

DELAWARE VALLEY REGIONAL HIGH SCHOOL
BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**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, 2010**

Prepared by

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY SECTION	
Letter of Transmittal	2
Organizational Chart	3
Roster of Officials	4
Consultants and Advisors	5
FINANCIAL SECTION	
Independent Auditor's Report	7-8
Required Supplementary Information – Part I Management's Discussion and Analysis	10
Basic Financial Statements	
A. District-Wide Financial Statements:	
A-1 Statement of Net Assets	13
A-2 Statement of Activities	14
B. Fund Financial Statements	
Governmental Funds:	
B-1 Balance Sheet	16-17
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	18-19
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Proprietary Funds:	
B-4 Combining Statement of Fund Net Assets	21
B-5 Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	22
B-6 Combining Statement of Cash Flows	23
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Assets	24
B-8 Statement of Changes in Fiduciary Net Assets	25
Notes to the Financial Statements	27-47
Required Supplementary Information – Part II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule-General Fund	50-55
C-1A Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual	56
C-1B American Recovery & Reinvestment Act-Budget and Actual	57
C-2 Budgetary Comparison Schedule-Special Revenue Fund	58
Notes to the Required Supplementary Information:	
C-3 Budget-to-GAAP Reconciliation	60

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
TABLE OF CONTENTS
(Continued)

SECTION II

EXHIBIT

PAGE

FINANCIAL SECTION (Continued)

Other Supplemental Information

D.	School Level Schedule	N/A
E.	Special Revenue Fund:	
	E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund-Budgetary Basis	64
F.	Capital Projects Fund:	
	F-1 Summary Schedule of Project Expenditures	66
	F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance-Budgetary Basis	67
	F-2a Schedule of Project Revenues, Expenditures, Project Balance	68
G.	Proprietary Funds	
	Enterprise Fund:	
	G-1 Combining Statement of Fund Net Assets	70
	G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	71
	G-3 Combining Statement of Cash Flows	72
H.	Fiduciary Funds:	
	H-1 Combining Statement of Fiduciary Net Assets	74
	H-2 Combining Statement of Changes in Fiduciary Net Assets	75
	H-3 Student Activity Agency Fund Statement of Changes in Assets and Liabilities	76
	H-4 Payroll Agency Fund Statement of Changes in Assets and Liabilities	77
I.	Long-Term Debt:	
	I-1 Schedule of Serial Bonds	79
	I-2 Debt Service Fund Budgetary Comparison Schedule	80

SECTION III

STATISTICAL SECTION

Table of Contents		82
	J-1 Net Assets by Component	83
	J-2 Changes in Net Assets	84-86
	J-3 Fund Balances, Governmental Funds	87
	J-4 Changes in Fund Balances, Governmental Funds	88
	J-5 Local Tax Levy by Constituent District	89

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
TABLE OF CONTENTS
(Continued)

SECTION III (Cont'd)

EXHIBIT

PAGE

STATISTICAL SECTION (Cont'd)

Table of Contents (Cont'd)

J-6	General Fund-Other Local Revenues by Source	90
J-7	Assessed Value and Actual Value of Taxable Property All Constituent Districts	91
J-8	Assessed Value and Actual Value of Taxable Property to	
J-12	by Constituent District	92-96
J-13	Direct and Overlapping Property Tax Rates to	
J-17	by Constituent District	97-101
J-18	Principal Property Taxpayers to	
J-22	by Constituent District	102-106
J-23	Property Tax Levies and Collections-All Constituent Districts	107
J-24	Property Tax Levies and Collections to	
J-28	by Constituent District	108-112
J-29	Ratios of Outstanding Debt by Type	113
J-30	Ratios of General Bonded Debt Outstanding	114
J-31	Direct and Overlapping Governmental Activities Debt to	
J-35	by Constituent District	115-119
J-36	Legal Debt Margin Information	120
J-37	Demographic and Economic Statistics	121
J-38	Principal Employers	122
J-39	Full Time Equivalent Employees by Function/Program	123
J-40	Operating Statistics	124
J-41	School Building Information	125
J-42	Schedule of Required Maintenance	126
J-43	Insurance Schedule	127

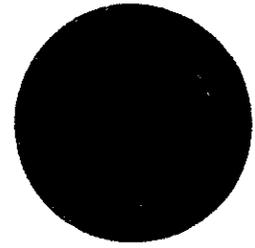
SECTION VI

SINGLE AUDIT SECTION

K-1	Independent Auditors' 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	129-130
K-2	Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-33 and New Jersey OMB Circular 04-04	131-132
K-3	Schedule of Expenditures of Federal Awards, Schedule A	133
K-4	Schedule of Expenditures State Financial Assistance, Schedule B	134
K-5	Notes to Schedules of Financial Assistance	135-136
K-6	Schedule of Findings and Questioned Costs	137-139
K-7	Summary Schedule of Prior Audit Findings	139

INTRODUCTORY SECTION

Delaware Valley Regional High School Board of Education



19 Senator Stout Road • Frenchtown • New Jersey • 08825-3721
Telephone: 908-996-2727 • Fax: 908-996-4527 • Website: dvrhs.org

