Education-Instruction: | | | | | |
| Multiple Disabilities: | | | | | |
| Salaries of Teachers | 89,360 | (4,619) | 84,741 | 84,741 | |
| Other Salaries for Instruction | 87,267 | (26,340) | 60,927 | 60,927 | |
| General Supplies | 5,355 | (1,082) | 4,273 | 4,273 | |
| Textbooks | 350 | (350) | | | |
| Other Objects | 10 | 20 | 30 | 30 | |
| Total | <u>182,342</u> | <u>(32,371)</u> | <u>149,971</u> | <u>149,971</u> | <u>-</u> |
| Resource Room/Resource Center: | | | | | |
| Salaries of Teachers | 773,190 | (4,591) | 768,599 | 768,599 | |
| Other Salaries for Instruction | 281,560 | (5,314) | 276,246 | 276,246 | |
| General Supplies | 4,951 | (1,584) | 3,367 | 3,367 | |
| Other Objects | 178 | (168) | 10 | 10 | |
| Total | <u>1,059,879</u> | <u>(11,657)</u> | <u>1,048,222</u> | <u>1,048,222</u> | <u>-</u> |

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|-----------------|--------------|--------------------------------|
| EXPENDITURES (Cont'd) | | | | | |
| Current: (cont'd) | | | | | |
| Autism: | | | | | |
| Salaries of Teachers | \$ 64,375 | | \$ 64,375 | \$ 64,375 | |
| Other Salaries for Instruction | 81,440 | \$ (22,275) | 59,165 | 59,165 | |
| General Supplies | 3,552 | (677) | 2,875 | 2,875 | |
| Other Objects | 200 | (200) | | | |
| Total | 149,567 | (23,152) | 126,415 | 126,415 | \$ - |
| Total Special Education-Instruction | 1,391,788 | (67,180) | 1,324,608 | 1,324,608 | - |
| Basic Skills/Remedial-Instruction: | | | | | |
| Salaries of Teachers | 6,175 | (6,175) | | | |
| General Supplies | 2,227 | (1,025) | 1,202 | 1,202 | |
| Other Objects | 200 | (200) | | | |
| Total | 8,602 | (7,400) | 1,202 | 1,202 | - |
| Bilingual Education-Instruction: | | | | | |
| General Supplies | 375 | (375) | | | |
| Total | 375 | (375) | - | - | - |
| School Sponsored Co/Extra Curricular Activities: | | | | | |
| Salaries | 158,566 | (14,990) | 143,576 | 143,576 | |
| Purchased Services | 3,500 | 2,464 | 5,964 | 5,964 | |
| Supplies & Materials | 6,800 | (1,729) | 5,071 | 5,071 | |
| Other Objects | 1,350 | 300 | 1,650 | 1,650 | |
| Total | 170,216 | (13,955) | 156,261 | 156,261 | - |
| School Sponsored Athletics: | | | | | |
| Salaries | 564,696 | 20,279 | 584,975 | 584,975 | |
| Purchased Services | 52,150 | (13,765) | 38,385 | 38,385 | |
| Supplies & Materials | 95,719 | 12,551 | 108,270 | 85,801 | 22,469 |
| Other Objects | 22,780 | (3,710) | 19,070 | 19,069 | 1 |
| Transfers to Cover Deficit (Agency Funds) | 36,926 | (11,926) | 25,000 | 25,000 | |
| Total | 772,271 | 3,429 | 775,700 | 753,230 | 22,470 |
| Total Instruction | \$ 6,985,592 | \$ (153,925) | \$ 6,831,667 | \$ 6,737,418 | \$ 94,249 |
| Undistributed Expenditures: | | | | | |
| Instruction-Tuition: | | | | | |
| Other LEAs Within the State-Regular | \$ 15,400 | \$ 7,058 | \$ 22,458 | \$ 22,458 | |
| Other LEAs Within the State-Special | | 66,725 | 66,725 | 66,725 | |
| County Vocational School Districts-Regular | 223,800 | (16,485) | 207,315 | 207,315 | |
| CSSD and Regional Day Schools | 70,000 | (70) | 69,930 | 69,930 | |
| Private Schools for Disabled Within the State | 287,882 | 73,177 | 361,059 | 361,059 | |
| Private Schools for Disabled Outside the State | 50,000 | | 50,000 | 50,000 | |
| Tuition-Other | | 49,551 | 49,551 | 49,551 | |
| Total | 647,082 | 179,956 | 827,038 | 827,038 | \$ - |
| Health Services: | | | | | |
| Salaries | 141,465 | (2,787) | 138,678 | 138,678 | |
| Purchased Professional & Technical Services | 12,345 | (273) | 12,072 | 12,072 | |
| Other Purchased Services | 1,500 | (1,500) | | | |
| Supplies & Materials | 15,500 | (2,732) | 12,768 | 12,768 | |
| Other Objects | 560 | (560) | | | |
| Total | 171,370 | (7,852) | 163,518 | 163,518 | - |
| Speech, OT, PT & Related Services: | | | | | |
| Salaries | 68,088 | (2,160) | 65,928 | 65,928 | |
| Purchased Professional Educational Services | 44,800 | (21,489) | 23,311 | 23,311 | |
| Supplies & Materials | | 705 | 705 | 705 | |
| Total | 112,888 | (22,944) | 89,944 | 89,944 | - |

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|----------------|--------------------------------|
| EXPENDITURES (Cont'd) | | | | | |
| Current: (cont'd) | | | | | |
| Guidance: | | | | | |
| Salaries of Other Professional Staff | \$ 355,265 | \$ 56,849 | \$ 412,114 | \$ 412,114 | |
| Salaries of Secretarial & Clerical Assistants | 86,536 | (1,934) | 84,602 | 84,602 | |
| Other Salaries | 32,274 | 2,015 | 34,289 | 34,289 | |
| Other Purchased Professional & Technical Services | 5,200 | 15,555 | 20,755 | 20,755 | |
| Other Purchased Services | 1,000 | 9,473 | 10,473 | 10,473 | |
| Supplies & Materials | 20,625 | (17,837) | 2,788 | 2,788 | |
| Other Objects | 2,500 | (2,325) | 175 | 175 | |
| Total | 503,400 | 61,796 | 565,196 | 565,196 | \$ - |
| Child Study Teams: | | | | | |
| Salaries of Other Professional Staff | 381,594 | (2,064) | 379,530 | 379,530 | |
| Salaries of Secretarial & Clerical Assistants | 39,257 | 3,192 | 42,449 | 42,449 | |
| Other Salaries | 12,000 | (2,206) | 9,794 | 9,794 | |
| Purchased Professional Educational Services | 4,200 | 12,113 | 16,313 | 16,313 | |
| Other Purchased Professional & Technical Services | | 3,545 | 3,545 | 3,545 | |
| Miscellaneous Purchased Services | 3,960 | 1,287 | 5,247 | 5,247 | |
| Supplies and Materials | 7,440 | 1,196 | 8,636 | 8,636 | |
| Other Objects | 1,465 | (665) | 800 | 800 | |
| Total | 449,916 | 16,398 | 466,314 | 466,314 | - |
| Improvement of Instruction Services: | | | | | |
| Salaries of Supervisor of Instruction | 123,816 | (3,500) | 120,316 | 120,316 | |
| Salaries of Other Professional Staff | 22,431 | (5,291) | 17,140 | 17,140 | |
| Salaries of Secretarial & Clerical Assistants | 41,937 | | 41,937 | 41,937 | |
| Other Purchases Services | 700 | 2,766 | 3,466 | 3,466 | |
| Supplies & Materials | 1,800 | (307) | 1,493 | 1,493 | |
| Other Objects | 2,000 | (1,111) | 889 | 889 | |
| Total | 192,684 | (7,443) | 185,241 | 185,241 | - |
| Educational Media Services /School Library: | | | | | |
| Salaries | 66,640 | (1,300) | 65,340 | 65,340 | |
| Salaries of Technology Coordinators | 193,756 | 2,897 | 196,653 | 195,804 | 849 |
| Purchased Professional & Technical Services | 3,000 | (2,375) | 625 | 625 | |
| Other Purchased Services | 500 | 580 | 1,080 | 1,080 | |
| Supplies & Materials | 56,000 | 15,108 | 71,108 | 71,108 | |
| Other Objects | 250 | (200) | 50 | 50 | |
| Total | 320,146 | 14,710 | 334,856 | 334,007 | 849 |
| Instructional Staff Training Services: | | | | | |
| Salaries of Other Professional Staff | | 1,482 | 1,482 | 1,482 | |
| Purchased Professional Educational Services | | 1,275 | 1,275 | 1,275 | |
| Other Purchased Services | 17,116 | (14,131) | 2,985 | 97 | 2,888 |
| Supplies & Materials | 1,750 | (1,750) | | | |
| Total | 18,866 | (13,124) | 5,742 | 2,854 | 2,888 |
| Support Services General Administration: | | | | | |
| Salaries | 235,008 | 21,226 | 256,234 | 244,668 | 11,566 |
| Legal Services | 50,000 | | 50,000 | 48,441 | 1,559 |
| Audit Fees | 37,500 | (9,000) | 28,500 | 28,500 | |
| Architectural/Engineering Services | | 68,371 | 68,371 | 15,775 | 52,596 |
| Other Purchased Professional Services | 5,540 | 19,440 | 24,980 | 24,980 | |
| Communications & Telephone | 41,670 | 37,402 | 79,072 | 53,818 | 25,254 |
| Board of Education Other Purchased Services | 1,000 | 1,266 | 2,266 | 2,266 | |
| Miscellaneous Purchased Services | 82,064 | (28,081) | 53,983 | 52,680 | 1,303 |
| General Supplies | 3,200 | 1,022 | 4,222 | 4,221 | 1 |
| Board of Education In-House Training/Mtg Supplies | 1,200 | 188 | 1,388 | 1,388 | |
| Miscellaneous Expenditures | 3,000 | 345 | 3,345 | 3,345 | |
| Board of Education Membership Dues & Fees | 14,500 | (3,173) | 11,327 | 11,327 | |
| Total | 474,682 | 109,006 | 583,688 | 491,409 | 92,279 |

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|-----------------|------------|--------------------------------|
| EXPENDITURES (Cont'd) | | | | | |
| Current: (cont'd) | | | | | |
| Support Services School Administration: | | | | | |
| Salaries of Principals/Ass't Principals/Prog Directors | \$ 259,488 | \$ (32,856) | \$ 226,632 | \$ 224,529 | \$ 2,103 |
| Salaries of Secretarial & Clerical Assistants | 93,536 | 21,985 | 115,521 | 115,521 | |
| Other Salaries | | 5,000 | 5,000 | 5,000 | |
| Purchased Professional and Technical Services | 4,000 | 2,370 | 6,370 | 5,887 | 483 |
| Other Purchased Services | 7,500 | | 7,500 | 395 | 7,105 |
| Supplies & Materials | 17,366 | 1,917 | 19,283 | 19,283 | |
| Other Objects | 4,200 | (2,275) | 1,925 | 1,925 | |
| Total | 386,090 | (3,859) | 382,231 | 372,540 | 9,691 |
| Central Services: | | | | | |
| Salaries | 273,417 | | 273,417 | 272,417 | 1,000 |
| Purchased Professional Services | 1,000 | 14,720 | 15,720 | 15,720 | |
| Purchased Technical Services | 24,400 | (11,813) | 12,587 | 12,587 | |
| Miscellaneous Purchased Services | 1,600 | | 1,600 | 600 | 1,000 |
| Supplies & Materials | 6,900 | | 6,900 | 6,132 | 768 |
| Miscellaneous Expenditures | 1,250 | 5 | 1,255 | 1,255 | |
| Total | 308,567 | 2,912 | 311,479 | 308,711 | 2,768 |
| Administrative Information Technology: | | | | | |
| Salaries | 47,116 | 2,832 | 49,948 | 41,802 | 8,146 |
| Other Purchased Services | 3,000 | 8,304 | 11,304 | 704 | 10,600 |
| Supplies & Materials | | 6,735 | 6,735 | 6,735 | |
| Total | 50,116 | 17,871 | 67,987 | 49,241 | 18,746 |
| Required Maintenance for School Facilities: | | | | | |
| Salaries | 129,540 | (1,260) | 128,280 | 128,280 | |
| Cleaning, Repair, & Maintenance Services | 71,500 | (2,942) | 68,558 | 49,853 | 18,705 |
| General Supplies | 18,400 | (6,890) | 11,510 | 1,523 | 9,987 |
| Other Objects | 350 | (300) | 50 | 50 | |
| Total | 219,790 | (11,392) | 208,398 | 179,706 | 28,692 |
| Custodial Services: | | | | | |
| Salaries | 311,635 | 13,532 | 325,167 | 298,656 | 26,511 |
| Purchased Professional and Technical Services | 9,100 | | 9,100 | 2,460 | 6,640 |
| Cleaning, Repair, & Maintenance Services | 66,640 | 16,900 | 83,540 | 70,800 | 12,740 |
| Insurance | 95,000 | 13,279 | 108,279 | 108,279 | |
| Miscellaneous Purchased Services | 2,500 | 53 | 2,553 | 2,553 | |
| General Supplies | 50,600 | 44,156 | 94,756 | 93,935 | 821 |
| Energy (Natural Gas) | | 68 | 68 | 68 | |
| Energy (Electricity) | 262,500 | | 262,500 | 261,437 | 1,063 |
| Energy (Oil) | 160,000 | 50,000 | 210,000 | 206,492 | 3,508 |
| Energy (Gasoline) | 1,000 | (19) | 981 | | 981 |
| Other Objects | 1,000 | 2,282 | 3,282 | 3,282 | |
| Total | 959,975 | 140,251 | 1,100,226 | 1,047,962 | 52,264 |
| Care and Upkeep of Grounds: | | | | | |
| Salaries | 108,962 | 5,304 | 114,266 | 113,688 | 578 |
| Cleaning, Repair, & Maintenance Services | 5,600 | 2,984 | 8,584 | 8,584 | |
| General Supplies | 15,150 | 607 | 15,757 | 15,757 | |
| Total | 129,712 | 8,895 | 138,607 | 138,029 | 578 |
| Security: | | | | | |
| Purchased Professional and Technical Services | 6,000 | | 6,000 | | 6,000 |
| Cleaning, Repair, & Maintenance Services | 19,000 | | 19,000 | 2,799 | 16,201 |
| General Supplies | 11,000 | | 11,000 | 5,086 | 5,914 |
| Total | 36,000 | - | 36,000 | 7,885 | 28,115 |

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|---------------|--------------------------------|
| EXPENDITURES (Cont'd) | | | | | |
| Current: (cont'd) | | | | | |
| Student Transportation Services: | | | | | |
| Contracted Services-Aid In Lieu of Payments- Nonpublic Schools | \$ 53,040 | \$ (45,084) | \$ 7,956 | \$ 7,514 | \$ 442 |
| Contracted Services (Between Home & School)-Vendors | | 14,144 | 14,144 | 14,144 | |
| Contracted Services (Other than Between Home & School)-Vendors | 116,578 | 1,923 | 118,501 | 118,501 | |
| Contracted Services (Regular Students)- ESC'S & CTSA'S | 688,500 | (31,139) | 657,361 | 655,529 | 1,832 |
| Contracted Services (Special Education Students)- ESC'S & CTSA'S | 265,000 | 165,272 | 430,272 | 365,804 | 64,468 |
| Total | 1,123,118 | 105,116 | 1,228,234 | 1,161,492 | 66,742 |
| Unallocated Benefits-Employee Benefits: | | | | | |
| Social Security Contribution | 250,000 | (12,775) | 237,225 | 208,507 | 28,718 |
| Other Retirement Contributions-PERS | 350,000 | (77,841) | 272,159 | 272,159 | |
| Other Retirement Contributions-Regular | | 648 | 648 | 648 | |
| Unemployment Compensation | 310,000 | (310,000) | | | |
| Workmen's Compensation | 81,505 | (33,026) | 48,479 | 48,479 | |
| Health Benefits | 2,592,263 | (196,478) | 2,395,785 | 2,395,785 | |
| Tuition Reimbursement | 30,000 | (16,358) | 13,642 | 13,642 | |
| Other Employee Benefits | 64,400 | (2,137) | 62,263 | 60,851 | 1,412 |
| Total | 3,678,168 | (647,967) | 3,030,201 | 3,000,071 | 30,130 |
| On-Behalf TPAF Pension Contribution | | | | 621,026 | (621,026) |
| Reimbursed TPAF Social Security Contribution | | | | 456,742 | (456,742) |
| Total | - | - | - | 1,077,768 | (1,077,768) |
| Total Undistributed Expenditures | \$ 9,782,570 | \$ (57,670) | \$ 9,724,900 | \$ 10,468,926 | \$ (744,026) |
| TOTAL CURRENT | \$ 16,768,162 | \$ (211,595) | \$ 16,556,567 | \$ 17,206,344 | \$ (649,777) |
| CAPITAL OUTLAY | | | | | |
| Equipment: | | | | | |
| Grades 9-12 | | \$ 10,539 | \$ 10,539 | \$ 10,539 | |
| School-Sponsored/Other Instructional Programs | | 26,266 | 26,266 | 8,507 | \$ 17,759 |
| Undistributed Expenditures: | | | | | |
| Support Services-Instructional Staff | | 4,932 | 4,932 | 4,932 | |
| Custodial Services | | 16,769 | 16,769 | 16,769 | |
| Care and Upkeep of Grounds | | 25,497 | 25,497 | 25,497 | |
| Total | \$ - | 84,003 | 84,003 | 66,244 | 17,759 |
| Facilities Acquisition & Construction Services: | | | | | |
| Construction Services | | 237,236 | 237,236 | 118,600 | 118,636 |
| Land Improvements | | 5,000 | 5,000 | 5,000 | |
| Assessment for Debt Service on SDA Funding | | 19,660 | 19,660 | 19,660 | |
| Total | - | 261,896 | 261,896 | 143,260 | 118,636 |
| TOTAL CAPITAL OUTLAY | \$ - | \$ 345,899 | \$ 345,899 | \$ 209,504 | \$ 136,395 |
| TOTAL EXPENDITURES | \$ 16,768,162 | \$ 134,304 | \$ 16,902,466 | \$ 17,415,848 | \$ (513,382) |

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|-----------------|--------------|--------------------------------|
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ (115,816) | \$ (129,804) | \$ (245,620) | \$ 402,703 | \$ 648,323 |
| Other Financing Sources (Uses): | | | | | |
| Proceeds from Sale of Fixed Assets | | | | 2,732 | 2,732 |
| Transfers Out-Unemployment Compensation Fund | | (100,000) | (100,000) | (100,000) | |
| Total Other Financing Sources (Uses) | - | (100,000) | (100,000) | (97,268) | 2,732.00 |
| Excess (Deficiency) of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses | (115,816) | (229,804) | (345,620) | 305,435 | 651,055 |
| Fund Balances, July 1 | 1,642,123 | | 1,642,123 | 1,642,123 | |
| Fund Balances, June 30 | \$ 1,526,307 | \$ (229,804) | \$ 1,296,503 | \$ 1,947,558 | \$ 651,055 |
| Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures | | | | | |
| Adjustment for Prior Year Encumbrances | | \$ (159,544) | \$ (159,544) | \$ (159,544) | |
| Increase in Capital Reserve | \$ 100 | 100,502 | 100,602 | 100,602 | |
| Budgeted Fund Balance | (115,916) | (170,762) | (286,678) | 364,377 | \$ 651,055 |
| TOTAL | \$ (115,816) | \$ (229,804) | \$ (345,620) | \$ 305,435 | \$ 651,055 |

RECAPITULATION OF FUND BALANCE

| | |
|---|--------------|
| Restricted Fund Balance: | |
| Capital Reserve | \$ 629,940 |
| Maintenance Reserve | 200,000 |
| Emergency Reserve | 250,000 |
| Excess Surplus: | |
| Current Year-Designated for 2013-2014 Budget | 61,573 |
| Committed Fund Balance: | |
| Year-End Encumbrances | 315,447 |
| Assigned Fund Balance: | |
| Designated for Subsequent Year's Budget | 100,000 |
| Unassigned Fund Balance | 390,598 |
| | 1,947,558 |
| Reconciliation to Governmental Statements (GAAP): | |
| Last State Aid Payment not Recognized on GAAP Basis | (374,191) |
| Fund Balance Per Governmental Funds (GAAP) | \$ 1,573,367 |

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

(NOT APPLICABLE TO THIS REPORT)

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
EDUCATION JOBS FUND PROGRAM-BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|-------------------|-------------------|--------------------------------|
| REVENUES | | | | | |
| Federal Sources: | | | | | |
| Education Jobs Fund Program Aid | \$ 143,642 | \$ 4,500 | \$ 148,142 | \$ 148,142 | |
| TOTAL REVENUES | <u>\$ 143,642</u> | <u>\$ 4,500</u> | <u>\$ 148,142</u> | <u>\$ 148,142</u> | <u>\$ -</u> |
| EXPENDITURES | | | | | |
| Fund 18 Education Jobs Fund Program: | | | | | |
| Regular Programs-Instruction: | | | | | |
| Salaries of Teachers: | | | | | |
| Grades 9-12 | \$ 96,300 | | \$ 96,300 | \$ 96,300 | |
| Other Salaries for Instruction | 25,089 | \$ 4,500 | 29,589 | 29,589 | |
| Unallocated Benefits-Employee Benefits: | | | | | |
| Other Employee Benefits | 22,253 | | 22,253 | 22,253 | |
| Total | <u>143,642</u> | <u>4,500</u> | <u>148,142</u> | <u>148,142</u> | <u>\$ -</u> |
| TOTAL EXPENDITURES | <u>\$ 143,642</u> | <u>\$ 4,500</u> | <u>\$ 148,142</u> | <u>\$ 148,142</u> | <u>\$ -</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ - | \$ - | \$ - | \$ - | \$ - |
| Fund Balances, July 1 | - | - | - | - | - |
| Fund Balances, June 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|-------------------------------------|--------------------|---------------------|-------------------|-------------------|--------------------------------|
| REVENUES | | | | | |
| Local Sources | \$ 30,566 | | \$ 30,566 | \$ 3,901 | \$ (26,665) |
| Federal Sources | 352,381 | | 352,381 | 352,381 | - |
| TOTAL REVENUES | <u>\$ 382,947</u> | <u>\$ -</u> | <u>\$ 382,947</u> | <u>\$ 356,282</u> | <u>\$ (26,665)</u> |
| EXPENDITURES | | | | | |
| Instruction: | | | | | |
| Salaries | \$ 19,798 | | \$ 19,798 | \$ 19,798 | |
| Other Purchased Services | 193,322 | | 193,322 | 193,322 | |
| General Supplies | 28,840 | \$ (568) | 28,272 | 1,832 | \$ 26,440 |
| Totals | <u>241,960</u> | <u>(568)</u> | <u>241,392</u> | <u>214,952</u> | <u>26,440</u> |
| Support Services: | | | | | |
| Salaries | 56,140 | | 56,140 | 56,140 | |
| Personal Services Employee Benefits | 28,641 | 8,960 | 37,601 | 37,601 | |
| Other Purchased Services | 36,923 | (4,150) | 32,773 | 32,548 | 225 |
| Supplies & Materials | 15,041 | | 15,041 | 15,041 | |
| Other Objects | 4,242 | (4,242) | | | |
| Total | <u>140,987</u> | <u>568</u> | <u>141,555</u> | <u>141,330</u> | <u>225</u> |
| TOTAL EXPENDITURES | <u>\$ 382,947</u> | <u>\$ -</u> | <u>\$ 382,947</u> | <u>\$ 356,282</u> | <u>\$ 26,665</u> |

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

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

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

| | <u>General Fund</u> | <u>Special Revenue Fund</u> |
|--|-------------------------|-------------------------------------|
| <u>Sources/Inflows of Resources</u> | | |
| Actual amounts (budgetary) "revenues" from the budgetary comparison schedules | \$ 17,818,551 | \$ 356,282 |
| Difference-Budget to GAAP: | | |
| The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33): | | |
| State Aid Receivable Prior Year | 343,707 | |
| State Aid Receivable Current Year | <u>(374,191)</u> | |
| Total Revenues (GAAP Basis) | <u>\$ 17,788,067</u> | <u>\$ 356,282</u> |
| <u>Uses/Outflows of Resources</u> | | |
| Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule | <u>\$ 17,415,848</u> | <u>\$ 356,282</u> |
| Total Expenditures (GAAP Basis) | <u>\$ 17,415,848</u> | <u>\$ 356,282</u> |

OTHER SUPPLEMENTAL INFORMATION

SCHOOL LEVEL SCHEDULES

(NOT APPLICABLE TO THIS REPORT)

SPECIAL REVENUE FUND

DETAIL STATEMENTS

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| | <u>NCLB Title I</u> | <u>NCLB Title II A</u> | <u>Teaching American History</u> | <u>IDEA Basic</u> | <u>Local Grants</u> | <u>Totals</u> |
|--------------------------|-------------------------|----------------------------|--|-----------------------|-------------------------|-------------------|
| REVENUES | | | | | | |
| Local Sources | | | | | \$ 3,901 | \$ 3,901 |
| Federal Sources | \$ 16,082 | \$ 12,871 | \$ 130,106 | \$ 193,322 | | 352,381 |
| Total Revenues | <u>\$ 16,082</u> | <u>\$ 12,871</u> | <u>\$ 130,106</u> | <u>\$ 193,322</u> | <u>\$ 3,901</u> | <u>\$ 356,282</u> |
| EXPENDITURES | | | | | | |
| Instruction: | | | | | | |
| Salaries | \$ 11,000 | | \$ 7,798 | | \$ 1,000 | \$ 19,798 |
| Other Purchased Services | | | | \$ 193,322 | | 193,322 |
| General Supplies | 441 | | 82 | | 1,309 | 1,832 |
| Total | <u>11,441</u> | <u>\$ -</u> | <u>7,880</u> | <u>193,322</u> | <u>2,309</u> | <u>214,952</u> |
| Support Services: | | | | | | |
| Salaries | | | 56,140 | | | 56,140 |
| Personal Services | | | | | | |
| Employee Benefits | 4,641 | | 32,960 | | | 37,601 |
| Other Purchased Services | | 12,871 | 18,085 | | 1,592 | 32,548 |
| Supplies & Materials | | | 15,041 | | | 15,041 |
| Total | <u>4,641</u> | <u>12,871</u> | <u>122,226</u> | <u>-</u> | <u>1,592</u> | <u>141,330</u> |
| Total Expenditures | <u>\$ 16,082</u> | <u>\$ 12,871</u> | <u>\$ 130,106</u> | <u>\$ 193,322</u> | <u>\$ 3,901</u> | <u>\$ 356,282</u> |

CAPITAL PROJECTS FUND

DETAIL STATEMENTS

(NOT APPLICABLE TO THIS REPORT)

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

PROPRIETARY FUND

DETAIL STATEMENTS

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF FUND NET ASSETS
ENTERPRISE FUNDS
JUNE 30, 2012

| | Food Service Fund | Transportation Service Fund | Total |
|---|----------------------|--------------------------------|---------------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash & Cash Equivalents | \$ 103,341 | \$ 586,964 | \$ 690,305 |
| Receivables from Other Governments: | | | |
| State | 112 | | 112 |
| Federal | 1,381 | | 1,381 |
| Local | | 88,623 | 88,623 |
| Inventory | 3,252 | | 3,252 |
| Total Current Assets | <u>108,086</u> | <u>675,587</u> | <u>783,673</u> |
| Noncurrent Assets: | | | |
| Capital Assets | 253,107 | 3,650,629 | 3,903,736 |
| Less: Accumulated Depreciation | <u>139,607</u> | <u>2,512,231</u> | <u>2,651,838</u> |
| Total Noncurrent Assets | <u>113,500</u> | <u>1,138,398</u> | <u>1,251,898</u> |
| Total Assets | <u>221,586</u> | <u>1,813,985</u> | <u>2,035,571</u> |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Deferred Revenues | <u>2,738</u> | | <u>2,738</u> |
| Total Current Liabilities | <u>2,738</u> | <u>-</u> | <u>2,738</u> |
| Long-term Liabilities: | | | |
| Capital Leases-Due Within One Year | | 81,289 | 81,289 |
| Capital Leases-Due Beyond One Year | | <u>341,320</u> | <u>341,320</u> |
| Total Long-term Liabilities | <u>-</u> | <u>422,609</u> | <u>422,609</u> |
| Total Liabilities | <u>2,738</u> | <u>422,609</u> | <u>425,347</u> |
| NET ASSETS | | | |
| Invested in Capital Assets, Net of Related Debt | 113,500 | 715,789 | 829,289 |
| Unrestricted | <u>105,348</u> | <u>675,587</u> | <u>780,935</u> |
| TOTAL NET ASSETS | <u>\$ 218,848</u> | <u>\$ 1,391,376</u> | <u>\$ 1,610,224</u> |

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| | Food Service Fund | Transportation Service Fund | Technology Service Fund | Total |
|---|----------------------|--------------------------------|----------------------------|---------------------|
| Operating Revenues: | | | | |
| Charges for Services: | | | | |
| Daily Sales-Reimbursable Programs | \$ 147,730 | | | \$ 147,730 |
| Daily Sales-Nonreimbursable Programs | 171,280 | | | 171,280 |
| Transportation Fees | | \$ 2,846,131 | | 2,846,131 |
| Technology Fees | | | \$ 33,570 | 33,570 |
| Total Operating Revenues | <u>319,010</u> | <u>2,846,131</u> | <u>33,570</u> | <u>3,198,711</u> |
| Operating Expenses: | | | | |
| Costs of Sales | 162,702 | | | 162,702 |
| Salaries | 143,232 | 1,303,029 | 23,125 | 1,469,386 |
| Employee Benefits | 23,918 | 186,757 | 10,445 | 221,120 |
| Purchased Professional/Technical Services | | 24,036 | | 24,036 |
| Purchased Property Services | 1,320 | 23,758 | | 25,078 |
| Rental/Lease Payments for Vehicles | | 160,143 | | 160,143 |
| Contracted Services-Transportation | | 470,795 | | 470,795 |
| Insurance | 2,093 | 2,648 | | 4,741 |
| Management Fee | 8,500 | | | 8,500 |
| Other Purchased Services | 8,570 | 9,992 | | 18,562 |
| General Supplies | 18,773 | 10,667 | | 29,440 |
| Transportation Supplies | | 94,178 | | 94,178 |
| Energy (Natural Gas) | | 5,389 | | 5,389 |
| Energy (Gasoline) | | 284,911 | | 284,911 |
| Depreciation | 11,211 | 265,432 | | 276,643 |
| Miscellaneous | 43 | 1,046 | | 1,089 |
| Total Operating Expenses | <u>380,362</u> | <u>2,842,781</u> | <u>33,570</u> | <u>3,256,713</u> |
| Operating Income (Loss) | <u>(61,352)</u> | <u>3,350</u> | <u>-</u> | <u>(58,002)</u> |
| Nonoperating Revenues (Expenses): | | | | |
| State Sources: | | | | |
| State School Lunch Program | 1,948 | | | 1,948 |
| Federal Sources: | | | | |
| National School Lunch Program | 24,158 | | | 24,158 |
| Food Donation Program | 17,795 | | | 17,795 |
| Prior Year Accounts Payable Canceled | | 62 | | 62 |
| Total Nonoperating Revenues (Expenses) | <u>43,901</u> | <u>62</u> | <u>-</u> | <u>43,963</u> |
| Other Financing Sources (Uses): | | | | |
| Gain (Loss) on Disposal of Assets | | 2,631 | | 2,631 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>2,631</u> | <u>-</u> | <u>2,631</u> |
| Change in Net Assets | (17,451) | 6,043 | - | (11,408) |
| Total Net Assets, Beginning | <u>236,299</u> | <u>1,385,333</u> | <u>-</u> | <u>1,621,632</u> |
| Total Net Assets, Ending | <u>\$ 218,848</u> | <u>\$ 1,391,376</u> | <u>\$ -</u> | <u>\$ 1,610,224</u> |

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| | Food Service Fund | Transportation Service Fund | Technology Service Fund | Total |
|---|----------------------|--------------------------------|----------------------------|-------------------|
| Cash Flows from Operating Activities: | | | | |
| Receipts from Services Provided | \$ 320,789 | \$ 2,836,324 | \$ 33,570 | \$ 3,190,683 |
| Payments to Employees | (34,076) | (1,303,029) | (23,125) | (1,360,230) |
| Payments for Employee Benefits | | (186,757) | (10,445) | (197,202) |
| Payments to Food Service Mgmt. Co. | (305,430) | | | (305,430) |
| Payments to Vendors | (16,245) | (1,104,879) | | (1,121,124) |
| Net Cash Provided by (Used For) Operating Activities | <u>(34,962)</u> | <u>241,659</u> | <u>-</u> | <u>206,697</u> |
| Cash Flows from Noncapital Financing Activities: | | | | |
| State Sources | 1,965 | | | 1,965 |
| Federal Sources | 22,777 | | | 22,777 |
| Miscellaneous | | 62 | | 62 |
| Net Cash Provided by (Used For) Noncapital Financing Activities | <u>24,742</u> | <u>62</u> | <u>-</u> | <u>24,804</u> |
| Cash Flows from Capital Financing Activities: | | | | |
| Proceeds from Equipment Disposal | | 13,625 | | 13,625 |
| Proceeds from Equipment Lease | | 492,609 | | 492,609 |
| Payment of Capital Leases | | (70,000) | | (70,000) |
| Acquisition of Equipment | (46,127) | (499,109) | | (545,236) |
| Net Cash Provided by (Used For) Capital Financing Activities | <u>(46,127)</u> | <u>(62,875)</u> | <u>-</u> | <u>(109,002)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (56,347) | 178,846 | - | 122,499 |
| Cash and Cash Equivalents, Beginning | <u>159,688</u> | <u>408,118</u> | <u>-</u> | <u>567,806</u> |
| Cash and Cash Equivalents, Ending | <u>\$ 103,341</u> | <u>\$ 586,964</u> | <u>\$ -</u> | <u>\$ 690,305</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities: | | | | |
| Operating Income (Loss) | \$ (61,352) | \$ 3,350 | \$ - | \$ (58,002) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities: | | | | |
| Depreciation | 11,211 | 265,432 | | 276,643 |
| Federal Food Donation Program | 17,795 | | | 17,795 |
| (Increase) Decrease in Inventory | 741 | | | 741 |
| (Incr) Decr in Accounts Receivable | | (9,807) | | (9,807) |
| Incr (Decr) in Accounts Payable | (5,050) | (17,316) | | (22,366) |
| Incr (Decr) in Deferred Revenue | 1,693 | | | 1,693 |
| Net Cash Provided by (Used For) Operating Activities | <u>\$ (34,962)</u> | <u>\$ 241,659</u> | <u>\$ -</u> | <u>\$ 206,697</u> |