Elizabeth A. Nastus, Ed.D.
Superintendent

Daria A. Wasserbach, RSBA
Business Administrator/Board Secretary

October 21, 2010

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, 2010, 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 GASB Codification section 2100. 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 2009-2010 fiscal year with an enrollment of 1,018 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
2010-11	1,018	4.19%
2009-10	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 thirty-five (235) comprised Delaware Valley's 2010 graduating class. Among these graduates, two hundred and fourteen (214) (91%) have enrolled in either technical schools or two or four-year colleges. Five (5) (2%) seniors entered the United States Armed Forces and nineteen (19) (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-one (261) Delaware Valley juniors took the HSPA in March, 2010. Two hundred fifty-three (253) (97%) passed the Language Arts Literacy and two hundred nineteen (219) (83%) 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, 2010.
- 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, 2010, the District's outstanding debt issues included \$5,284,000 of general obligation bonds. The bonds are a result of a referendum for construction and equipment additions and renovations to Delaware Valley Regional High School issued on December 14, 2003. 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.

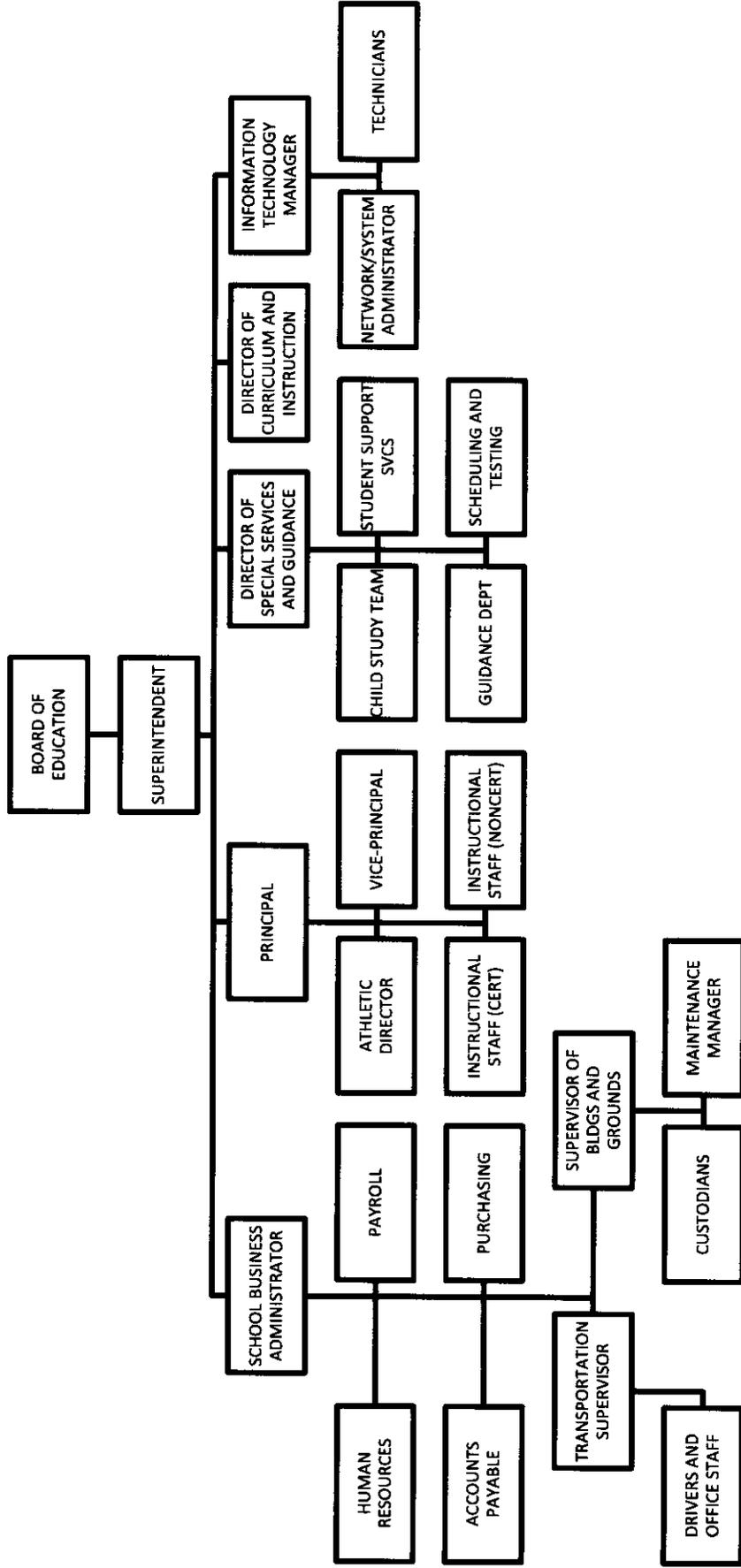
Elizabeth A. Nastus, Ed.D.
Superintendent of Schools

Daria A. Wasserbach

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, 2010**

Name	Municipality	Term Expires
Dr. Leslie Callanan, President	Kingwood Township	2011
Ellen Gordon, Vice-President	Milford Borough	2013
Debora Frank	Kingwood Township	2012
Robert Haver	Frenchtown Borough	2011
Dr. Sandra Howell	Holland Township	2013
Sharon Kelly	Alexandria Township	2012
William Martin	Holland Township	2013
Brett Reina	Holland Township	2012
David Sousa	Alexandria Township	2011

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, Counsellors at Law, Attorney

DELAWARE VALLEY REGIONAL HIGH SCHOOL BOARD OF EDUCATION**CONSULTANTS AND ADVISORS
JUNE 30, 2010**

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, Counsellors 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

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

INDEPENDENT AUDITOR'S REPORT

October 21, 2010

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, 2010, 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 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 Division of 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 above 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, 2010, 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 a report dated October 21, 2010 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.