FIDUCIARY FUND

DETAIL STATEMENTS

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY FUND NET ASSETS
JUNE 30, 2012

| | Unemployment Compensation Fund | Private Purpose Scholarship Fund | Student Activity Agency Fund | Payroll Agency Fund | Total |
|--|--------------------------------------|---|---------------------------------------|---------------------------|-------------------|
| ASSETS | | | | | |
| Cash & Cash Equivalents | \$ 197,639 | \$ 44,925 | \$ 118,876 | \$ 149,207 | \$ 510,647 |
| Total Assets | <u>197,639</u> | <u>44,925</u> | <u>118,876</u> | <u>149,207</u> | <u>510,647</u> |
| LIABILITIES | | | | | |
| Due to Other Funds | | | | 5,000 | 5,000 |
| Accounts Payable | 23,869 | | | | 23,869 |
| Due to Student Groups | | | 118,876 | | 118,876 |
| Payroll Deductions & Withholdings | | | | 144,207 | 144,207 |
| Total Liabilities | <u>23,869</u> | <u>-</u> | <u>118,876</u> | <u>149,207</u> | <u>291,952</u> |
| NET ASSETS | | | | | |
| Held in Trust for Unemployment Claims | 173,770 | | | | 173,770 |
| Reserved for Scholarships | | 44,925 | | | 44,925 |
| Total Net Assets | <u>\$ 173,770</u> | <u>\$ 44,925</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 218,695</u> |

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| | Unemployment Compensation Fund | Private Purpose Scholarship Fund | Totals |
|--------------------------------------|--------------------------------------|---|-------------------|
| ADDITIONS | | | |
| Contributions: | | | |
| Employees | \$ 17,774 | | \$ 17,774 |
| Other | | \$ 4,890 | 4,890 |
| Investment Earnings: | | | |
| Interest | 156 | 155 | 311 |
| Total Additions | <u>17,930</u> | <u>5,045</u> | <u>22,975</u> |
| DEDUCTIONS | | | |
| Unemployment Claims | 92,797 | | 92,797 |
| Scholarships Awarded | | 4,050 | 4,050 |
| Total Deductions | <u>92,797</u> | <u>4,050</u> | <u>96,847</u> |
| Other Financing Sources (Uses): | | | |
| Transfers In from General Fund | 100,000 | | 100,000 |
| Total Other Financing Sources (Uses) | <u>100,000</u> | <u>-</u> | <u>100,000</u> |
| Change in Net Assets | 25,133 | 995 | 26,128 |
| Net Assets, Beginning of the Year | <u>148,637</u> | <u>43,930</u> | <u>192,567</u> |
| Net Assets, End of the Year | <u>\$ 173,770</u> | <u>\$ 44,925</u> | <u>\$ 218,695</u> |

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| | Balance 07/01/11 | Additions | Deletions | Balance 06/30/12 |
|--------------------------|---------------------|-------------------|-------------------|---------------------|
| ASSETS | | | | |
| Cash & Cash Equivalents | \$ 142,554 | \$ 184,092 | \$ 207,770 | \$ 118,876 |
| TOTAL ASSETS | \$ 142,554 | \$ 184,092 | \$ 207,770 | \$ 118,876 |
| LIABILITIES | | | | |
| Due to Student Groups: | | | | |
| Student Activities | \$ 115,084 | \$ 140,304 | \$ 159,187 | \$ 96,201 |
| Athletic Activities | 27,470 | 43,788 | 48,583 | 22,675 |
| TOTAL LIABILITIES | \$ 142,554 | \$ 184,092 | \$ 207,770 | \$ 118,876 |

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
PAYROLL AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| | Balance 07/01/11 | Additions | Deletions | Balance 06/30/12 |
|------------------------------------|---------------------|----------------------|----------------------|---------------------|
| ASSETS | | | | |
| Cash & Cash Equivalents | \$ 131,982 | \$ 11,582,642 | \$ 11,565,417 | \$ 149,207 |
| TOTAL ASSETS | <u>\$ 131,982</u> | <u>\$ 11,582,642</u> | <u>\$ 11,565,417</u> | <u>\$ 149,207</u> |
| LIABILITIES | | | | |
| Due to Other Funds | \$ 8,950 | \$ 4,825 | \$ 8,775 | \$ 5,000 |
| Payroll Deductions & Withholdings: | | | | |
| Net Payroll | | 6,956,115 | 6,956,115 | |
| Payroll Agency | 123,032 | 4,621,702 | 4,600,527 | 144,207 |
| TOTAL LIABILITIES | <u>\$ 131,982</u> | <u>\$ 11,582,642</u> | <u>\$ 11,565,417</u> | <u>\$ 149,207</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, obligations under capital leases, and early retirement program.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2012

| Issue | Date of Issue | Amount of Issue | Annual Maturities | | Interest Rate | Balance 07/01/11 | Issued | Retired | Balance 06/30/12 |
|--|---------------|-----------------|-------------------|------------|---------------|--------------------------------|---------------------|--------------|------------------|
| | | | Date | Amount | | | | | |
| Construction and Equipment Additions and Renovations to Delaware Valley Regional High School | 12/15/03 | \$ 6,719,000 | 01/15/13 | \$ 460,000 | 3.40% | | | | |
| | | | | | | \$ 4,039,000 | \$ 3,579,000 | \$ 460,000 | |
| Refunding of Outstanding 2003 School Bonds | 04/17/12 | 3,075,000 | 01/15/13 | 20,000 | 2.00% | | | | |
| | | | 01/15/14 | 475,000 | 3.00% | | | | |
| | | | 01/15/15 | 490,000 | | | | | |
| | | | 01/15/16 | 505,000 | | | | | |
| | | | 01/15/17 | 520,000 | | | | | |
| | | | 01/15/18 | 535,000 | 4.00% | | | | |
| | | | 01/15/19 | 530,000 | | | | | |
| | | | | | | \$ 3,075,000 | | 3,075,000 | |
| | | | | | | \$ 4,039,000 | \$ 3,075,000 | \$ 3,579,000 | \$ 3,535,000 |
| <u>Analysis of Amount Retired</u> | | | | | | | | | |
| | | | | | | Defeasance of 2003 Bonds | \$ 3,134,000 | | |
| | | | | | | Paid from Budget Appropriation | 445,000 | | |
| | | | | | | | <u>\$ 3,579,000</u> | | |

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
TRANSPORTATION SERVICE ENTERPRISE FUND
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2012

| | Interest Rate | Amount of Original Issue | Balance 07/01/11 | Issued Current Year | Retired Current Year | Balance 06/30/12 |
|------------------------|------------------|--------------------------------|---------------------|---------------------------|----------------------------|---------------------|
| Six 54-Passenger Buses | 1.95% | \$ 492,609 | | \$ 492,609 | \$ 70,000 | \$ 422,609 |
| | | | \$ - | \$ 492,609 | \$ 70,000 | \$ 422,609 |

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|--------------------|--------------------|--------------------------------|
| REVENUES | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 553,693 | | \$ 553,693 | \$ 553,693 | |
| Total Revenues | <u>553,693</u> | <u>\$ -</u> | <u>553,693</u> | <u>553,693</u> | <u>\$ -</u> |
| EXPENDITURES | | | | | |
| Regular Debt Service: | | | | | |
| Interest on Bonds | 148,115 | | 148,115 | 148,115 | |
| Redemption of Principal | 445,000 | | 445,000 | 445,000 | |
| Total Expenditures | <u>593,115</u> | <u>-</u> | <u>593,115</u> | <u>593,115</u> | <u>-</u> |
| Net Change in Fund Balances | (39,422) | - | (39,422) | (39,422) | - |
| Fund Balance, July 1 | <u>39,422</u> | <u>-</u> | <u>39,422</u> | <u>39,422</u> | <u>-</u> |
| Fund Balance, June 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures: | | | | | |
| Budgeted Fund Balance | <u>\$ (39,422)</u> | <u>\$ -</u> | <u>\$ (39,422)</u> | <u>\$ (39,422)</u> | <u>\$ -</u> |

STATISTICAL SECTION

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATISTICAL SECTION J SERIES

| CONTENTS | PAGE |
|--|--------------|
| FINANCIAL TRENDS | |
| These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time. | J-1 to J-6 |
| REVENUE CAPACITY | |
| These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax. | J-7 to J-28 |
| DEBT CAPACITY | |
| These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future. | J-29 to J-36 |
| DEMOGRAPHIC AND ECONOMIC INFORMATION | |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. | J-37 to J-38 |
| OPERATING INFORMATION | |
| These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. | J-39 to J-43 |

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

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|---|-----------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| GOVERNMENT ACTIVITIES | | | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 2,402,220 | \$ (3,315,736) | \$ 1,239,450 | \$ 7,467,414 | \$ 7,410,446 | \$ 7,515,354 | \$ 8,099,215 | \$ 7,870,924 | \$ 8,112,333 | \$ 8,326,584 |
| Restricted | 380,910 | 6,766,437 | 2,682,711 | 675,012 | 342,260 | 414,767 | 409,822 | 1,180,548 | 1,018,760 | 1,079,940 |
| Unrestricted | (614,805) | (495,061) | (811,781) | (656,172) | (242,311) | 344,121 | (454,258) | (807,965) | (534,523) | (543,071) |
| TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS | \$ 2,168,325 | \$ 2,955,640 | \$ 3,110,380 | \$ 7,486,254 | \$ 7,510,395 | \$ 8,274,242 | \$ 8,054,779 | \$ 8,243,507 | \$ 8,596,570 | \$ 8,863,453 |
| BUSINESS-TYPE ACTIVITIES | | | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 43,186 | \$ 54,871 | \$ 42,617 | \$ 110,810 | \$ 1,748,569 | \$ 1,575,731 | \$ 1,448,001 | \$ 1,216,045 | \$ 994,299 | \$ 829,289 |
| Restricted | 456 | | 44,282 | 86,449 | | | | | | |
| Unrestricted | 167,976 | 213,893 | 266,476 | 322,622 | 226,774 | 362,644 | 505,995 | 546,074 | 627,333 | 780,935 |
| TOTAL BUSINESS-TYPE ACTIVITIES | \$ 211,618 | \$ 268,764 | \$ 353,375 | \$ 519,881 | \$ 1,975,343 | \$ 1,938,375 | \$ 1,953,996 | \$ 1,762,119 | \$ 1,621,632 | \$ 1,610,224 |
| DISTRICT-WIDE | | | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 2,445,406 | \$ (3,260,865) | \$ 1,282,067 | \$ 7,578,224 | \$ 9,159,015 | \$ 9,091,085 | \$ 9,547,216 | \$ 9,086,969 | \$ 9,106,632 | \$ 9,155,873 |
| Restricted | 381,366 | 6,766,437 | 2,726,993 | 761,461 | 342,260 | 414,767 | 409,822 | 1,180,548 | 1,018,760 | 1,079,940 |
| Unrestricted | (446,829) | (281,168) | (545,305) | (333,550) | (15,537) | 706,765 | 51,737 | (261,891) | 92,810 | 237,864 |
| TOTAL DISTRICT-WIDE | \$ 2,379,943 | \$ 3,224,404 | \$ 3,463,755 | \$ 8,006,135 | \$ 9,485,738 | \$ 10,212,617 | \$ 10,008,775 | \$ 10,005,626 | \$ 10,218,202 | \$ 10,473,677 |

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

| EXPENSES | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Governmental Activities: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | \$ 4,682,142 | \$ 4,216,171 | \$ 5,925,095 | \$ 6,233,389 | \$ 6,780,613 | \$ 6,123,448 | \$ 6,577,636 | \$ 6,806,737 | \$ 5,921,348 | \$ 6,567,284 |
| Special Education | 1,020,012 | 1,071,739 | 1,207,999 | 1,231,620 | 1,039,752 | 1,539,537 | 1,624,178 | 2,019,811 | 1,991,378 | 1,996,335 |
| Other Special Education | 57,918 | 49,659 | 68,783 | 70,123 | 419,015 | 117,212 | 80,560 | 107,967 | 93,999 | 17,721 |
| Other Instruction | 634,860 | 722,007 | 891,945 | 950,336 | 1,209,911 | 1,275,918 | 1,351,133 | 1,345,429 | 1,406,839 | 1,327,057 |
| Support Services: | | | | | | | | | | |
| Tuition | 1,018,317 | 743,305 | 565,875 | 818,795 | 972,416 | 1,032,040 | 1,031,523 | 909,236 | 864,066 | 1,020,360 |
| Student & Instruction Related Services | 1,424,306 | 1,513,267 | 1,848,917 | 1,836,939 | 1,920,718 | 2,489,857 | 2,435,152 | 2,541,581 | 2,589,517 | 2,801,731 |
| General & Business Administrative Services | 648,413 | 1,229,518 | 1,179,815 | 889,437 | 880,731 | 996,228 | 1,016,561 | 1,150,911 | 1,157,946 | 1,174,587 |
| School Administration | 530,063 | 731,551 | 433,081 | 588,060 | 666,853 | 529,411 | 514,981 | 582,320 | 532,398 | 537,653 |
| Plant Operations & Maintenance | 1,092,349 | 1,124,910 | 1,544,209 | 1,726,611 | 1,880,252 | 1,717,260 | 1,713,875 | 1,616,202 | 1,641,870 | 1,654,596 |
| Pupil Transportation | 905,103 | 1,043,730 | 617,611 | 972,369 | 1,083,017 | 1,280,005 | 1,484,905 | 1,188,704 | 1,080,191 | 1,166,677 |
| Interest on Long Term Debt | | 244,884 | 371,895 | 53,665 | 106,024 | 197,316 | 183,150 | 169,723 | 189,607 | 127,930 |
| Unallocated Depreciation | 93,798 | | | 175,090 | 243,208 | | | | | |
| Total Governmental Activities Expenses | 12,107,281 | 12,690,741 | 14,655,225 | 15,546,434 | 17,202,510 | 17,298,232 | 18,013,654 | 18,438,621 | 17,469,159 | 18,391,931 |
| Business-Type Activities: | | | | | | | | | | |
| Food Services | 255,677 | 264,076 | 277,178 | 286,688 | 312,198 | 384,704 | 413,719 | 324,654 | 355,819 | 380,362 |
| Transportation | 557,627 | 645,992 | 906,305 | 849,286 | 1,830,070 | 2,665,156 | 2,654,001 | 2,650,246 | 2,777,759 | 2,842,781 |
| Total Business-Type Activities | 813,304 | 910,068 | 1,183,483 | 1,135,974 | 2,142,268 | 3,049,860 | 3,067,720 | 2,974,900 | 3,133,578 | 3,223,143 |
| TOTAL DISTRICT EXPENSES | \$ 12,920,585 | \$ 13,600,809 | \$ 15,838,708 | \$ 16,682,408 | \$ 19,344,778 | \$ 20,348,092 | \$ 21,081,374 | \$ 21,413,521 | \$ 20,602,737 | \$ 21,615,074 |

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| PROGRAM REVENUES | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Regular Instruction | | | | | | \$ 22,432 | \$ 19,490 | \$ 13,253 | \$ 11,222 | \$ 57,945 |
| Special Education Instruction | | | | | | | | | 32,083 | 57,070 |
| Other Instruction | | | | | | 2,776 | | 7,255 | 16,085 | 13,349 |
| Student & Instructional Related Services | | | | | | 2,286 | 3,418 | | 43,700 | 60,680 |
| General & Business Administration Services | | | | | | | 638 | 1,502 | 1,960 | 15,736 |
| School Administration Services | | | | | | | | | | 155 |
| Plant Operations & Maintenance | \$ 6,540 | \$ 5,294 | | | | 61,924 | 16,187 | 18,500 | 5,860 | 8,378 |
| Pupil Transportation | | | | | | 4,344 | | 1,202 | 350 | 4,071 |
| Operating Grants & Contributions | 1,697,241 | 2,138,609 | \$ 2,091,335 | \$ 2,226,585 | \$ 2,632,756 | 232,660 | 258,297 | 507,226 | 525,359 | 356,282 |
| Total Governmental Activities Program Revenues | 1,703,781 | 2,143,903 | 2,091,335 | 2,226,585 | 2,632,756 | 326,422 | 298,030 | 548,938 | 636,619 | 573,666 |
| Business-Type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Food Service | 246,348 | 267,236 | 286,143 | 263,397 | 283,412 | 329,418 | 302,877 | 328,379 | 318,602 | 319,010 |
| Transportation | 552,058 | 670,834 | 952,847 | 893,868 | 1,619,009 | 2,644,070 | 2,675,802 | 2,438,329 | 2,593,507 | 2,846,131 |
| Operating Grants & Contributions | 20,667 | 29,144 | | | 30,580 | 34,404 | 34,102 | 39,057 | 39,158 | 43,901 |
| Total Business-Type Activities | 819,073 | 967,214 | 1,238,990 | 1,157,265 | 1,933,001 | 3,007,892 | 3,012,781 | 2,805,765 | 2,951,267 | 3,209,042 |
| TOTAL DISTRICT PROGRAM REVENUES | \$ 2,522,854 | \$ 3,111,117 | \$ 3,330,325 | \$ 3,383,850 | \$ 4,565,757 | \$ 3,334,314 | \$ 3,310,811 | \$ 3,354,703 | \$ 3,587,886 | \$ 3,782,708 |
| NET (EXPENSES) REVENUES | | | | | | | | | | |
| Governmental Activities | \$ (10,403,500) | \$ (10,546,838) | \$ (12,563,890) | \$ (13,319,849) | \$ (14,569,754) | \$ (16,971,810) | \$ (17,715,624) | \$ (17,889,683) | \$ (16,832,540) | \$ (17,818,265) |
| Business-Type Activities | 5,769 | 57,146 | 55,507 | 21,291 | (209,267) | (41,968) | (54,939) | (169,135) | (182,311) | (14,101) |
| TOTAL DISTRICT NET EXPENSES | \$ (10,397,731) | \$ (10,489,692) | \$ (12,508,383) | \$ (13,298,558) | \$ (14,779,021) | \$ (17,013,778) | \$ (17,770,563) | \$ (18,058,818) | \$ (17,014,851) | \$ (17,832,366) |

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|---|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| GENERAL REVENUES, SPECIAL ITEMS AND TRANSFERS | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property Taxes Levied for General Purposes | \$ 7,660,266 | \$ 8,383,708 | \$ 9,171,116 | \$ 9,993,982 | \$ 10,974,948 | \$ 11,565,442 | \$ 11,774,649 | \$ 12,339,722 | \$ 12,658,311 | \$ 12,636,477 |
| Property Taxes Levied for Debt Service | | | 580,532 | 558,418 | 584,115 | 586,905 | 589,200 | 591,000 | 162,305 | 553,693 |
| Unrestricted Grants & Contributions | 2,476,049 | 2,805,100 | 2,812,758 | 5,302,355 | 3,483,358 | 5,420,415 | 5,042,621 | 5,192,310 | 4,551,441 | 5,084,389 |
| Investment Earnings | 24,753 | 22,057 | 105,578 | 39,164 | 15,461 | 114,611 | 43,642 | 18,339 | 13,662 | 3,879 |
| Miscellaneous Income | 78,244 | 114,938 | 77,750 | 166,343 | 194,610 | 48,284 | 20,662 | 26,811 | 152,531 | 31,311 |
| Transfers Out | | | | (31,859) | (30,650) | | (6,752) | (90,000) | (350,052) | (100,000) |
| Special Item-Payment to Bond Agent | | | | | | | | | | (114,463) |
| Special Item-Adjustment to Capital Asset Appraisal Report | | | | 1,696,502 | 1,514,099 | | | | | |
| Special Item-Gain (Loss) on Sale, Trade-in or Disposal of Capital Assets | | 8,350 | | | | | | 229 | (2,595) | (10,138) |
| Total Governmental Activities | <u>10,239,312</u> | <u>11,334,153</u> | <u>12,747,734</u> | <u>17,724,905</u> | <u>16,735,941</u> | <u>17,735,657</u> | <u>17,464,022</u> | <u>18,078,411</u> | <u>17,185,603</u> | <u>18,085,148</u> |
| Business-Type Activities: | | | | | | | | | | |
| Miscellaneous Income | | | | | | | | | | |
| Transfers In (Out) | | | | 31,859 | 30,650 | | | (20,929) | 24 | 62 |
| Special Item-Prior Year Accounts Payable Canceled | | | | | | 5,000 | | | | |
| Special Item-Gain (Loss) on Deletion of Assets | | | | | | | 2,100 | (1,813) | 41,800 | 2,631 |
| Special Item-Adjustment to Capital Asset Appraisal Report | | | | 84,174 | | | | | | |
| Total Business-Type Activities | <u>-</u> | <u>-</u> | <u>-</u> | <u>116,033</u> | <u>30,650</u> | <u>5,000</u> | <u>2,100</u> | <u>(22,742)</u> | <u>41,824</u> | <u>2,693</u> |
| TOTAL DISTRICT GENERAL REVENUES, SPECIAL ITEMS AND TRANSFERS | <u>\$ 10,239,312</u> | <u>\$ 11,334,153</u> | <u>\$ 12,747,734</u> | <u>\$ 17,840,938</u> | <u>\$ 16,766,591</u> | <u>\$ 17,740,657</u> | <u>\$ 17,466,122</u> | <u>\$ 18,055,669</u> | <u>\$ 17,227,427</u> | <u>\$ 18,087,841</u> |
| CHANGE IN NET ASSETS | | | | | | | | | | |
| Governmental Activities | \$ (164,188) | \$ 787,315 | \$ 183,844 | \$ 4,405,056 | \$ 2,166,187 | \$ 763,847 | \$ (251,602) | \$ 188,728 | \$ 353,063 | \$ 266,883 |
| Business-Type Activities | 5,769 | 57,146 | 55,507 | 137,324 | (178,617) | (36,968) | (52,839) | (191,877) | (140,487) | (11,408) |
| TOTAL DISTRICT CHANGE IN NET ASSETS | <u>\$ (158,419)</u> | <u>\$ 844,461</u> | <u>\$ 239,351</u> | <u>\$ 4,542,380</u> | <u>\$ 1,987,570</u> | <u>\$ 726,879</u> | <u>\$ (304,441)</u> | <u>\$ (3,149)</u> | <u>\$ 212,576</u> | <u>\$ 255,475</u> |

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|------------------------------------|-----------------------------|---------------------|---------------------|-------------------|-------------------|---------------------|-------------------|-------------------|---------------------|---------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| General Fund: | | | | | | | | | | |
| Reserved | \$ 494,359 | \$ 620,914 | \$ 352,580 | \$ 379,263 | \$ 496,605 | \$ 967,594 | \$ 469,313 | \$ 895,749 | \$ 1,138,882 | \$ 1,456,960 |
| Unreserved | 115,047 | 181,184 | 109,512 | 127,180 | 175,629 | 191,962 | (108,657) | (98,936) | 159,534 | 116,407 |
| Total General Fund | <u>\$ 609,406</u> | <u>\$ 802,098</u> | <u>\$ 462,092</u> | <u>\$ 506,443</u> | <u>\$ 672,234</u> | <u>\$ 1,159,556</u> | <u>\$ 360,656</u> | <u>\$ 796,813</u> | <u>\$ 1,298,416</u> | <u>\$ 1,573,367</u> |
| All Other Governmental Funds: | | | | | | | | | | |
| Unreserved, Reported In: | | | | | | | | | | |
| Special Revenue Fund | \$ (113,449) | | | | | | | | | |
| Capital Projects Fund | | \$ 6,145,523 | \$ 2,330,131 | \$ 295,749 | \$ 497,934 | \$ 469,422 | \$ 469,422 | \$ 39,422 | | |
| Debt Service Fund | | 22,057 | 22,038 | (19) | | | | 430,000 | \$ 39,422 | |
| Total All Other Governmental Funds | <u>\$ (113,449)</u> | <u>\$ 6,167,580</u> | <u>\$ 2,352,169</u> | <u>\$ 295,730</u> | <u>\$ 497,934</u> | <u>\$ 469,422</u> | <u>\$ 469,422</u> | <u>\$ 469,422</u> | <u>\$ 39,422</u> | <u>\$ -</u> |

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

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---------------------|---------------------|-----------------------|-----------------------|-------------------|-------------------|---------------------|-------------------|-------------------|-------------------|
| Revenues: | | | | | | | | | | |
| Tax Levy | \$ 7,660,266 | \$ 8,383,708 | \$ 9,751,648 | \$ 10,552,400 | \$ 11,559,063 | \$ 12,152,347 | \$ 12,363,849 | \$ 12,930,722 | \$ 12,820,616 | \$ 13,190,170 |
| Tuition Charges | 7,800 | 6,500 | | 13,650 | | 19,125 | 16,779 | 5,910 | 32,083 | 36,100 |
| Transportation | | | | | | 4,122 | | | | |
| Interest Earnings | 24,753 | 33,086 | 71,041 | 124,421 | 160,122 | 114,611 | 43,642 | 18,339 | 13,662 | 3,879 |
| Miscellaneous | 84,784 | 117,553 | 112,287 | 67,436 | 49,949 | 85,970 | 32,789 | 39,637 | 234,645 | 31,123 |
| State Sources | 4,100,746 | 4,671,505 | 4,649,799 | 4,819,462 | 5,302,945 | 5,420,415 | 5,042,621 | 4,609,802 | 4,551,441 | 4,936,247 |
| State Sources-Capital Projects | | | 15,448 | 2,471,754 | 602,491 | | | | | |
| Federal Sources | 64,744 | 265,704 | 209,742 | 208,542 | 210,678 | 232,660 | 249,372 | 1,083,960 | 474,221 | 500,523 |
| Total Revenues | 11,943,093 | 13,478,056 | 14,809,965 | 18,257,665 | 17,885,248 | 18,029,250 | 17,749,052 | 18,688,370 | 18,126,668 | 18,698,042 |
| Expenditures: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular Instruction | 3,655,344 | 4,149,112 | 4,314,727 | 4,528,593 | 4,728,433 | 4,523,475 | 4,797,391 | 4,864,422 | 4,181,001 | 4,502,117 |
| Special Education Instruction | 673,588 | 697,572 | 779,093 | 898,446 | 981,866 | 1,131,213 | 1,169,436 | 1,340,851 | 1,301,265 | 1,324,608 |
| Other Special Instruction | 41,723 | 49,659 | 51,814 | 52,831 | 55,804 | 55,270 | 54,368 | 57,124 | 56,642 | 1,202 |
| School Sponsored/Other Instructional | 567,140 | 620,550 | 777,794 | 773,919 | 919,147 | 950,464 | 979,914 | 967,303 | 974,219 | 909,491 |
| Support Services: | | | | | | | | | | |
| Tuition | 1,018,317 | 743,305 | 565,875 | 818,795 | 972,416 | 854,155 | 846,625 | 726,403 | 676,314 | 827,038 |
| Student & Inst Related Services | 1,144,963 | 1,189,562 | 1,434,484 | 1,397,993 | 1,426,458 | 1,764,487 | 1,789,464 | 1,731,990 | 1,678,011 | 1,807,074 |
| General Administration | 327,120 | 364,786 | 374,668 | 417,102 | 399,572 | 475,723 | 489,489 | 439,976 | 423,540 | 491,409 |
| School Administration Services | 425,189 | 485,278 | 370,500 | 380,485 | 410,291 | 421,487 | 378,140 | 404,820 | 382,939 | 372,540 |
| Central Services | 256,013 | 252,380 | 307,729 | 325,957 | 315,485 | 276,230 | 250,605 | 317,615 | 300,959 | 308,711 |
| Administrative Information Technology | | | | | | 33,419 | 54,830 | 114,343 | 133,569 | 49,241 |
| Plant Operations & Maintenance | 1,004,133 | 1,021,913 | 1,479,909 | 1,515,096 | 1,635,004 | 1,518,779 | 1,474,730 | 1,359,046 | 1,368,422 | 1,373,582 |
| Pupil Transportation | 1,038,942 | 872,328 | 721,458 | 663,752 | 820,972 | 1,326,312 | 1,492,902 | 1,118,302 | 1,068,736 | 1,161,492 |
| Employee Benefits | 1,177,941 | 1,448,197 | 1,739,569 | 2,063,878 | 2,111,442 | 1,842,507 | 2,397,139 | 2,592,791 | 2,851,246 | 3,000,071 |
| On-Behalf TPAF Pension & Social Security Contributions | 637,019 | 818,298 | 827,232 | 957,825 | 1,403,712 | 1,427,202 | 926,084 | 933,278 | 906,187 | 1,077,768 |
| Capital Outlay | 162,089 | 258,743 | 594,607 | 144,069 | 110,902 | 121,640 | 592,586 | 98,485 | 250,493 | 189,844 |
| Special Revenue Funds | 194,512 | 178,175 | 214,532 | 212,542 | 210,678 | 232,660 | 258,297 | 507,226 | 525,359 | 356,282 |
| Capital Projects Fund | | 573,477 | 3,830,840 | 4,506,136 | 400,306 | 28,512 | | | | 72,356 |
| Debt Service: | | | | | | | | | | |
| Principal | | | 325,000 | 355,000 | 370,000 | 385,000 | 400,000 | 415,000 | 430,000 | 445,000 |
| Interest & Other Charges | | | 255,551 | 225,475 | 214,115 | 201,905 | 189,200 | 176,000 | 196,111 | 167,775 |
| Total Expenditures | 12,324,033 | 13,723,335 | 18,965,382 | 20,237,894 | 17,486,603 | 17,570,440 | 18,541,200 | 18,164,975 | 17,705,013 | 18,437,601 |
| Excess (Deficiency) of Revenues | (380,940) | (245,279) | (4,155,417) | (1,980,229) | 398,645 | 458,810 | (792,148) | 523,395 | 421,655 | 260,441 |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Proceeds from Bond Issue | | 6,719,000 | | | | | | | | |
| Proceeds from Refunding Bond Issue | | | | | | | | | | 3,075,000 |
| Premium on Refunding Bond Issue | | | | | | | | | | 245,819 |
| Payment to Refunding Bond Agent | | | | | | | | | | (3,248,463) |
| Proceeds from Sale of Capital Assets | | | | | | | | 2,762 | | 2,732 |
| Transfers In (Out) | | | | (31,859) | (30,650) | | (6,752) | (90,000) | (350,052) | (100,000) |
| Total Other Financing Sources (Uses) | - | 6,719,000 | - | (31,859) | (30,650) | - | (6,752) | (87,238) | (350,052) | (24,912) |
| Net Change in Fund Balances | \$ (380,940) | \$ 6,473,721 | \$ (4,155,417) | \$ (2,012,088) | \$ 367,995 | \$ 458,810 | \$ (798,900) | \$ 436,157 | \$ 71,603 | \$ 235,529 |
| Debt Service as a Percentage of Non-capital Expenditures | 0.00% | 0.00% | 4.16% | 3.87% | 3.56% | 3.49% | 3.39% | 3.38% | 3.73% | 3.50% |

Source: District Records

NOTE: Non-capital expenditures are total expenditures less capital outlay, capital projects fund, and debt service.
Central Service and Administrative Information Technology account classifications were added beginning with year-end June 30, 2005.
Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

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

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

Source: District Records

Note: Information prior to fiscal year 2008 is unavailable

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

| Description | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|-------------------|------------------|-------------------|-------------------|-------------------|------------------|------------------|-------------------|------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Interest Income | \$ 24,753 | \$ 33,086 | \$ 71,041 | \$ 119,170 | \$ 155,025 | \$ 114,611 | \$ 43,642 | \$ 18,339 | \$ 13,662 | \$ 3,879 |
| Tuition | 7,800 | 6,500 | | 13,650 | | 19,125 | 16,779 | 5,910 | 32,083 | 36,100 |
| Book Fines | | | | | | 2,286 | 1,857 | 2,871 | 1,811 | 563 |
| Prior Year: | | | | | | | | | | |
| Outstanding Checks Canceled | | | | | | 12,611 | | 6,032 | 3,950 | 9,274 |
| Refunds | | | | | | 15,723 | 560 | 15,379 | 19,102 | 6,933 |
| Accounts Payable Canceled | | | | | | | | 2,120 | | 2,498 |
| Sale of Surplus Equipment | | 8,350 | | | | 222 | 120 | | | |
| Transportation | | | | | | 4,122 | | | | |
| Building Use Rental Income | 6,540 | 5,294 | | | | 33,307 | 1,100 | 5,550 | 5,325 | 400 |
| Donations | | | | | | | 16,214 | | 2,000 | 100 |
| Prior Year Expense Insurance & Restitution Recovery | | | | | | | | | 129,400 | 6,500 |
| Advanced Placement Testing Fees | | | | | | | | | 21,691 | |
| Miscellaneous: | | | | | | | | | | |
| Account Balances Canceled | | | | | | 4,262 | | | | |
| Refunds | | | | | | 12,749 | 74 | | | 176 |
| Miscellaneous | 78,244 | 81,852 | 9,714 | 38,774 | 49,949 | 4,810 | 3,939 | 1,911 | 228 | 778 |
| Annual Totals | <u>\$ 117,337</u> | <u>\$ 135,082</u> | <u>\$ 80,755</u> | <u>\$ 171,594</u> | <u>\$ 204,974</u> | <u>\$ 223,828</u> | <u>\$ 84,285</u> | <u>\$ 58,112</u> | <u>\$ 229,252</u> | <u>\$ 67,201</u> |