The Management Discussion and Analysis and Budgetary Comparison Information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Delaware Valley Regional Board of Education's basic financial statements. The accompanying introductory section, and other supplementary information, such as, the combining and individual fund financial statements, long-term debt schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by US 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" and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



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, 2010
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, 2010. 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 2010 are as follows:

- In total, net assets decreased \$3,149.
- General revenues accounted for \$18,168,182, or 84.41% percent of all revenues. Program specific revenues in the form of operating grants and contributions, and charges for services, accounted for \$3,354,733, or 15.59% percent of the total revenues of \$21,522,885.
- The school district had \$21,413,521 in total expenses, \$3,354,733 of these expenses were offset by program specific charges, grants or contributions. General revenues (primarily taxes) of \$18,168,182 were adequate to provide for these expenses.
- Among governmental funds, the General Fund had \$17,590,144 in revenues and \$17,066,749 in expenditures. After factoring in other financing uses of 87,238, the General Fund's balance increased \$436,157 from fiscal year 2009.

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 2010?" 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, 2010 with comparisons to June 30, 2009.

Table 1
Net Assets

	6/30/10	6/30/09	Variance	
			Dollars	%
Current & Other Assets	\$ 3,098,902	\$ 1,940,347	\$ 1,158,555	59.71
Capital Assets	13,528,965	14,109,660	(580,695)	(4.12)
Total Assets	16,627,867	16,050,007	577,860	3.60
Long-Term Liabilities	5,313,539	5,414,381	(100,842)	(1.86)
Other Liabilities	1,308,702	626,851	681,851	108.77
Total Liabilities	6,622,241	6,041,232	581,009	9.62
Net Assets				
Invested in Capital Assets,				
Net of Related Debt	9,086,969	9,547,216	(460,247)	(4.82)
Restricted	1,180,548	409,822	770,726	188.06
Unrestricted	(261,891)	51,737	(313,628)	606.20
Total Net Assets	\$ 10,005,626	\$ 10,008,775	\$ (3,149)	(0.03)

- Total assets increased by \$577,860; as cash and cash equivalents increased \$1,292,968; receivables decreased \$124,743; capital assets decreased \$580,695 and other assets decreased \$9,670. 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, decreased by \$313,628. This was largely due to the transfer of \$475,000 of General Fund unrestricted funds to restrict legal resources for future capital, maintenance and emergency purposes.

Table 2 provides a summary of the District's changes in net assets in fiscal year 2010 with comparisons to 2009.

Table 2
Changes in Net Assets

	Fiscal Year Ending		Variance	
	6/30/10	6/30/09	Dollars	%
Revenues				
Program Revenues:				
Charges for Services	\$ 2,808,420	\$ 3,018,412	\$ (209,992)	(6.96)
Operating Grants	546,283	292,399	253,884	86.83
General Revenues:				
Property Taxes	12,930,722	12,363,849	566,873	4.58
Unrestricted Grants	5,192,310	5,042,621	149,689	2.97
Other	45,150	64,304	(19,154)	(29.79)
Total Revenues	21,522,885	20,781,585	741,300	3.57
Program Expenses				
Instruction:				
Regular	6,806,737	6,577,636	229,101	3.48
Special	2,019,811	1,624,178	395,633	24.36
Other	1,453,396	1,431,693	21,703	1.52
Support Services:				
Tuition	909,236	1,031,523	(122,287)	(11.85)
Student & Instructional Staff	2,541,581	2,435,152	106,429	4.37
General & Business Administration	1,150,911	1,016,561	134,350	13.22
School Administration	582,320	514,981	67,339	13.08
Maintenance	1,616,202	1,713,875	(97,673)	(5.70)
Transportation	3,838,950	4,138,906	(299,956)	(7.25)
Food Service	324,654	413,719	(89,065)	(21.53)
Interest on Long-Term Debt	169,723	183,150	(13,427)	(7.33)
Total Expenses	21,413,521	21,081,374	332,147	1.58
Increases (Decreases) Before Special Items	109,364	(299,789)	409,153	(136.48)
Special Items:				
Transfers	(110,929)	(6,752)	(104,177)	1542.91
Special Item-Gain/(Loss) on Deletion of Assets	(1,584)	2,100	(3,684)	(175.43)
Total Special Items	(112,513)	(4,652)	(3,684)	79.19
Increase (Decrease) in Net Assets	\$ (3,149)	\$ (304,441)	\$ 405,469	(133.18)

* = Undefined

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 69.1% percent of revenues for governmental activities for the Delaware Valley Regional High School District for fiscal year 2010. The District's total revenues were \$18,717,120 for the year ended June 30, 2010. Federal, state and local grants accounted for 27.7% percent of revenue. The total cost of all programs and services was \$18,438,621. Instruction comprises 55.8% percent of district expenses while support services comprised 43.3% percent and interest on long-term debt comprised 0.9%.