Sources: District Records

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

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Vacant Land | \$ 44,042,600 | \$ 53,014,993 | \$ 71,769,879 | \$ 75,428,179 | \$ 83,396,300 | \$ 74,728,800 | \$ 66,839,400 | \$ 58,521,900 | \$ 52,832,600 | \$ 50,270,900 |
| Residential | 1,175,641,445 | 1,496,838,350 | 1,642,067,600 | 1,667,358,600 | 1,949,119,300 | 1,983,441,800 | 1,999,400,800 | 1,934,002,200 | 1,943,464,700 | 1,930,780,900 |
| Farm-Regular | 164,707,800 | 209,137,300 | 222,408,200 | 235,005,000 | 303,512,600 | 313,057,500 | 322,024,300 | 310,206,800 | 311,591,200 | 314,133,600 |
| Farm-Qualified | 8,942,444 | 10,280,555 | 10,162,514 | 22,365,552 | 12,716,896 | 12,547,319 | 12,517,939 | 12,444,181 | 12,438,433 | 12,448,351 |
| Commercial | 69,275,675 | 91,760,753 | 93,349,373 | 92,724,673 | 113,482,558 | 112,788,758 | 118,843,658 | 111,884,758 | 112,262,958 | 111,870,858 |
| Industrial | 54,563,360 | 50,614,860 | 48,910,360 | 41,157,260 | 43,855,850 | 43,672,450 | 33,135,550 | 32,080,250 | 31,626,150 | 30,745,250 |
| Apartment | 8,723,900 | 12,323,100 | 12,145,100 | 12,111,800 | 12,449,380 | 12,449,380 | 12,776,000 | 12,131,400 | 12,100,800 | 12,100,800 |
| Total Assessed Value | 1,525,897,224 | 1,923,969,911 | 2,100,813,026 | 2,146,151,064 | 2,518,532,884 | 2,552,686,007 | 2,565,537,647 | 2,471,271,489 | 2,476,316,841 | 2,462,350,659 |
| Public Utilities (a) | 5,754,737 | 6,054,439 | 6,251,785 | 6,023,757 | 6,669,891 | 6,507,280 | 6,224,110 | 6,817,385 | 6,628,715 | 6,739,778 |
| Net Valuation Taxable | \$ 1,531,651,961 | \$ 1,930,024,350 | \$ 2,107,064,811 | \$ 2,152,174,821 | \$ 2,525,202,775 | \$ 2,559,193,287 | \$ 2,571,761,757 | \$ 2,478,088,874 | \$ 2,482,945,556 | \$ 2,469,090,437 |
| Estimated Actual County Equalized Value | \$ 1,917,687,694 | \$ 2,067,204,295 | \$ 2,320,891,611 | \$ 2,569,718,167 | \$ 2,831,345,195 | \$ 2,828,793,819 | \$ 2,762,640,809 | \$ 2,744,512,632 | \$ 2,617,660,326 | \$ 2,483,110,721 |
| Percentage of Net Valuation to Estimated Actual County Equalized Value | 79.87% | 93.36% | 90.79% | 83.75% | 89.19% | 90.47% | 93.09% | 90.29% | 94.85% | 99.44% |
| Regional High School Tax Rate by Constituent District: | | | | | | | | | | |
| Alexandria Township | \$ 0.65 | \$ 0.44 | \$ 0.48 | \$ 0.52 | \$ 0.56 | \$ 0.55 | \$ 0.57 | \$ 0.53 | \$ 0.52 | \$ 0.57 |
| Frenchtown Borough | \$ 0.67 | \$ 0.47 | \$ 0.50 | \$ 0.53 | \$ 0.61 | \$ 0.50 | \$ 0.50 | \$ 0.47 | \$ 0.44 | \$ 0.48 |
| Holland Township | \$ 0.44 | \$ 0.49 | \$ 0.42 | \$ 0.46 | \$ 0.46 | \$ 0.48 | \$ 0.50 | \$ 0.50 | \$ 0.53 | \$ 0.52 |
| Kingwood Township | \$ 0.64 | \$ 0.71 | \$ 0.76 | \$ 0.79 | \$ 0.39 | \$ 0.39 | \$ 0.41 | \$ 0.51 | \$ 0.55 | \$ 0.57 |
| Milford Borough | \$ 0.40 | \$ 0.46 | \$ 0.50 | \$ 0.46 | \$ 0.57 | \$ 0.59 | \$ 0.59 | \$ 0.68 | \$ 0.66 | \$ 0.51 |

Source: Municipal Tax Assessors

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

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

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

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Vacant Land | \$ 10,738,400 | \$ 19,513,914 | \$ 36,947,000 | \$ 42,729,100 | \$ 33,421,700 | \$ 27,780,400 | \$ 23,145,300 | \$ 19,873,200 | \$ 14,932,700 | \$ 13,406,100 |
| Residential | 326,726,845 | 570,932,700 | 580,220,100 | 591,260,800 | 613,108,800 | 644,944,300 | 653,844,600 | 661,048,700 | 670,392,500 | 661,932,700 |
| Farm-Regular | 50,198,400 | 92,534,800 | 93,233,700 | 102,581,300 | 110,104,700 | 114,371,300 | 119,772,700 | 120,545,600 | 121,687,600 | 122,866,700 |
| Farm-Qualified | 2,847,923 | 4,190,318 | 4,063,271 | 4,053,249 | 3,972,780 | 3,864,670 | 3,962,339 | 3,957,181 | 4,037,633 | 4,082,151 |
| Commercial | 11,414,980 | 21,808,288 | 22,067,188 | 21,353,888 | 21,479,488 | 21,719,788 | 21,679,788 | 21,720,188 | 21,752,488 | 21,045,588 |
| Industrial | 2,412,800 | 2,534,800 | 2,534,800 | 2,534,800 | 2,534,800 | 2,534,800 | 2,534,800 | 2,534,800 | 2,534,800 | 2,534,800 |
| Apartment | 194,500 | 418,900 | 418,900 | 418,900 | 418,900 | 418,900 | 418,900 | 418,900 | 418,900 | 418,900 |
| Total Assessed Value | 404,533,848 | 711,933,720 | 739,484,959 | 764,932,037 | 785,041,168 | 815,634,158 | 825,358,427 | 830,098,569 | 835,756,621 | 826,286,939 |
| Public Utilities (a) | 1,259,985 | 1,882,252 | 1,934,337 | 1,952,128 | 2,004,605 | 1,769,750 | 1,515,311 | 1,960,839 | 2,175,745 | 2,293,602 |
| Net Valuation Taxable | \$ 405,793,833 | \$ 713,815,972 | \$ 741,419,296 | \$ 766,884,165 | \$ 787,045,773 | \$ 817,403,908 | \$ 826,873,738 | \$ 832,059,408 | \$ 837,932,366 | \$ 828,580,541 |
| Estimated Actual County Equalized Value | \$ 599,552,238 | \$ 642,283,188 | \$ 706,071,605 | \$ 835,122,231 | \$ 893,908,093 | \$ 916,853,752 | \$ 900,393,499 | \$ 884,510,905 | \$ 855,451,114 | \$ 802,261,594 |
| Percentage of Net Valuation to Estimated Actual County Equalized Value | 67.68% | 111.14% | 105.01% | 91.83% | 88.05% | 89.15% | 91.83% | 94.07% | 97.95% | 103.28% |
| Total Regional High School Tax Rate (b) | \$ 0.65 | \$ 0.44 | \$ 0.48 | \$ 0.52 | \$ 0.56 | \$ 0.55 | \$ 0.57 | \$ 0.53 | \$ 0.52 | \$ 0.57 |

*

Source: Municipal Tax Assessor

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

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

(b) Tax rates are per \$100

* Revalued/Reassessed

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

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Vacant Land | \$ 1,757,000 | \$ 3,806,500 | \$ 2,704,600 | \$ 2,617,100 | \$ 2,554,500 | \$ 2,554,500 | \$ 2,608,300 | \$ 2,505,100 | \$ 2,505,100 | \$ 2,505,100 |
| Residential | 59,255,100 | 108,585,800 | 108,135,800 | 108,765,800 | 108,162,700 | 108,094,600 | 108,052,500 | 109,384,700 | 108,678,000 | 108,976,400 |
| Farm-Regular | 441,200 | 898,600 | 898,600 | 898,600 | 898,600 | 898,600 | 898,600 | 898,600 | 898,600 | 898,600 |
| Farm-Qualified | 19,700 | 27,705 | 76,805 | 76,805 | 52,749 | 52,749 | 14,200 | 14,700 | 14,700 | 14,700 |
| Commercial | 15,521,500 | 26,794,400 | 26,621,400 | 26,699,600 | 26,662,500 | 28,085,300 | 27,687,500 | 26,861,900 | 26,785,700 | 26,737,800 |
| Industrial | 2,238,750 | 3,622,350 | 3,726,350 | 3,726,350 | 3,726,350 | 3,726,350 | 3,726,350 | 3,726,350 | 3,726,350 | 3,726,350 |
| Apartment | 3,319,900 | 6,867,600 | 6,867,600 | 6,834,300 | 6,119,880 | 6,119,880 | 6,446,500 | 6,045,500 | 6,045,500 | 6,045,500 |
| Total Assessed Value | 82,553,150 | 150,602,955 | 149,031,155 | 149,618,555 | 148,177,279 | 149,531,979 | 149,433,950 | 149,436,850 | 148,653,950 | 148,904,450 |
| Public Utilities (a) | 969,810 | 611,511 | 881,591 | 970,914 | 945,769 | 1,059,003 | 1,130,900 | 889,485 | 725,240 | 592,657 |
| Net Valuation Taxable | \$ 83,522,960 | \$ 151,214,466 | \$ 149,912,746 | \$ 150,589,469 | \$ 149,123,048 | \$ 150,590,982 | \$ 150,564,850 | \$ 150,326,335 | \$ 149,379,190 | \$ 149,497,107 |
| Estimated Actual County Equalized Value | \$ 124,833,989 | \$ 129,596,570 | \$ 142,156,740 | \$ 166,760,565 | \$ 180,920,032 | \$ 189,110,834 | \$ 182,114,565 | \$ 177,418,076 | \$ 171,957,166 | \$ 166,644,863 |
| Percentage of Net Valuation to Estimated Actual County Equalized Value | 66.91% | 116.68% | 105.46% | 90.30% | 82.42% | 79.63% | 82.68% | 84.73% | 86.87% | 89.71% |
| Total Regional High School Tax Rate (b) | \$ 0.67 | \$ 0.47 | \$ 0.50 | \$ 0.53 | \$ 0.61 | \$ 0.50 | \$ 0.50 | \$ 0.47 | \$ 0.44 | \$ 0.48 |

*

Source: Municipal Tax Assessor

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

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

(b) Tax rates are per \$100

* Revalued/Reassessed

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

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Vacant Land | \$ 17,671,800 | \$ 15,662,100 | \$ 19,866,700 | \$ 18,740,600 | \$ 15,993,100 | \$ 13,910,600 | \$ 13,960,200 | \$ 13,623,600 | \$ 12,898,800 | \$ 11,043,000 |
| Residential | 491,253,000 | 504,186,100 | 631,566,600 | 637,852,300 | 646,038,300 | 644,816,900 | 646,967,000 | 646,506,300 | 646,373,000 | 646,768,800 |
| Farm-Regular | 51,192,600 | 52,317,000 | 64,036,700 | 66,490,700 | 66,731,500 | 72,529,100 | 73,861,100 | 75,961,400 | 75,820,600 | 74,547,600 |
| Farm-Qualified | 2,564,400 | 2,527,500 | 2,514,200 | 2,428,000 | 2,402,600 | 2,619,500 | 2,615,500 | 2,588,800 | 2,555,100 | 2,519,600 |
| Commercial | 15,147,400 | 14,981,200 | 16,210,700 | 16,221,100 | 16,192,600 | 16,192,600 | 16,150,100 | 16,302,400 | 16,202,400 | 16,745,200 |
| Industrial | 28,067,800 | 27,813,300 | 26,004,800 | 17,736,700 | 17,736,700 | 17,716,700 | 14,480,500 | 14,480,500 | 14,026,400 | 13,145,500 |
| Apartment | 996,900 | 587,900 | 409,900 | 409,900 | 409,900 | 409,900 | 409,900 | 409,900 | 409,900 | 409,900 |
| Total Assessed Value | 606,893,900 | 618,075,100 | 760,609,600 | 759,879,300 | 765,504,700 | 768,195,300 | 768,444,300 | 769,872,900 | 768,286,200 | 765,179,600 |
| Public Utilities (a) | 2,114,342 | 2,212,182 | 2,196,628 | 1,901,237 | 1,865,780 | 1,915,521 | 1,952,899 | 2,066,917 | 1,938,850 | 1,948,801 |
| Net Valuation Taxable | \$ 609,008,242 | \$ 620,287,282 | \$ 762,806,228 | \$ 761,780,537 | \$ 767,370,480 | \$ 770,110,821 | \$ 770,397,199 | \$ 771,939,817 | \$ 770,225,050 | \$ 767,128,401 |
| Estimated Actual County Equalized Value | \$ 615,651,520 | \$ 656,913,449 | \$ 759,926,853 | \$ 808,243,008 | \$ 876,204,072 | \$ 854,549,495 | \$ 830,689,491 | \$ 832,100,698 | \$ 783,944,071 | \$ 746,069,777 |
| Percentage of Net Valuation to Estimated Actual County Equalized Value | 98.92% | 94.42% | 100.38% | 94.25% | 87.58% | 90.12% | 92.74% | 92.77% | 98.25% | 102.82% |
| Total Regional High School Tax Rate (b) | \$ 0.44 | \$ 0.49 | \$ 0.42 | \$ 0.46 | \$ 0.46 | \$ 0.48 | \$ 0.50 | \$ 0.50 | \$ 0.53 | \$ 0.52 |

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Source: Municipal Tax Assessor

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

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

(b) Tax rates are per \$100

* Revalued/Reassessed

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

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Vacant Land | \$ 11,426,300 | \$ 10,409,379 | \$ 9,292,379 | \$ 9,344,079 | \$ 29,392,700 | \$ 28,977,700 | \$ 24,913,500 | \$ 19,877,000 | \$ 19,848,200 | \$ 20,682,400 |
| Residential | 217,302,400 | 223,549,850 | 232,456,100 | 236,095,900 | 486,985,900 | 490,067,000 | 494,471,800 | 421,467,300 | 422,700,800 | 417,770,800 |
| Farm-Regular | 61,848,500 | 62,229,900 | 62,830,700 | 63,625,900 | 124,369,300 | 123,850,000 | 126,078,000 | 111,387,300 | 111,775,600 | 114,411,900 |
| Farm-Qualified | 3,481,121 | 3,504,032 | 3,476,438 | 15,775,698 | 6,256,967 | 5,970,400 | 5,910,000 | 5,862,400 | 5,809,900 | 5,810,800 |
| Commercial | 15,854,095 | 15,903,295 | 16,010,415 | 16,010,415 | 36,682,000 | 34,335,100 | 40,870,300 | 34,544,300 | 35,078,200 | 34,583,000 |
| Industrial | 8,325,610 | 8,325,610 | 8,325,610 | 8,840,610 | 11,539,200 | 11,539,200 | 10,401,900 | 9,346,600 | 9,346,600 | 9,346,600 |
| Apartment | 1,210,500 | 1,210,500 | 1,210,500 | 1,210,500 | 2,262,500 | 2,262,500 | 2,262,500 | 2,018,900 | 1,988,300 | 1,988,300 |
| Total Assessed Value | 319,448,526 | 325,132,566 | 333,602,142 | 350,903,102 | 697,488,567 | 697,001,900 | 704,908,000 | 604,503,800 | 606,547,600 | 604,593,800 |
| Public Utilities (a) | 1,082,559 | 1,040,047 | 947,193 | 947,193 | 1,622,202 | 1,526,249 | 1,359,500 | 1,639,850 | 1,559,512 | 1,663,096 |
| Net Valuation Taxable | \$ 320,531,085 | \$ 326,172,613 | \$ 334,549,335 | \$ 351,850,295 | \$ 699,110,769 | \$ 698,528,149 | \$ 706,267,500 | \$ 606,143,650 | \$ 608,107,112 | \$ 606,256,896 |
| Estimated Actual County Equalized Value | \$ 464,207,484 | \$ 508,082,317 | \$ 577,613,171 | \$ 615,263,836 | \$ 716,228,633 | \$ 717,447,587 | \$ 704,115,651 | \$ 697,511,612 | \$ 660,555,194 | \$ 639,241,772 |
| Percentage of Net Valuation to Estimated Actual County Equalized Value | 69.05% | 64.20% | 57.92% | 57.19% | 97.61% | 97.36% | 100.31% | 86.90% | 92.06% | 94.84% |
| Total Regional High School Tax Rate (b) | \$ 0.64 | \$ 0.71 | \$ 0.76 | \$ 0.79 | \$ 0.39 | \$ 0.39 | \$ 0.41 | \$ 0.51 | \$ 0.55 | \$ 0.57 |

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Source: Municipal Tax Assessor

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

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

(b) Tax rates are per \$100

* Revalued/Reassessed

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

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Vacant Land | \$ 2,449,100 | \$ 3,623,100 | \$ 2,959,200 | \$ 1,997,300 | \$ 2,034,300 | \$ 1,505,600 | \$ 2,212,100 | \$ 2,643,000 | \$ 2,647,800 | \$ 2,634,300 |
| Residential | 81,104,100 | 89,583,900 | 89,689,000 | 93,383,800 | 94,823,600 | 95,519,000 | 96,064,900 | 95,595,200 | 95,320,400 | 95,332,200 |
| Farm-Regular | 1,027,100 | 1,157,000 | 1,408,500 | 1,408,500 | 1,408,500 | 1,408,500 | 1,413,900 | 1,413,900 | 1,408,800 | 1,408,800 |
| Farm-Qualified | 29,300 | 31,000 | 31,800 | 31,800 | 31,800 | 40,000 | 15,900 | 21,100 | 21,100 | 21,100 |
| Commercial | 11,337,700 | 12,273,570 | 12,439,670 | 12,439,670 | 12,465,970 | 12,455,970 | 12,455,970 | 12,455,970 | 12,444,170 | 12,759,270 |
| Industrial | 13,518,400 | 8,318,800 | 8,318,800 | 8,318,800 | 8,318,800 | 8,155,400 | 1,992,000 | 1,992,000 | 1,992,000 | 1,992,000 |
| Apartment | 3,002,100 | 3,238,200 | 3,238,200 | 3,238,200 | 3,238,200 | 3,238,200 | 3,238,200 | 3,238,200 | 3,238,200 | 3,238,200 |
| Total Assessed Value | 112,467,800 | 118,225,570 | 118,085,170 | 120,818,070 | 122,321,170 | 122,322,670 | 117,392,970 | 117,359,370 | 117,072,470 | 117,385,870 |
| Public Utilities (a) | 328,041 | 308,447 | 292,036 | 252,285 | 231,535 | 236,757 | 265,500 | 260,294 | 229,368 | 241,622 |
| Net Valuation Taxable | \$ 112,795,841 | \$ 118,534,017 | \$ 118,377,206 | \$ 121,070,355 | \$ 122,552,705 | \$ 122,559,427 | \$ 117,658,470 | \$ 117,619,664 | \$ 117,301,838 | \$ 117,627,492 |
| Estimated Actual County Equalized Value | \$ 113,442,463 | \$ 130,328,771 | \$ 135,123,242 | \$ 144,328,527 | \$ 164,084,365 | \$ 150,832,151 | \$ 145,327,603 | \$ 152,971,341 | \$ 145,752,781 | \$ 128,892,715 |
| Percentage of Net Valuation to Estimated Actual County Equalized Value | 99.43% | 90.95% | 87.61% | 83.89% | 74.69% | 81.26% | 80.96% | 76.89% | 80.48% | 91.26% |
| Total Regional High School Tax Rate (b) | \$ 0.40 | \$ 0.46 | \$ 0.50 | \$ 0.46 | \$ 0.57 | \$ 0.59 | \$ 0.59 | \$ 0.68 | \$ 0.66 | \$ 0.51 |

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Source: Municipal Tax Assessor

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

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

(b) Tax rates are per \$100

* Revalued/Reassessed

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

| Assessment Year | School District Direct Rate | | | Overlapping Rates | | | Total Direct & Overlapping Tax Rate |
|--------------------|-----------------------------|---|---|---------------------------|--------------|---------|--|
| | Basic Rate (a) | General Obligation Debt Service (b) | (From J-7) | Direct School Tax Rate | Municipality | County | |
| | | | Total Regional High School Tax Rate | | | | |
| 2003 | \$ 0.65 | | \$ 0.65 | \$ 1.45 | \$ 0.24 | \$ 0.63 | \$ 2.97 |
| 2004 | * 0.41 | \$ 0.03 | 0.44 | 0.85 | 0.19 | 0.36 | 1.84 |
| 2005 | 0.45 | 0.03 | 0.48 | 0.85 | 0.19 | 0.36 | 1.88 |
| 2006 | 0.49 | 0.03 | 0.52 | 0.88 | 0.21 | 0.39 | 2.00 |
| 2007 | 0.53 | 0.03 | 0.56 | 0.90 | 0.21 | 0.38 | 2.05 |
| 2008 | 0.52 | 0.03 | 0.55 | 0.91 | 0.21 | 0.37 | 2.04 |
| 2009 | 0.54 | 0.03 | 0.57 | 0.91 | 0.21 | 0.38 | 2.07 |
| 2010 | 0.52 | 0.01 | 0.53 | 0.95 | 0.21 | 0.36 | 2.05 |
| 2011 | 0.50 | 0.02 | 0.52 | 0.93 | 0.21 | 0.35 | 2.01 |
| 2012 | 0.54 | 0.03 | 0.57 | 0.96 | 0.21 | 0.34 | 2.08 |

Sources: Municipal Tax Collector

NOTE: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- (a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.

* Revalued / Reassessed

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

| Assessment Year | School District Direct Rate | | | Total Regional High School Tax Rate | Overlapping Rates | | | Total Direct & Overlapping Tax Rate |
|--------------------|-----------------------------|---|------------|---|---------------------------|--------------|---------|--|
| | Basic Rate (a) | General Obligation Debt Service (b) | (From J-7) | | Direct School Tax Rate | Municipality | County | |
| 2003 | \$ 0.67 | | \$ 0.67 | \$ 1.58 | \$ 0.64 | \$ 0.65 | \$ 3.54 | |
| 2004 | * 0.44 | \$ 0.03 | 0.47 | 0.91 | 0.40 | 0.35 | 2.13 | |
| 2005 | 0.47 | 0.03 | 0.50 | 0.95 | 0.44 | 0.36 | 2.25 | |
| 2006 | 0.50 | 0.03 | 0.53 | 0.99 | 0.50 | 0.40 | 2.42 | |
| 2007 | 0.58 | 0.03 | 0.61 | 1.05 | 0.55 | 0.40 | 2.61 | |
| 2008 | 0.48 | 0.02 | 0.50 | 1.08 | 0.54 | 0.42 | 2.54 | |
| 2009 | 0.48 | 0.02 | 0.50 | 1.12 | 0.56 | 0.42 | 2.60 | |
| 2010 | 0.46 | 0.01 | 0.47 | 1.17 | 0.60 | 0.41 | 2.65 | |
| 2011 | 0.42 | 0.02 | 0.44 | 1.19 | 0.62 | 0.40 | 2.65 | |
| 2012 | 0.46 | 0.02 | 0.48 | 1.21 | 0.65 | 0.40 | 2.74 | |

Sources: Municipal Tax Collector

NOTE: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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

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

* Revalued / Reassessed

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

| Assessment Year | School District Direct Rate | | | | | | | Total Direct & Overlapping Tax Rate |
|--------------------|-----------------------------|---|---|---------------------------|-------------------|---------|---------|--|
| | Basic Rate (a) | General Obligation Debt Service (b) | (From J-7) | | Overlapping Rates | | | |
| | | | Total Regional High School Tax Rate | Direct School Tax Rate | Municipality | County | | |
| 2003 | * \$ 0.44 | | \$ 0.44 | \$ 0.87 | | \$ 0.43 | \$ 1.74 | |
| 2004 | 0.46 | \$ 0.03 | 0.49 | 1.00 | | 0.44 | 1.93 | |
| 2005 | * 0.40 | 0.02 | 0.42 | 0.88 | | 0.38 | 1.68 | |
| 2006 | 0.44 | 0.02 | 0.46 | 0.96 | | 0.38 | 1.80 | |
| 2007 | 0.44 | 0.02 | 0.46 | 0.99 | | 0.38 | 1.83 | |
| 2008 | 0.46 | 0.02 | 0.48 | 1.00 | | 0.37 | 1.85 | |
| 2009 | 0.48 | 0.02 | 0.50 | 1.05 | | 0.37 | 1.92 | |
| 2010 | 0.49 | 0.01 | 0.50 | 1.08 | | 0.37 | 1.95 | |
| 2011 | 0.51 | 0.02 | 0.53 | 1.09 | | 0.35 | 1.97 | |
| 2012 | 0.50 | 0.02 | 0.52 | 1.08 | | 0.34 | 1.94 | |

Sources: Municipal Tax Collector

NOTE: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- (a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.

* Revalued / Reassessed

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

| Assessment Year | School District Direct Rate | | | | | | Total Direct & Overlapping Tax Rate |
|--------------------|-----------------------------|---|---|---------------------------|--------------|--|--|
| | Basic Rate (a) | General Obligation Debt Service (b) | (From J-7) Total Regional High School Tax Rate | Overlapping Rates | | Total Direct & Overlapping Tax Rate | |
| | | | | Direct School Tax Rate | Municipality | | |
| 2003 | \$ 0.64 | | \$ 0.64 | \$ 1.23 | \$ 0.19 | \$ 0.62 | \$ 2.68 |
| 2004 | 0.67 | \$ 0.04 | 0.71 | 1.24 | 0.22 | 0.63 | 2.80 |
| 2005 | 0.72 | 0.04 | 0.76 | 1.36 | 0.31 | 0.65 | 3.08 |
| 2006 | 0.75 | 0.04 | 0.79 | 1.37 | 0.30 | 0.62 | 3.08 |
| 2007 | * 0.37 | 0.02 | 0.39 | 0.72 | 0.17 | 0.34 | 1.62 |
| 2008 | 0.37 | 0.02 | 0.39 | 0.74 | 0.19 | 0.34 | 1.66 |
| 2009 | 0.39 | 0.02 | 0.41 | 0.75 | 0.19 | 0.34 | 1.69 |
| 2010 | * 0.50 | 0.01 | 0.51 | 0.90 | 0.22 | 0.39 | 2.02 |
| 2011 | 0.53 | 0.02 | 0.55 | 0.89 | 0.22 | 0.37 | 2.03 |
| 2012 | 0.54 | 0.03 | 0.57 | 0.91 | 0.23 | 0.37 | 2.08 |

Sources: Municipal Tax Collector

NOTE: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- (a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.

* Revalued / Reassessed

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

| Assessment Year | School District Direct Rate | | | | | | | Total Direct & Overlapping Tax Rate |
|--------------------|-----------------------------|---|---|---------------------------|--------------|---------|---------|--|
| | Basic Rate (a) | General Obligation Debt Service (b) | (From J-7) Total Regional High School Tax Rate | Overlapping Rates | | | | |
| | | | | Direct School Tax Rate | Municipality | County | | |
| 2003 | * \$ 0.40 | | \$ 0.40 | \$ 1.15 | \$ 0.21 | \$ 0.43 | \$ 2.19 | |
| 2004 | * 0.43 | \$ 0.03 | 0.46 | 1.18 | 0.45 | 0.45 | 2.54 | |
| 2005 | 0.47 | 0.03 | 0.50 | 1.18 | 0.45 | 0.42 | 2.55 | |
| 2006 | 0.44 | 0.02 | 0.46 | 1.23 | 0.51 | 0.42 | 2.62 | |
| 2007 | 0.54 | 0.03 | 0.57 | 1.27 | 0.60 | 0.43 | 2.87 | |
| 2008 | 0.56 | 0.03 | 0.59 | 1.30 | 0.64 | 0.40 | 2.93 | |
| 2009 | 0.56 | 0.03 | 0.59 | 1.41 | 0.68 | 0.42 | 3.10 | |
| 2010 | 0.67 | 0.01 | 0.68 | 1.48 | 0.68 | 0.44 | 3.28 | |
| 2011 | 0.63 | 0.03 | 0.66 | 1.48 | 0.68 | 0.42 | 3.24 | |
| 2012 | 0.49 | 0.02 | 0.51 | 1.50 | 0.69 | 0.38 | 3.08 | |

Sources: Municipal Tax Collector

NOTE: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- (a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.

* Revalued / Reassessed

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

| | 2012 | | | 2003 | | |
|----------------------------------|------------------------------|--------------|--|------------------------|--------------|--|
| | Taxable Assessed Value | Rank | % of Total District Net Assessed Value | Taxable Assessed Value | Rank | % of Total District Net Assessed Value |
| | Individual Property Owner #1 | \$ 6,569,500 | 1 | 0.79% | \$ 4,510,045 | 1 |
| Sky Manor Airport Partners LLC | 2,750,000 | 2 | 0.33% | | | |
| Columbia Gas Transmission | 2,571,488 | 3 | 0.31% | 1,401,780 | 4 | 0.35% |
| United Telephone Company | 2,017,003 | 4 | 0.24% | 1,223,602 | 6 | 0.30% |
| International Paper Company | 1,993,500 | 5 | 0.24% | | | |
| Abplanalp c/o J Veneruso, Esq. | 1,686,300 | 6 | 0.20% | | | |
| Manchanda Shapiro Rauch LLC | 1,541,000 | 7 | 0.19% | 950,000 | 8 | 0.23% |
| Sapphire Inc c/o Riverside Jeans | 1,486,900 | 8 | 0.18% | | | |
| Individual Property Owner #2 | 1,387,100 | 9 | 0.17% | 1,753,700 | 3 | 0.43% |
| Individual Property Owner #3 | 1,359,200 | 10 | 0.16% | 1,279,400 | 5 | 0.32% |
| Royal Blue Papers Inc | | | | 1,993,500 | 2 | 0.49% |
| Forsat Inc c/o JAT Associates | | | | 1,133,000 | 7 | 0.28% |
| Ortho McNeil Pharmaceutical Inc | | | | 897,900 | 9 | 0.22% |
| Individual Property Owner #4 | | | | 737,600 | 10 | 0.18% |
| | <u>\$ 23,361,991</u> | | <u>2.81%</u> | <u>\$ 15,880,527</u> | | <u>3.91%</u> |

Source: Municipal Tax Assessor

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

| | 2012 | | | 2003 | | |
|-------------------------------------|------------------------|------|--|------------------------|------|--|
| | Taxable Assessed Value | Rank | % of Total District Net Assessed Value | Taxable Assessed Value | Rank | % of Total District Net Assessed Value |
| Frenchtown Associates LLC | \$ 2,950,000 | 1 | 1.97% | \$ 1,647,000 | 1 | 1.97% |
| Frenchtown Properties LLC | 2,145,200 | 2 | 1.43% | | | |
| Frenchtown Barn Center LLC | 1,500,000 | 3 | 1.00% | 800,000 | 5 | 0.96% |
| Davon LLC | 977,200 | 4 | 0.65% | | | |
| Bridge Race Properties c/o Williams | 972,200 | 5 | 0.65% | 875,700 | 4 | 1.05% |
| Individual Property Owner #1 | 830,800 | 6 | 0.56% | 1,150,000 | 2 | 1.38% |
| Warren House LLC | 809,900 | 7 | 0.54% | | | |
| Traub Holdings LLC | 758,400 | 8 | 0.51% | | | |
| B & B Properties LLC | 748,500 | 9 | 0.50% | | | |
| T2 Services Inc | 724,700 | 10 | 0.48% | 576,800 | 8 | 0.69% |
| United Telephone Company of NJ | | | | 969,810 | 3 | 1.16% |
| Individual Property Owner #2 | | | | 773,700 | 6 | 0.93% |
| Individual Property Owner #3 | | | | 600,000 | 7 | 0.72% |
| RAM Enterprises | | | | 544,100 | 9 | 0.65% |
| FP Realty LLC | | | | 531,350 | 10 | 0.63% |
| | <u>\$ 12,416,900</u> | | <u>8.29%</u> | <u>\$ 8,468,460</u> | | <u>10.14%</u> |

Source: Municipal Tax Assessor

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

| | 2012 | | | 2003 | | |
|-------------------------------|------------------------|--------------|--|------------------------|---------------|--|
| | Taxable Assessed Value | Rank | % of Total District Net Assessed Value | Taxable Assessed Value | Rank | % of Total District Net Assessed Value |
| | Genon Energy Services | \$ 8,000,000 | 1 | 1.04% | \$ 18,606,800 | 1 |
| Oak Hill Golf Club | 5,168,000 | 2 | 0.67% | 4,096,300 | 3 | 0.67% |
| Individual Property Owner #1 | 3,268,000 | 3 | 0.43% | | | |
| Georgia Pacific Corporation | 2,845,900 | 4 | 0.37% | | | |
| Columbia Gas | 2,206,500 | 5 | 0.29% | 2,191,700 | 5 | 0.36% |
| Fiberville Estates | 1,973,700 | 6 | 0.26% | | | |
| Verizon | 1,604,695 | 7 | 0.21% | 1,818,720 | 6 | 0.30% |
| Individual Property Owner #2 | 1,459,200 | 8 | 0.19% | | | |
| KJA Holdings Inc. | 1,349,500 | 9 | 0.18% | | | |
| Individual Property Owner #3 | 1,151,800 | 10 | 0.15% | 1,333,100 | 7 | 0.22% |
| Fibermark | | | | 7,502,800 | 2 | 1.23% |
| SV Partnership | | | | 2,686,000 | 4 | 0.44% |
| Riegel Federated Credit Union | | | | 1,226,300 | 8 | 0.20% |
| Individual Property Owner #4 | | | | 1,195,800 | 9 | 0.20% |
| Hunterdon Capital | | | | 1,130,300 | 10 | 0.19% |
| | <u>\$ 29,027,295</u> | | <u>3.79%</u> | <u>\$ 41,787,820</u> | | <u>6.87%</u> |

Source: Municipal Tax Assessor

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

| | 2012 | | | 2003 | | |
|--------------------------------|------------------------|--------------|--|------------------------|--------------|--|
| | Taxable Assessed Value | Rank | % of Total District Net Assessed Value | Taxable Assessed Value | Rank | % of Total District Net Assessed Value |
| | Buckeye Pipeline Co | \$ 4,575,000 | 1 | 0.75% | \$ 2,325,300 | 2 |
| Route 12 Business Park LLC | 4,188,100 | 2 | 0.69% | | | |
| Mel Chemicals Inc. | 3,463,700 | 3 | 0.57% | | | |
| Horseshoe Bend LLC | 3,110,300 | 4 | 0.51% | | | |
| Buckeye Pipeline Co | 3,040,000 | 5 | 0.50% | | | |
| Lutz Welding & Fabricating Inc | 2,895,500 | 6 | 0.48% | 1,783,100 | 4 | 0.56% |
| Frenchtown Run LLC | 2,500,000 | 7 | 0.41% | | | |
| 869 Associates LLC | 2,324,100 | 8 | 0.38% | | | |
| Horseshoe Bend LLC | 1,750,000 | 9 | 0.29% | | | |
| Individual Property Owner #1 | 1,650,800 | 10 | 0.27% | 2,100,000 | 3 | 0.66% |
| Magnesium Elektron Inc. | | | | 3,768,400 | 1 | 1.18% |
| United Telephone Company of NJ | | | | 1,460,600 | 5 | 0.46% |
| Individual Property Owner #2 | | | | 1,041,300 | 6 | 0.32% |
| Individual Property Owner #3 | | | | 913,500 | 7 | 0.28% |
| Individual Property Owner #4 | | | | 791,500 | 8 | 0.25% |
| Razberry's Inc | | | | 743,900 | 9 | 0.23% |
| Individual Property Owner #5 | | | | 737,900 | 10 | 0.23% |
| | <u>\$ 29,497,500</u> | | <u>4.85%</u> | <u>\$ 15,665,500</u> | | <u>4.90%</u> |

Source: Municipal Tax Assessor

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

| | 2012 | | | 2003 | | |
|--|------------------------|------|--|------------------------|------|--|
| | Taxable Assessed Value | Rank | % of Total District Net Assessed Value | Taxable Assessed Value | Rank | % of Total District Net Assessed Value |
| Pine Crest Village Associates c/o Branch | \$ 3,238,200 | 1 | 2.75% | \$ 2,442,000 | 2 | 2.16% |
| International Paper Company | 1,336,600 | 2 | 1.14% | | | |
| Hunterdon Medical Center | 1,131,000 | 3 | 0.96% | 929,600 | 3 | 0.82% |
| 60 Bridge Street LLC #1 | 805,500 | 4 | 0.68% | | | |
| 60 Bridge Street LLC #2 | 702,100 | 5 | 0.60% | | | |
| Peter Trustee Kerl | 573,700 | 6 | 0.49% | | | |
| Individual Property Owner #1 | 539,100 | 7 | 0.46% | | | |
| Stem Brothers | 523,700 | 8 | 0.45% | 444,400 | 5 | 0.39% |
| Individual Property Owner #2 | 463,600 | 9 | 0.39% | | | |
| Little Kids NJ Partnership | 462,500 | 10 | 0.39% | | | |
| Royal Blue Papers Incorporated | | | | 12,598,500 | 1 | 11.17% |
| Adams Bakery Corp | | | | 470,400 | 4 | 0.42% |
| Individual Property Owner #3 | | | | 401,200 | 6 | 0.36% |
| Individual Property Owner #4 | | | | 400,600 | 7 | 0.36% |
| Hunterdon United Bank | | | | 353,300 | 8 | 0.31% |
| Milford Market Incorporated | | | | 345,700 | 9 | 0.31% |
| Individual Property Owner #5 | | | | 334,300 | 10 | 0.30% |
| | <u>\$ 9,776,000</u> | | <u>8.31%</u> | <u>\$ 18,720,000</u> | | <u>16.60%</u> |

Source: Municipal Tax Assessor

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

| Year Ending December 31, | Taxes Levied for the Year | Collected Within the Fiscal Year of the Levy (a) | |
|-----------------------------|------------------------------|---|-----------------------|
| | | Amount | Percentage of Levy |
| 2002 | \$ 34,178,656 | \$ 33,178,739 | 97.07% |
| 2003 | 37,219,141 | 36,049,953 | 96.86% |
| 2004 | 41,253,387 | 39,816,461 | 96.52% |
| 2005 | 44,234,125 | 42,855,912 | 96.88% |
| 2006 | 48,153,176 | 46,150,813 | 95.84% |
| 2007 | 49,666,924 | 48,061,258 | 96.77% |
| 2008 | 50,410,019 | 48,733,738 | 96.67% |
| 2009 | 51,616,219 | 49,927,007 | 96.73% |
| 2010 | 52,304,396 | 50,848,046 | 97.22% |
| 2011 | 52,389,218 | 50,920,236 | 97.20% |

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

(a) School taxes are collected by the municipal tax collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance in the amount voted upon or certified prior to the end of the school year.