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 profit of \$40,969 for fiscal year 2010, and has a substantial fund balance of \$234,334 as of June 30, 2010. Sales revenues amounted to \$328,379, while Federal and state reimbursement for meals, including payments for free and reduced lunches, and donated commodities was \$39,057.
- The Transportation Service Fund operated at a loss of \$232,846 for fiscal year 2010.¹ Fund balance as of June 30, 2010 of \$1,527,785 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 \$375,608 is available for future operations of the fund. This loss was comprised entirely of capital depreciation of \$249,897.

Table 3 provides a summary of the District's cost of governmental services in 2010 and 2009.

**Table 3
Cost of Governmental Services**

	Total Cost of Services		Net Cost of Services	
	6/30/10	6/30/09	6/30/10	6/30/09
Instruction	\$ 10,279,944	\$ 9,633,507	\$ 10,072,737	\$ 9,554,977
Support Services:				
Tuition	909,236	1,031,523	726,403	846,625
Student & Instructional Staff	2,541,581	2,435,152	2,403,887	2,417,375
General & Business Administration	1,150,911	1,016,561	1,149,409	1,015,923
School Administration	582,320	514,981	582,320	514,981
Plant Operations & Maintenance	1,616,202	1,713,875	1,597,702	1,697,688
Pupil Transportation	1,188,704	1,280,005	1,187,502	1,484,905
Interest on Long-Term Debt	169,723	183,150	169,723	183,150
Total Expenses	\$ 18,438,621	\$ 17,808,754	\$ 17,889,683	\$ 17,715,624

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

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

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

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

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

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

The dependence upon tax revenue is apparent. For all activities, tax revenue support is 59.5%. 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 \$18,688,370 and expenditures were \$18,164,975. The net increase in fund balances of \$436,157 was composed entirely in the General Fund. Effective cost cutting measures implemented by the District helped restore General Fund Surplus to a higher balance of \$796,813.

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.

Over the course of the year, the District transferred within the annual operating budget several times as needed. Revisions in the budget were made to account for actual costs which varied from original estimates because of unexpected changes in specific line item accounts. Through the creation of a new position, Maintenance Manager, the district was able to rely less on purchased professional facility services saving more than \$200,000 in the 2009/2010 budget. Transportation efficiencies saved the District an additional \$200,000. Finally, the establishment of an in-house autism program generated a more than \$100,000 reduction in our out-of-district tuition costs. All of these initiatives allowed the District to fund legal reserves for future capital, maintenance and emergency purposes.

For the General Fund, budget based revenues amounted to \$16,675,945 which was less than original budget estimates by \$139,341. This can be explained by reduced interest rates and the state aid reductions.

Capital Assets

At the end of the fiscal year 2010, the School District has \$13,528,965 invested in buildings, land, vehicles, equipment, and construction in progress. Some of the more significant asset acquisitions included the library detection system and a food service expenditure for a new kettle and steamer.

Table 4 provides a summary of the District's capital assets net of depreciation at June 30, 2010 with comparisons to June 30, 2009.

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

	6/30/10	6/30/09	Variance	
			Dollars	%
Land	\$ 36,845	\$ 36,845	\$ -	0.00
Land Improvements	818,921	880,318	(61,397)	(6.97)
Buildings & Improvements	11,199,594	11,486,989	(287,395)	(2.50)

Machinery & Equipment	\$ 602,893	\$ 601,173	\$ 1,720	0.29
Vehicles	870,712	1,104,335	(233,623)	(21.16)
Total	<u>\$ 13,528,965</u>	<u>\$ 14,109,660</u>	<u>\$ (580,695)</u>	(4.12)

* = Undefined

At June 30, 2010, the District had \$5,313,539 in long-term debt obligations. A summary of the District's outstanding debt as of June 30, 2010 with comparisons to June 30, 2009 is provided in Table 5 below:

Table 5
Long-term Liabilities at Year-end

	6/30/10	6/30/09	Variance	
			Dollars	%
2003 General Obligation Bonds	\$ 4,469,000	\$ 4,884,000	\$(415,000)	(8.50)
Compensated Absences Payable	844,539	530,381	314,158	59.23
Total	<u>\$ 5,313,539</u>	<u>\$ 5,414,381</u>	<u>\$(100,842)</u>	(1.86)

* = 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 tax-payers. One of the areas the District will look at in the near future will be technology. 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. The financial condition of the state is also a concern.

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, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash & Cash Equivalents	\$ 1,057,862	\$ 455,106	\$ 1,512,968
Receivables, Net	664,084	89,492	753,576
Inventory		2,525	2,525
Bond Issuance Costs, Net	52,281		52,281
Restricted Assets:			
Cash & Cash Equivalents	777,552		777,552
Capital Assets (Note 4)			
Land	36,845		36,845
Other Capital Assets, Net of Depreciation	12,276,075	1,216,045	13,492,120
Total Assets	14,864,699	1,763,168	16,627,867
LIABILITIES			
Accounts Payable	66,734	23	66,757
Due to Other Funds	20,000		20,000
Accrued Interest	74,390		74,390
Deferred Revenue	1,145,029	1,026	1,146,055
Deposits Payable	1,500		1,500
Long-Term Liabilities (Note 5):			
Due Within One Year	504,094		504,094
Due Beyond One Year	4,809,445		4,809,445
Total Liabilities	6,621,192	1,049	6,622,241
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	7,870,924	1,216,045	9,086,969
Restricted For:			
Capital Projects	12,418		12,418
Legal Reserves	738,130		738,130
Debt Service	430,000		430,000
Unrestricted	(807,965)	546,074	(261,891)
TOTAL NET ASSETS	\$ 8,243,507	\$ 1,762,119	\$ 10,005,626