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

| Year Ending December 31, | Taxes Levied for the Year | Collected Within the Fiscal Year of the Levy (a) | |
|-----------------------------|------------------------------|---|-----------------------|
| | | Amount | Percentage of Levy |
| 2002 | \$ 11,325,980 | \$ 11,075,950 | 97.79% |
| 2003 | 12,223,629 | 11,942,207 | 97.69% |
| 2004 | 13,397,029 | 13,068,375 | 97.55% |
| 2005 | 14,437,176 | 14,044,869 | 97.28% |
| 2006 | 15,931,698 | 15,474,906 | 97.13% |
| 2007 | 16,649,297 | 16,157,347 | 97.05% |
| 2008 | 16,864,974 | 16,357,947 | 96.99% |
| 2009 | 17,244,150 | 16,796,794 | 97.41% |
| 2010 | 17,108,149 | 16,736,531 | 97.83% |
| 2011 | 16,814,218 | 16,484,702 | 98.04% |

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

(a) School taxes are collected by the municipal tax collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance in the amount voted upon or certified prior to the end of the school year.

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

| Year Ending December 31, | Taxes Levied for the Year | Collected Within the Fiscal Year of the Levy (a) | |
|-----------------------------|------------------------------|---|-----------------------|
| | | Amount | Percentage of Levy |
| 2002 | 2,876,119 | 2,785,793 | 96.86% |
| 2003 | 2,961,135 | 2,876,298 | 97.13% |
| 2004 | 3,221,596 | 3,065,440 | 95.15% |
| 2005 | 3,380,115 | 3,276,470 | 96.93% |
| 2006 | 3,648,964 | 3,459,905 | 94.82% |
| 2007 | 3,920,222 | 3,736,078 | 95.30% |
| 2008 | 3,852,232 | 3,741,706 | 97.13% |
| 2009 | 3,925,744 | 3,642,780 | 92.79% |
| 2010 | 3,982,690 | 3,753,793 | 94.25% |
| 2011 | 3,969,209 | 3,662,420 | 92.27% |

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

(a) School taxes are collected by the municipal tax collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance in the amount voted upon or certified prior to the end of the school year.

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

| Year Ending December 31, | Taxes Levied for the Year | Collected Within the Fiscal Year of the Levy (a) | |
|-----------------------------|------------------------------|---|-----------------------|
| | | Amount | Percentage of Levy |
| 2002 | \$ 9,520,888 | \$ 9,163,043 | 96.24% |
| 2003 | 10,787,163 | 10,472,000 | 97.08% |
| 2004 | 12,270,594 | 11,936,109 | 97.27% |
| 2005 | 12,945,989 | 12,659,114 | 97.78% |
| 2006 | 13,824,703 | 13,489,252 | 97.57% |
| 2007 | 14,126,824 | 13,825,854 | 97.87% |
| 2008 | 14,326,777 | 13,990,030 | 97.65% |
| 2009 | 14,783,316 | 14,476,124 | 97.92% |
| 2010 | 15,104,272 | 14,801,704 | 98.00% |
| 2011 | 15,216,041 | 14,971,324 | 98.39% |

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

(a) School taxes are collected by the municipal tax collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance in the amount voted upon or certified prior to the end of the school year.

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

| Year Ending December 31, | Taxes Levied for the Year | Collected Within the Fiscal Year of the Levy (a) | |
|-----------------------------|------------------------------|---|-----------------------|
| | | Amount | Percentage of Levy |
| 2002 | \$ 8,106,258 | \$ 7,847,809 | 96.81% |
| 2003 | 8,759,756 | 8,511,868 | 97.17% |
| 2004 | 9,341,808 | 8,995,984 | 96.30% |
| 2005 | 10,365,736 | 10,032,517 | 96.79% |
| 2006 | 11,482,594 | 10,736,432 | 93.50% |
| 2007 | 11,426,531 | 11,075,341 | 96.93% |
| 2008 | 11,742,295 | 11,327,917 | 96.47% |
| 2009 | 12,016,948 | 11,452,551 | 95.30% |
| 2010 | 12,253,395 | 11,821,890 | 96.48% |
| 2011 | 12,574,328 | 12,112,601 | 96.33% |

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

(a) School taxes are collected by the municipal tax collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance in the amount voted upon or certified prior to the end of the school year.

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

| Year Ending December 31, | Taxes Levied for the Year | Collected Within the Fiscal Year of the Levy (a) | |
|-----------------------------|------------------------------|---|-----------------------|
| | | Amount | Percentage of Levy |
| 2002 | \$ 2,349,411 | \$ 2,306,144 | 98.16% |
| 2003 | 2,487,458 | 2,247,580 | 90.36% |
| 2004 | 3,022,360 | 2,750,553 | 91.01% |
| 2005 | 3,105,109 | 2,842,942 | 91.56% |
| 2006 | 3,265,217 | 2,990,318 | 91.58% |
| 2007 | 3,544,050 | 3,266,638 | 92.17% |
| 2008 | 3,623,741 | 3,316,138 | 91.51% |
| 2009 | 3,646,061 | 3,558,758 | 97.60% |
| 2010 | 3,855,890 | 3,734,128 | 96.84% |
| 2011 | 3,815,422 | 3,689,189 | 96.69% |

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

(a) School taxes are collected by the municipal tax collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance in the amount voted upon or certified prior to the end of the school year.

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

| Fiscal Year Ending June 30, | Governmental Activities | | | Business-Type Activities | | Total District | % of Personal Income (a) | Per Capita (a) |
|-----------------------------------|------------------------------------|-------------------------------------|-------------------|--------------------------------------|-------------------|-------------------|--------------------------------|-------------------|
| | General Obligation Bonds (b) | Certificates of Participation | Capital Leases | Bond Anticipation Notes (BANs) | Capital Leases | | | |
| 2003 | | | \$ 326,233 | | | \$ 326,233 | 0.03% | \$ 20 |
| 2004 | \$ 6,719,000 | | 246,026 | | | 6,965,026 | 0.71% | 415 |
| 2005 | 6,394,000 | | 158,914 | | | 6,552,914 | 0.65% | 390 |
| 2006 | 6,039,000 | | 64,907 | \$ 1,600,000 | | 7,703,907 | 0.76% | 457 |
| 2007 | 5,669,000 | | 27,766 | | | 5,696,766 | 0.52% | 336 |
| 2008 | 5,284,000 | | | | | 5,284,000 | 0.45% | 309 |
| 2009 | 4,884,000 | | | | | 4,884,000 | 0.41% | 286 |
| 2010 | 4,469,000 | | | | | 4,469,000 | 0.40% | 261 |
| 2011 | 4,039,000 | | | | | 4,039,000 | 0.36% | 242 |
| 2012 | 3,535,000 | | 422,609 | | | 3,957,609 | N/A | 238 |

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

- (a) See Exhibit J-37 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- (b) Includes Early Retirement Incentive Plan (ERIP) Refunding

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

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

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

(2) The District had no bonded debt prior to the fiscal year ending June 30, 2004.

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT BY CONSTITUENT DISTRICT-
 ALEXANDRIA TOWNSHIP
 AS OF DECEMBER 31, 2011

| GOVERNMENTAL UNIT | Debt Outstanding | Estimated % Applicable (a) | Estimated Share of Overlapping Debt |
|------------------------------------|---------------------|-------------------------------|--|
| Debt Repaid with Property Taxes: | | | |
| Local School District Debt | \$ 2,450,000 | 100.00 | \$ 2,450,000 |
| Regional High School District Debt | 4,039,000 | 32.38 | 1,307,890 |
| County General Obligation Debt | 83,215,385 | 3.52 | 2,929,499 |
| Subtotal Overlapping Debt | | | 6,687,389 |
| Municipality Direct Debt | | | 7,115,500 |
| Total Direct and Overlapping Debt | | | <u>\$ 13,802,889</u> |

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

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT BY CONSTITUENT DISTRICT-
 FRENCHTOWN BOROUGH
 AS OF DECEMBER 31, 2011

| | Debt Outstanding | Estimated % Applicable (a) | Estimated Share of Overlapping Debt |
|------------------------------------|---------------------|-------------------------------|--|
| GOVERNMENTAL UNIT | | | |
| Debt Repaid with Property Taxes: | | | |
| Local School District Debt | \$ 624,000 | 100.00 | \$ 624,000 |
| Regional High School District Debt | 4,039,000 | 6.57 | 265,343 |
| County General Obligation Debt | 83,215,385 | 0.71 | 594,333 |
| Subtotal Overlapping Debt | | | 1,483,676 |
| Municipality Direct Debt | | | 17,312,057 |
| Total Direct and Overlapping Debt | | | <u>\$ 18,795,733</u> |

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

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT BY CONSTITUENT DISTRICT-
HOLLAND TOWNSHIP
AS OF DECEMBER 31, 2011

| GOVERNMENTAL UNIT | Debt Outstanding | Estimated % Applicable (a) | Estimated Share of Overlapping Debt |
|------------------------------------|---------------------|-------------------------------|--|
| Debt Repaid with Property Taxes: | | | |
| Local School District Debt | \$ 269,000 | 100.00 | \$ 269,000 |
| Regional High School District Debt | 4,039,000 | 30.15 | 1,217,599 |
| County General Obligation Debt | 83,215,385 | 3.28 | 2,727,260 |
| Subtotal Overlapping Debt | | | 4,213,859 |
| Municipality Direct Debt | | | 206,900 |
| Total Direct and Overlapping Debt | | | <u>\$ 4,420,759</u> |

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

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT BY CONSTITUENT DISTRICT-
KINGWOOD TOWNSHIP
AS OF DECEMBER 31, 2011

| GOVERNMENTAL UNIT | Debt Outstanding | Estimated % Applicable (a) | Estimated Share of Overlapping Debt |
|------------------------------------|---------------------|-------------------------------|--|
| Debt Repaid with Property Taxes: | | | |
| Local School District Debt | \$ 2,425,000 | 100.00 | \$ 2,425,000 |
| Regional High School District Debt | 4,039,000 | 25.45 | 1,027,889 |
| County General Obligation Debt | 83,215,385 | 2.77 | 2,302,334 |
| Subtotal Overlapping Debt | | | 5,755,223 |
| Municipality Direct Debt | | | 3,666,427 |
| Total Direct and Overlapping Debt | | | \$ 9,421,650 |

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

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT BY CONSTITUENT DISTRICT-
MILFORD BOROUGH
AS OF DECEMBER 31, 2011

| | Debt Outstanding | Estimated % Applicable (a) | Estimated Share of Overlapping Debt |
|------------------------------------|---------------------|-------------------------------|--|
| GOVERNMENTAL UNIT | | | |
| Debt Repaid with Property Taxes: | | | |
| Local School District Debt | \$ 430,421 | 100.00 | \$ 430,421 |
| Regional High School District Debt | 4,039,000 | 5.45 | 220,280 |
| County General Obligation Debt | 83,215,385 | 0.59 | 493,398 |
| Subtotal Overlapping Debt | | | 1,144,099 |
| Municipality Direct Debt | | | 9,382,125 |
| Total Direct and Overlapping Debt | | | <u>\$ 10,526,224</u> |

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2012

Equalized Valuation Basis- All Constituent Districts

| | |
|------|----------------------|
| 2011 | \$ 2,489,815,949 |
| 2010 | 2,605,546,301 |
| 2009 | <u>2,730,074,326</u> |

\$ 7,825,436,576

Average Equalized Valuation of Taxable Property

\$ 2,608,478,859

Debt Limit (3.0% of Average Equalization Value)

\$ 78,254,366 (a)

Total Net Debt Applicable to Limit

3,535,000

Legal Debt Margin

\$ 74,719,366

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Debt Limit | \$ 44,355,946 | \$ 49,791,220 | \$ 56,363,496 | \$ 63,730,851 | \$ 71,698,403 | \$ 78,820,849 | \$ 83,261,784 | \$ 83,850,857 | \$ 81,655,498 | \$ 78,254,366 |
| Total Net Debt Applicable | - | 6,719,000 | 6,394,000 | 6,039,000 | 5,669,000 | 5,284,000 | 4,884,000 | 4,469,000 | 4,039,000 | 3,535,000 |
| Legal Debt Margin | <u>\$ 44,355,946</u> | <u>\$ 43,072,220</u> | <u>\$ 49,969,496</u> | <u>\$ 57,691,851</u> | <u>\$ 66,029,403</u> | <u>\$ 73,536,849</u> | <u>\$ 78,377,784</u> | <u>\$ 79,381,857</u> | <u>\$ 77,616,498</u> | <u>\$ 74,719,366</u> |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 0.00% | 13.49% | 11.34% | 9.48% | 7.91% | 6.70% | 5.87% | 5.33% | 4.95% | 4.52% |

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

(a) Limit Set by NJSA 18A:24-19

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

| Constituent District | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---------------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------|
| SCHOOL DISTRICT POPULATION (a) | | | | | | | | | | |
| Alexandria Township | 4,859 | 4,901 | 4,912 | 4,947 | 5,029 | 5,118 | 5,134 | 5,145 | 4,939 | 4,926 |
| Frenchtown Borough | 1,507 | 1,509 | 1,495 | 1,486 | 1,477 | 1,473 | 1,467 | 1,467 | 1,374 | 1,369 |
| Holland Township | 5,212 | 5,239 | 5,243 | 5,246 | 5,252 | 5,260 | 5,253 | 5,268 | 5,291 | 5,278 |
| Kingwood Township | 3,907 | 3,948 | 3,962 | 3,971 | 3,999 | 4,032 | 4,055 | 4,057 | 3,844 | 3,834 |
| Milford Borough | 1,197 | 1,192 | 1,193 | 1,199 | 1,205 | 1,200 | 1,194 | 1,192 | 1,234 | 1,231 |
| | <u>16,682</u> | <u>16,789</u> | <u>16,805</u> | <u>16,849</u> | <u>16,962</u> | <u>17,083</u> | <u>17,103</u> | <u>17,129</u> | <u>16,682</u> | <u>16,638</u> |
| PERSONAL INCOME (b) | | | | | | | | | | |
| Alexandria Township | \$ 278,100,006 | \$ 288,355,236 | \$ 295,501,008 | \$ 296,226,360 | \$ 325,305,894 | \$ 350,009,784 | \$ 358,183,778 | \$ 338,360,925 | \$ 331,174,767 | N/A |
| Frenchtown Borough | 86,251,638 | 88,783,524 | 89,937,705 | 88,981,680 | 95,541,222 | 100,735,524 | 102,348,189 | 96,477,255 | 92,130,822 | N/A |
| Holland Township | 298,303,608 | 308,241,804 | 315,413,637 | 314,130,480 | 339,730,872 | 359,720,880 | 366,486,051 | 346,450,020 | 354,777,423 | N/A |
| Kingwood Township | 223,613,238 | 232,284,528 | 238,349,958 | 237,783,480 | 258,679,314 | 275,740,416 | 282,905,185 | 266,808,605 | 257,751,732 | N/A |
| Milford Borough | 68,509,098 | 70,132,512 | 71,769,687 | 71,796,120 | 77,946,630 | 82,065,600 | 83,301,798 | 78,391,880 | 82,743,402 | N/A |
| | <u>\$ 954,777,588</u> | <u>\$ 987,797,604</u> | <u>\$ 1,010,971,995</u> | <u>\$ 1,008,918,120</u> | <u>\$ 1,097,203,932</u> | <u>\$ 1,168,272,204</u> | <u>\$ 1,193,225,001</u> | <u>\$ 1,126,488,685</u> | <u>\$ 1,118,578,146</u> | N/A |
| PER CAPITA PERSONAL INCOME (c) | | | | | | | | | | |
| County of Hunterdon | \$ 57,234 | \$ 58,836 | \$ 60,159 | \$ 59,880 | \$ 64,686 | \$ 68,388 | \$ 69,767 | \$ 65,765 | \$ 67,053 | N/A |
| UNEMPLOYMENT RATE (d) | | | | | | | | | | |
| Alexandria Township | 4.9% | 5.3% | 4.4% | 4.6% | 5.7% | 4.9% | 6.4% | 11.4% | 11.7% | 11.5% |
| Frenchtown Borough | 4.0% | 4.4% | 3.6% | 4.1% | 3.1% | 2.7% | 3.5% | 6.4% | 6.6% | 6.5% |
| Holland Township | 2.1% | 3.6% | 3.9% | 3.2% | 4.0% | 3.5% | 4.5% | 8.2% | 8.4% | 8.2% |
| Kingwood Township | 5.3% | 5.7% | 4.7% | 3.4% | 3.8% | 3.3% | 4.3% | 7.8% | 8.0% | 7.8% |
| Milford Borough | 4.0% | 4.2% | 3.6% | 3.8% | 6.2% | 5.4% | 7.0% | 12.4% | 12.7% | 12.5% |