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, 2010

ASSETS	General	Special Revenue	Capital Projects	Debt Service	Total Governmental
Cash & Cash Equivalents	\$ 618,636	\$	\$ 430,000	\$ 9,226	\$ 1,057,862
Due from Other Funds	210,820			430,000	640,820
Receivables from Other Governments:					
Federal		\$ 629,556			629,556
State	33,479				33,479
Local	200				200
Restricted Cash & Equivalents	738,130		39,422		777,552
TOTAL ASSETS	\$ 1,601,265	\$ 629,556	\$ 469,422	\$ 439,226	\$ 3,139,469
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to Other Funds	\$ 20,000	\$ 209,971	\$ 430,000	\$	\$ 659,971
Accounts Payable	63,383	3,351			66,734
Deferred Revenue	719,569	416,234		\$ 9,226	1,145,029
Deposits Payable	1,500				1,500
Total Liabilities	804,452	629,556	430,000	9,226	1,873,234
Fund Balances:					
Reserved for:					
Encumbrances	157,619				157,619
Capital Reserve Account	413,130				413,130
Maintenance Reserve Account	75,000				75,000
Emergency Reserve Account	250,000				250,000
Unreserved:					
Designated for Subsequent Year's Expenditures			39,422	430,000	469,422
Undesignated	(98,936)				(98,936)
Total Fund Balances	796,813	-	39,422	430,000	1,266,235
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,601,265	\$ 629,556	\$ 469,422	\$ 439,226	\$ 3,139,469

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010
(Continued)

Total Fund Balances for Governmental Funds		\$ 1,266,235
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	\$ 19,826,117	
and the accumulated depreciation is	<u>7,513,197</u>	12,312,920
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)		(5,313,539)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		(74,390)
Bond issuance costs are reported as expenditures in the governmental funds. The costs are	87,136	
and the accumulated amortization is	<u>34,855</u>	<u>52,281</u>
Total Net Assets of Governmental Activities		<u>\$ 8,243,507</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

REVENUES	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Local Sources:					
Local Tax Levy	\$ 12,339,722			\$ 591,000	\$ 12,930,722
Tuition Charges	5,910				5,910
Interest Earned on Capital Reserve Funds	1,174				1,174
Interest on Investments	17,165				17,165
Miscellaneous	33,863	\$ 5,774			39,637
Total	12,397,834	5,774	\$ -	591,000	12,994,608
State Sources	4,609,802				4,609,802
Federal Sources	582,508	501,452			1,083,960
Total Revenues	17,590,144	507,226	-	591,000	18,688,370
EXPENDITURES					
Current:					
Instruction:					
Regular Instruction	4,864,422	49,815			4,914,237
Special Education Instruction	1,340,851	102,926			1,443,777
Other Special Instruction	57,124	29,074			86,198
Co-Curricular/School-Sponsored	967,303				967,303
Support Service & Undistributed Costs:					
Tuition	726,403	182,833			909,236
Student & Instruction Related Services	1,731,990	137,694			1,869,684
General & Other Administrative Services	871,934				871,934
School Administrative Services	404,820				404,820
Plant Operations & Maintenance	1,359,046				1,359,046
Pupil Transportation	1,118,302				1,118,302
Unallocated Benefits	3,526,069				3,526,069

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 YEAR ENDED JUNE 30, 2010
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd)					
Capital Outlay:					
Equipment	\$ 90,895	\$ 2,101			\$ 92,996
Facilities Acquisition & Construction Services	7,590	2,783			10,373
Debt Services:					
Principal				\$ 415,000	415,000
Interest & Other Charges				176,000	176,000
Total Expenditures	<u>17,066,749</u>	<u>507,226</u>	<u>\$ -</u>	<u>591,000</u>	<u>18,164,975</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>523,395</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>523,395</u>
Other Financing Sources (Uses):					
Proceeds from Disposal of Capital Assets	2,762				2,762
Transfers In	(90,000)		(430,000)	430,000	430,000
Transfers Out	(87,238)	-	(430,000)	430,000	(87,238)
Total Other Financing Sources (Uses)	<u>436,157</u>	<u>-</u>	<u>(430,000)</u>	<u>430,000</u>	<u>436,157</u>
Net Change in Fund Balances	<u>360,656</u>	<u>-</u>	<u>469,422</u>	<u>-</u>	<u>830,078</u>
Fund Balances, July 1	<u>796,813</u>	<u>-</u>	<u>39,422</u>	<u>430,000</u>	<u>1,266,235</u>
Fund Balances, June 30					

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 YEAR ENDED JUNE 30, 2010

Total Net Changes in Fund Balances-Governmental Fund (from B-2)		\$ 436,157
<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	\$ 103,369	
Basis of Capital Assets Disposed	(2,533)	
Depreciation Expense	<u>(449,575)</u>	(348,739)
<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		415,000
<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>		
Amortization of Bond Issuance Costs		(5,809)
<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>		
		6,277
<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>(314,158)</u>
Change in Net Assets of Governmental Activities		<u>\$ 188,728</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	Business Type Activities Enterprise Funds		
	Food Service Fund	Transportation Service Fund	Total
ASSETS			
Current Assets:			
Cash & Cash Equivalents	\$ 166,866	\$ 288,240	\$ 455,106
Receivables from Other Governments:			
State	204		204
Federal	1,897		1,897
Other		87,391	87,391
Inventory	2,525		2,525
Total Current Assets	<u>171,492</u>	<u>375,631</u>	<u>547,123</u>
Noncurrent Assets:			
Capital Assets	184,905	3,350,499	3,535,404
Less: Accumulated Depreciation	121,037	2,198,322	2,319,359
Total Noncurrent Assets	<u>63,868</u>	<u>1,152,177</u>	<u>1,216,045</u>
Total Assets	<u>235,360</u>	<u>1,527,808</u>	<u>1,763,168</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable		23	23
Deferred Revenues	1,026		1,026
Total Current Liabilities	<u>1,026</u>	<u>23</u>	<u>1,049</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	63,868	1,152,177	1,216,045
Unrestricted	170,466	375,608	546,074
TOTAL NET ASSETS	<u>\$ 234,334</u>	<u>\$ 1,527,785</u>	<u>\$ 1,762,119</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 YEAR ENDED JUNE 30, 2010

	Business Type Activities Enterprise Funds		
	Food Service Fund	Transportation Service Fund	Total
Operating Revenues:			
Charges for Services:			
Daily Sales-Reimbursable Programs	\$ 169,234		\$ 169,234
Daily Sales-Nonreimbursable Programs	159,145		159,145
Transportation Fees		\$ 2,438,329	2,438,329
Total Operating Revenues	<u>328,379</u>	<u>2,438,329</u>	<u>2,766,708</u>
Operating Expenses:			
Costs of Sales	150,677		150,677
Salaries	108,414	1,161,294	1,269,708
Employee Benefits	28,976	180,357	209,333
Purchased Professional & Technical Services		16,437	16,437
Purchased Property Services	888	7,092	7,980
Rental/Lease Payments for Vehicles		228,781	228,781
Contracted Services-Transportation		545,223	545,223
Insurance	2,835	18,356	21,191
Management Fee	8,600		8,600
Other Purchased Services	3,256	1,707	4,963
General Supplies	14,246	79,421	93,667
Energy (Natural Gas)		8,544	8,544
Energy (Electricity)		142,890	142,890
Energy (Oil)		5,843	5,843
Depreciation	6,451	249,897	256,348
Miscellaneous	311	4,404	4,715
Total Operating Expenses	<u>324,654</u>	<u>2,650,246</u>	<u>2,974,900</u>
Operating Income (Loss)	<u>3,725</u>	<u>(211,917)</u>	<u>(208,192)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	2,529		2,529
Federal Sources:			
National School Lunch Program	23,968		23,968
Food Donation Program	12,560		12,560
Total Nonoperating Revenues (Expenses)	<u>39,057</u>	<u>-</u>	<u>39,057</u>
Other Financing Sources (Uses):			
Transfer Out to Unemployment Compensation Fund		(20,929)	(20,929)
Loss on Disposal of Assets	(1,813)		(1,813)
Total Other Financing Sources (Uses)	<u>(1,813)</u>	<u>(20,929)</u>	<u>(22,742)</u>
Change in Net Assets	40,969	(232,846)	(191,877)
Total Net Assets, Beginning	<u>193,365</u>	<u>1,760,631</u>	<u>1,953,996</u>
Total Net Assets, Ending	<u>\$ 234,334</u>	<u>\$ 1,527,785</u>	<u>\$ 1,762,119</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Business Type Activities Enterprise Funds		
	Food Service Fund	Transportation Service Fund	Total
Cash Flows from Operating Activities:			
Receipts from Services Provided	\$ 328,379	\$ 2,537,013	\$ 2,865,392
Payments to Employees		(1,161,294)	(1,161,294)
Payments for Employee Benefits		(180,357)	(180,357)
Payments to Food Service Management Company	(301,562)		(301,562)
Payments to Vendors	(1,232)	(1,058,675)	(1,059,907)
Net Cash Provided by (Used For) Operating Activities	<u>25,585</u>	<u>136,687</u>	<u>162,272</u>
Cash Flows from Noncapital Financing Activities:			
State Sources	2,478		2,478
Federal Sources	23,299		23,299
Transfer out to Unemployment Compensation Fund		(20,929)	(20,929)
Net Cash Provided by (Used For) Noncapital Financing Activities	<u>25,777</u>	<u>(20,929)</u>	<u>4,848</u>
Cash Flows from Capital Financing Activities:			
Acquisition of Equipment	(26,205)		(26,205)
Net Cash Provided by (Used For) Capital Financing Activities	<u>(26,205)</u>	<u>-</u>	<u>(26,205)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	25,157	115,758	140,915
Cash and Cash Equivalents, Beginning	<u>141,709</u>	<u>172,482</u>	<u>314,191</u>
Cash and Cash Equivalents, Ending	<u>\$ 166,866</u>	<u>\$ 288,240</u>	<u>\$ 455,106</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	\$ 3,725	\$ (211,917)	\$ (208,192)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	6,451	249,897	256,348
Federal Food Donation Program	12,560		12,560
(Increase) Decrease in Accounts Receivable		98,684	98,684
(Increase) Decrease in Inventory	3,861		3,861
Increase (Decrease) in Accounts Payable		23	23
Increase (Decrease) in Deferred Revenue	(1,012)		(1,012)
Net Cash Provided by (Used For) Operating Activities	<u>\$ 25,585</u>	<u>\$ 136,687</u>	<u>\$ 162,272</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2010