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

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

| Employer | 2012 | | | 2003 | | |
|----------|-----------|------|--|-----------|------|--|
| | Employees | Rank | Percentage of Total Municipal Employment | Employees | Rank | Percentage of Total Municipal Employment |

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

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

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

Sources: District Personnel Records

Note: Information prior to fiscal year 2005 is unavailable

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

| Fiscal Year | Enrollment | Operating Expenditures (a) | Cost Per Pupil | Percentage Change | Teaching Staff (b) | Teacher-Student Ratio | Average Daily Enrollment (ADE) (c) | Average Daily Attendance (ADA) (c) | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|------------|------------------------------|----------------|-------------------|----------------------|-----------------------|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------|
| 2003 | 868 | \$ 12,161,944 | \$ 14,011 | 8.64% | 87 | 1 to 12.00 | 849.6 | 805.5 | 1.69% | 94.81% |
| 2004 | 950 | 12,891,115 | 13,570 | -3.15% | 92 | 1 to 10.00 | 905.5 | 859.3 | 6.58% | 94.90% |
| 2005 | 946 | 13,959,384 | 14,756 | 8.74% | 76 | 1 to 12.45 | 912.0 | 865.0 | 0.72% | 94.85% |
| 2006 | 970 | 15,007,214 | 15,471 | 4.85% | 79 | 1 to 12.48 | 931.0 | 900.0 | 2.08% | 96.67% |
| 2007 | 1,005 | 16,391,280 | 16,310 | 5.42% | 85 | 1 to 11.82 | 951.5 | 902.2 | 2.20% | 94.82% |
| 2008 | 989 | 16,833,383 | 17,021 | 4.36% | 85.5 | 1 to 11.57 | 987.4 | 928.8 | 3.77% | 94.07% |
| 2009 | 977 | 17,359,414 | 17,768 | 4.39% | 87 | 1 to 11.23 | 955.5 | 905.1 | -3.23% | 94.73% |
| 2010 | 1,018 | 17,475,490 | 17,166 | -3.39% | 87 | 1 to 11.70 | 965.9 | 914.2 | 1.09% | 94.65% |
| 2011 | 1,002 | 16,779,242 | 16,746 | -2.45% | 85.5 | 1 to 11.91 | 1,002.4 | 946.9 | 3.78% | 94.46% |
| 2012 | 972 | 17,513,459 | 18,018 | 7.60% | 86.5 | 1 to 11.24 | 943.4 | 895.8 | -5.89% | 94.95% |

Source: District Records

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

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

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

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

| <u>District Building</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Delaware Valley Regional High School (1958) | 150,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 |
| Capacity (students) | 840 | 1,020 | 1,020 | 1,020 | 1,020 | 1,020 | 1,020 | 1,020 |
| Average Daily Enrollment | 946 | 970 | 1,005 | 989 | 977 | 945 | 1,002 | 943 |

Number of Schools at June 30, 2012
High School = 1

Source: District Facilities Office

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

Note: Information prior to fiscal year 2005 is unavailable

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

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

*School Facilities

| Fiscal Year Ended | Delaware Valley Regional High School | Total |
|-------------------|--|--------------|
| 2003 | \$ 43,100 | \$ 43,100 |
| 2004 | 62,115 | 62,115 |
| 2005 | 59,364 | 59,364 |
| 2006 | 72,985 | 72,985 |
| 2007 | 64,470 | 64,470 |
| 2008 | 199,868 | 199,868 |
| 2009 | 186,197 | 186,197 |
| 2010 | 159,439 | 159,439 |
| 2011 | 239,246 | 239,246 |
| 2012 | 179,706 | 179,706 |
| | \$ 1,266,490 | \$ 1,266,490 |

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2012
(UNAUDITED)

| | <u>Coverage</u> | <u>Deductible</u> |
|---|-----------------|-------------------|
| School Commercial Package Policy-NJ School Boards Assoc | | |
| Insurance Group: | | |
| Property-Blanket Building & Contents | \$ 55,755,101 | \$ 5,000 |
| Equipment Breakdown | 100,000,000 | 5,000 |
| Comprehensive General Liability | 10,000,000 | |
| Automobile | 10,000,000 | 1,000 |
| Blanket Position Bond | 100,000 | 1,000 |
| Public Employees' Faithful Performance-Selective Insurance Company: | | |
| Business Administrator | 250,000 | |
| Payroll/Human Resources | 150,000 | |
| Treasurer | 200,000 | |
| School Board Legal Liability-NJ School Boards Assoc | | |
| Insurance Group: | | |
| Policy Limit | 1,000,000 | 5,000 |
| Worker's Compensation-NJ School Boards Assoc | | |
| Insurance Group: | | |
| Employers Liability | 2,000,000 | |
| Student Accident Insurance-NJ School Boards Assoc | | |
| Insurance Group through Merkel Insurance Company: | | |
| Policy Limit | 5,000,000 | 25,000 |

Source: District Records

SINGLE AUDIT SECTION

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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

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

November 29, 2012

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

We have audited the financial statements of the Board of Education of the Delaware Valley Regional School District in the County of Hunterdon as of and for the year ended June 30, 2012, and have issued our report thereon dated November 29, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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.

Internal Control Over Financial Reporting

Management of the Board of Education is responsible for establishing and maintaining effective internal control over financial reporting.

In planning and performing our audit, we considered the Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control over financial reporting.

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

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

Compliance and Other Matters

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

This report is intended solely for the information of the management of the Board of Education, federal and state awarding agencies, pass through entities, and the New Jersey Department of Education and is not intended to be and should not be used by anyone other than these specified parties.



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

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

100 Route 31 North
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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE
A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

November 29, 2012

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

Compliance

We have audited the compliance of the Board of Education of the Delaware Valley Regional School District in the County of Hunterdon, with the types of compliance requirements described in the US Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012. The Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Board of Education's management. Our responsibility is to express an opinion on the Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid;" and OMB Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations". Those Standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Board of Education's compliance with those requirements.

In our opinion the Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012.

Internal Control Over Compliance

The management of the Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit we considered the Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal and state programs in order to determine our audit procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness on internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control over compliance.

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

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

This report is intended solely for the information and use of management, the Board of Education, others within the entity, the New Jersey Department of Education, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, SCHEDULE A
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| Grantor/Program Title | Federal CFDA Number | Project Number | Program or Award Amount | Grant Period From To | Balance June 30, 2011 | Carryover Amount | Cash Received | Budgetary Expenditure | Adjustment | Repayment of Prior Year Balance | Balance June 30, 2012 | | |
|--|---------------------|----------------|-------------------------|-----------------------|-----------------------|------------------|---------------|-----------------------|------------|---------------------------------|-----------------------|------------------|----------------|
| | | | | | | | | | | | Accounts Receivable | Deferred Revenue | Due to Grantor |
| US Department of Education: | | | | | | | | | | | | | |
| General Revenue Fund: | | | | | | | | | | | | | |
| Education Jobs Fund | 84.410A | ARRA-105011 | \$ 148,142 | 08/10/2010-09/30/2012 | | | \$ 148,142 | \$ 148,142 | | | | | |
| Total General Fund | | | | | \$ - | \$ - | 148,142 | 148,142 | \$ - | \$ - | \$ - | \$ - | \$ - |
| US Department of Education Passed Through State Department of Education: | | | | | | | | | | | | | |
| Special Revenue Fund | | | | | | | | | | | | | |
| NCLB Title I Part A | 84.010A | NCLB-105011 | 14,646 | 09/01/2010-08/31/2011 | (12,205) | | 14,646 | 2,441 | | | | | |
| NCLB Title I Part A | 84.010A | NCLB-105012 | 13,641 | 09/01/2011-08/31/2012 | | | 11,441 | 13,641 | | | (2,200) | | |
| NCLB Title II Part A | 84.367A | NCLB-105011 | 12,871 | 09/01/2011-08/31/2012 | | | 12,871 | 12,871 | | | | | |
| IDEA Basic | 84.027 | IDEA-105011 | 187,752 | 09/01/2010-08/31/2011 | (14,884) | | 14,884 | | | | | | |
| IDEA Basic | 84.027 | IDEA-105012 | 193,322 | 09/01/2011-08/31/2012 | | | 193,322 | 193,322 | | | | | |
| Teaching American History | 84.215X | N/A | 496,431 | 07/01/2008-06/30/2012 | (27,200) | | 157,306 | 130,106 | | | | | |
| Total Special Revenue Fund | | | | | (54,289) | - | 404,470 | 352,381 | - | - | (2,200) | - | - |
| US Department of Agriculture Passed Through State Department of Agriculture: | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | |
| Food Donation Program | 10.550 | N/A | 13,507 | 07/01/2010-06/30/2011 | 1,045 | | | 1,045 | | | | | |
| Food Donation Program | 10.550 | N/A | 17,709 | 07/01/2011-06/30/2012 | | | 17,709 | 16,750 | | | | 959 | |
| National School Lunch Program | 10.555 | N/A | 24,158 | 07/01/2011-06/30/2012 | | | 22,777 | 24,158 | | | (1,381) | | |
| Total Enterprise Fund | | | | | 1,045 | - | 40,486 | 41,953 | - | - | (1,381) | 959 | - |
| TOTAL FEDERAL FINANCIAL ASSISTANCE | | | | | \$ (53,244) | \$ - | \$ 593,098 | \$ 542,476 | \$ - | \$ - | \$ (3,581) | \$ 959 | \$ - |

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, SCHEDULE B
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| Grantor/Program Title | Project Number | Program or Award Amount | Grant Period From To | Balance June 30, 2011 | | Cash Received | Budgetary Expenditure | Repayment/ Adjustment | Balance June 30, 2012 | | | MEMO | | |
|---|----------------|-------------------------|----------------------|-----------------------------|----------------|---------------------|-----------------------|-----------------------|-----------------------|------------------|----------------|----------------------|-------------------------|--|
| | | | | Deferred Rev. (Accts. Rec.) | Due to Grantor | | | | Accounts Receivable | Deferred Revenue | Due to Grantor | Budgetary Receivable | Cumulative Expenditures | |
| State Department of Education | | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | | |
| Equalization Aid | 12-495-034 | \$ 3,180,615 | 07/01/2011- | | | | | | | | | | | |
| | -5120-078 | | 06/30/2012 | | | \$ 3,180,615 | \$ 3,180,615 | | | | | \$ 310,979 | \$ 3,180,615 | |
| Categorical Special Education Aid | 12-495-034 | 564,259 | 07/01/2011- | | | | | | | | | | | |
| | -5120-089 | | 06/30/2012 | | | 564,259 | 564,259 | | | | | 55,170 | 564,259 | |
| Categorical Transportation Aid | 12-495-034 | 6,960 | 07/01/2011- | | | | | | | | | | | |
| | -5120-014 | | 06/30/2012 | | | 6,960 | 6,960 | | | | | 680 | 6,960 | |
| Categorical Security Aid | 12-495-034 | 75,293 | 07/01/2011- | | | | | | | | | | | |
| | -5120-084 | | 06/30/2012 | | | 75,293 | 75,293 | | | | | 7,362 | 75,293 | |
| Extraordinary Special Education Costs Aid | 12-100-034 | 50,544 | 07/01/2011- | | | | | | | | | | | |
| | -5120-473 | | 06/30/2012 | | | | 50,544 | | \$ (50,544) | | | | 50,544 | |
| Extraordinary Special Education Costs Aid | 11-100-034 | 58,865 | 07/01/2010- | | | | | | | | | | | |
| | -5120-473 | | 06/30/2011 | \$ (58,865) | | 58,865 | | | | | | | 58,865 | |
| Nonpublic Remote Transportation Aid | 12-495-034 | 11,292 | 07/01/2011- | | | | | | | | | | | |
| | -5120-014 | | 06/30/2012 | | | | | | | | | | | |
| Nonpublic Remote Transportation Aid | 11-495-034 | 11,395 | 07/01/2010- | | | | | | | | | | | |
| | -5120-014 | | 06/30/2011 | (11,395) | | 11,395 | | | | | | | 11,395 | |
| On-Behalf TPAF Pension Contribution- Post Retirement Medical | 12-495-034 | 414,723 | 07/01/2011- | | | | | | | | | | | |
| | -5095-001 | | 06/30/2012 | | | 414,723 | 414,723 | | | | | | 414,723 | |
| On-Behalf TPAF Pension Contribution- Non-Contributory Insurance | 12-495-034 | 19,994 | 07/01/2011- | | | | | | | | | | | |
| | -5095-007 | | 06/30/2012 | | | 19,994 | 19,994 | | | | | | 19,994 | |
| On-Behalf TPAF Pension Contribution- Normal Costs and Accrued Liability | 12-495-034 | 186,309 | 07/01/2011- | | | | | | | | | | | |
| | -5095-006 | | 06/30/2012 | | | 186,309 | 186,309 | | | | | | 186,309 | |
| Reimbursed TPAF Social Security Contribution | 12-495-034 | 456,742 | 07/01/2011- | | | | | | | | | | | |
| | -5095-002 | | 06/30/2012 | | | 433,681 | 456,742 | | (23,061) | | | | 456,742 | |
| Reimbursed TPAF Social Security Contribution | 11-495-034 | 454,012 | 07/01/2010- | | | | | | | | | | | |
| | -5095-002 | | 06/30/2011 | (22,171) | | 22,171 | | | | | | | 454,012 | |
| Total General Fund | | | | <u>(92,431)</u> | <u>-</u> | <u>4,974,265</u> | <u>4,966,731</u> | <u>\$ -</u> | <u>(84,897)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>374,191</u> | <u>5,491,003</u> | |
| State Department of Agriculture | | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | | |
| State School Lunch Program | 12-100-010 | 1,948 | 07/01/2011- | | | | | | | | | | | |
| | -3350-023 | | 06/30/2012 | | | 1,836 | 1,948 | | (112) | | | | 1,948 | |
| State School Lunch Program | 11-100-010 | 2,337 | 07/01/2010- | | | | | | | | | | | |
| | -3350-023 | | 06/30/2011 | (129) | | 129 | | | | | | | 2,337 | |
| Total Enterprise Fund | | | | <u>(129)</u> | <u>-</u> | <u>1,965</u> | <u>1,948</u> | <u>-</u> | <u>(112)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,285</u> | |
| TOTAL STATE FINANCIAL ASSISTANCE | | | | <u>\$ (92,560)</u> | <u>\$ -</u> | <u>\$ 4,976,230</u> | <u>\$ 4,968,679</u> | <u>\$ -</u> | <u>\$ (85,009)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 374,191</u> | <u>\$ 5,495,288</u> | |

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
 JUNE 30, 2012

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP OF BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$30,485) for the general fund and \$-0- for the Special Revenue Fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

| | <u>Local</u> | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|----------------------|-----------------|-------------------|---------------------|---------------------|
| General Fund | | \$ 148,142 | \$ 4,936,246 | \$ 5,084,388 |
| Special Revenue Fund | \$ 3,901 | 323,663 | | 327,564 |
| Food Service Fund | | 41,953 | 1,948 | 43,901 |
| | <u>\$ 3,901</u> | <u>\$ 513,758</u> | <u>\$ 4,938,194</u> | <u>\$ 5,455,853</u> |

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2012

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2012. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued: Unqualified

Internal Control Over Financial Reporting:

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

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

Noncompliance Material to Financial Statements Noted? Yes X No

Federal Awards

Internal Control Over Major Programs:

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

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

Type of Auditor's Report Issued on Compliance for Major Programs? Unqualified

Any Audit Findings Disclosed that are Required to be Reported in Accordance with Section .510 (a) of Circular A-133 Yes X No

Identification of Major Programs:

| <u>CFDA Numbers</u> | <u>Amount</u> | <u>Name of Federal Program</u> |
|---------------------|---------------|--------------------------------|
| 84.027 | \$ 193,322 | IDEA Basic |
| 84.410A | 148,142 | Education Jobs Aid |

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Federal Awards (Cont'd)

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

Auditee qualified as a low-risk auditee X Yes No

State Awards

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

Auditee Qualified as low-risk auditee X Yes No

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

Internal Control Over Major Programs:

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

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

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

Identification of Major Programs:

| <u>GMIS Numbers</u> | <u>Amount</u> | <u>Name of State Program</u> |
|---------------------|---------------|-------------------------------------|
| 12-495-034-5095-002 | \$ 3,180,615 | Reimbursed TPAF Social Security Aid |
| 12-495-034-5120-089 | 564,259 | Categorical Special Education Aid |
| 12-495-034-5120-078 | 456,742 | Equalization Aid |

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

SECTION II-FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended June 30, 2012.

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

There were no findings or questioned costs for the year ended June 30, 2012.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

K-7

There were no prior year findings or questioned costs.