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Agency Funds
ASSETS			
Cash and Cash Equivalents	\$ 1,150	\$ 45,348	\$ 187,934
Due from Other Funds	22,924		
Total Assets	<u>24,074</u>	<u>45,348</u>	<u>\$ 187,934</u>
LIABILITIES			
Due to Other Funds			\$ 3,773
Accounts Payable	23,075		
Due to Student Groups			111,355
Payroll Deductions & Withholdings			72,806
Total Liabilities	<u>23,075</u>	<u>-</u>	<u>\$ 187,934</u>
NET ASSETS			
Held in Trust for Unemployment Claims & Other Purposes	<u>\$ 999</u>		
Reserved for Scholarship		<u>\$ 45,348</u>	

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

	Unemployment Compensation Fund	Private Purpose Scholarship Fund
ADDITIONS		
Contributions:		
Employees	\$ 17,415	
Other		\$ 1,624
Investment Earnings:		
Interest	102	254
Total Additions	<u>17,517</u>	<u>1,878</u>
DEDUCTIONS		
Unemployment Claims	153,672	
Scholarships Awarded		3,750
Total Deductions	<u>153,672</u>	<u>3,750</u>
Other Financing Sources (Uses):		
Transfers In from General Fund	90,000	
Transfers In from Transportaion Service Enterprise Fund	20,929	
Total Other Financing Sources (Uses)	<u>110,929</u>	<u>-</u>
Change in Net Assets	(25,226)	(1,872)
Net Assets, Beginning of the Year	<u>26,225</u>	<u>47,220</u>
Net Assets, End of the Year	<u>\$ 999</u>	<u>\$ 45,348</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NOTES TO THE BASIC FINANCIAL STATEMENTS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

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, 2010 of 1,018 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, 2010
(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 as 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, 2010
 (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, 2010
 (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 and a Transportation Service 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, 2010
(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, 2010 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, 2010
(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 2009-2010 and 2008-2009 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, 2010.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2010
 (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:

<u>Assets</u>	<u>Years</u>
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, 2010
 (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, 2010 consists of the following:

Voter-Approved Capital Projects Unexpended Balance	\$ 12,418
Capital Reserve	413,130
Maintenance Reserve	75,000
Emergency Reserve	250,000
Debt Services	<u>430,000</u>
Total Restricted Net Assets	<u>\$ 1,180,548</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010
(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, 2010
 (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, 2010 appear in the basic financial statements as summarized below:

Cash		<u>\$ 2,524,952</u>
Total Cash		<u>\$ 2,524,952</u>
Cash:	<u>Ref.</u>	
Governmental Funds, Statement of Net Assets	B-1	\$ 1,835,414
Enterprise Fund, Statement of Net Assets	B-4	455,106
Fiduciary Funds, Statement of Net Assets	B-7	<u>234,432</u>
Total Cash		<u>\$ 2,524,952</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)

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

Deposits – The District's carrying amount of bank deposits at June 30, 2010 is \$2,524,952 and the bank balance is \$3,353,638. Of the bank balance, \$250,000 is covered by federal depository insurance and \$3,103,638 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, 2010, the district had no investments.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)

NOTE 4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2010 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES				
Capital Assets, Not Being Depreciated:				
Land	\$ 36,845			\$ 36,845
Total	<u>36,845</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>36,845</u>
Capital Assets, Being Depreciated:				
Land Improvements	1,589,630			1,589,630
Building & Improvements	16,369,177	6,214		16,375,391
Furniture & Equipment	1,661,141	97,155	11,600	1,746,696
Buses & Other Vehicles	77,555			77,555
Total	<u>19,697,503</u>	<u>103,369</u>	<u>11,600</u>	<u>19,789,272</u>
Accumulated Depreciation:				
Land Improvements	709,312	61,397		770,709
Building & Improvements	5,110,328	304,216		5,414,544
Furniture & Equipment	1,203,876	77,830	9,067	1,272,639
Vehicles	49,173	6,132		55,305
Total	<u>7,072,689</u>	<u>449,575</u>	<u>9,067</u>	<u>7,513,197</u>
Total Capital Assets, Being Depreciated, Net	<u>12,624,814</u>	<u>(346,206)</u>	<u>2,533</u>	<u>12,276,075</u>
Transfers	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Governmental Activities Capital Assets, Net	<u>\$ 12,661,659</u>	<u>\$ (346,206)</u>	<u>\$ 2,533</u>	<u>\$ 12,312,920</u>
Business-Type Activities:				
Building & Improvements	\$ 374,000			\$ 374,000
Furniture & Equipment	298,850	\$ 26,205	\$ 19,900	305,155
Buses & Other Vehicles	2,856,249			2,856,249
Less: Accum Depreciation	<u>(2,081,098)</u>	<u>(256,348)</u>	<u>(18,087)</u>	<u>(2,319,359)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 1,448,001</u>	<u>\$ (230,143)</u>	<u>\$ 1,813</u>	<u>\$ 1,216,045</u>

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

Instruction:	
Regular	\$ 193,716
Special Education	46,245
Other Special Instruction	2,748
Co-Curricular Activities	76,210
Support Services:	
Student & Instruction	61,957
General & Business Admin	30,144
School Administration	16,167
Plant & Maintenance	<u>22,388</u>
Total Depreciation Expense, Governmental Activities	<u>\$ 449,575</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2010
 (Continued)

NOTE 5. LONG-TERM DEBT

Long-Term Liability Activity for the Year Ended June 30, 2010 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	\$ 4,884,000		\$ 415,000	\$ 4,469,000	\$ 430,000
Compensated Absences Payable	<u>530,381</u>	<u>\$ 492,264</u>	<u>178,106</u>	<u>844,539</u>	<u>74,094</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 5,414,381</u>	<u>\$ 492,264</u>	<u>\$ 593,106</u>	<u>\$ 5,313,539</u>	<u>\$ 504,094</u>

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2010 including interest payments are listed as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 430,000	\$ 162,305	\$ 592,305
2012	445,000	148,115	593,115
2013	460,000	133,430	593,430
2014	480,000	117,790	597,790
2015	500,000	100,990	600,990
2016-2019	<u>2,154,000</u>	<u>212,490</u>	<u>2,366,490</u>
Total	<u>\$ 4,469,000</u>	<u>\$ 875,120</u>	<u>\$ 5,344,120</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2010
 (Continued)

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

General Obligation Bonds – General obligation school building bonds payable at June 30, 2010, with their outstanding balances are comprised of the following individual issues:

\$6,719,000 - 2003 general obligation school building bonds due in annual installments of \$325,000 to \$549,000 beginning Jan 15, 2005, through Jan 15, 2019 interest rates 3.30% to 4.00%	<u>\$ 4,469,000</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, 2010 is \$83,850,857. General obligation debt at June 30, 2010 is \$4,469,000, resulting in a legal debt margin of \$79,381,857.

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) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund retirement system is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees Retirement System is considered a cost sharing multiple-employer plan.

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).

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

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).

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.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

Contribution Requirements

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contribution of 5.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

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

Year Funding	Post Retirement Benefit Costs	Percentage of APC Contributed
06/30/10	\$ 448,219	100%
06/30/09	437,780	100%
06/30/08	953,938	100%

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed
06/30/10	\$ 235,604	100%
06/30/09	177,710	100%
06/30/08	109,942	100%

During the year ended June 30, 2010, the State of New Jersey contributed \$425,560 to the TPAF for post-retirement medical benefits and \$22,659 for the non-contributory insurance premiums, on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$485,059 during the year ended June 30, 2010 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, 2009, there were 84,590 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.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2010
 (Continued)

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

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 2009, the State paid \$116.9 million toward Ch 126 benefits for 13,320 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.

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 States Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasur/pension/pdf/financial/gasb-43-aug2010.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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2010
 (Continued)

NOTE 9. INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of June 30, 2010 is as follows:

	Receivable Fund	Payable Fund
General Fund	\$ 210,820	\$ 20,000
Debt Service Fund	430,000	
Capital Fund		430,000
Special Revenue Fund		209,971
Payroll Agency Fund		3,773
Unemployment Compensation Fund	<u>22,924</u>	
Total	<u>\$ 663,744</u>	<u>\$ 663,744</u>

The balance due from the Special Revenue Fund to the General Fund of \$209,971 represents a loan from the General Fund due to cash flow issues related to the delayed receipt of grant revenues. The balance due from the Payroll Agency Fund to the Unemployment Compensation Fund of \$2,924 represents employee withholdings for the unemployment trust not yet transferred at year end.

The balance due from the General Fund to the Unemployment Compensation Fund of \$20,000 represents a board contribution not yet disbursed as of June 30, 2010.

The balance due from the Capital Projects Fund to the Debt Service Fund of \$430,000 represents unexpended capital project funds designated for the reduction of outstanding bond principal.

The balance due from the Payroll Agency Fund to the General Fund of \$849 represents employee withholdings for health insurance not yet transferred at year end..

All interfund balances will be liquidated within one year.

The General Fund transferred \$90,000 and the Transportation Service Enterprise Fund transferred \$20,929 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, 2010 consisted of the following:

Food	\$ 1,961
Supplies	<u>564</u>
	<u>\$ 2,525</u>

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.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2010
 (Continued)

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.

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>
2009-2010	\$110,929	\$ 102	\$ 17,415	\$ 153,672	\$ 999
2008-2009	6,752	498	18,508	46,601	26,225
2007-2008	-0-	1,361	62,639	24,925	47,068

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.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2010
 (Continued)

NOTE 13. LEGAL RESERVE ACCOUNTS (Cont'd)

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 \$150,000 to their Capital Reserve account, \$250,000 to their Emergency Reserve account, and \$75,000 to their Maintenance Reserve account by board resolution in June 2010 as summarized in the following schedule.

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

Legal Reserve Type	Beginning Balance	District Contribution	Interest Earnings	Withdrawals	Ending Balance
Capital	\$ 261,956	\$ 150,000	\$ 1,174	\$	\$ 413,130
Emergency		250,000			250,000
Maintenance		75,000			75,000
Total	\$ 261,956	\$ 475,000	\$ 1,174	\$ -0-	\$ 738,130

The June 30, 2010 LRFP balance of local support costs of uncompleted capital projects at June 30, 2010 exceeded the balance in the capital reserve account. The withdrawals from the capital reserve were for use in a Department of Education approved facilities project, consistent with the district's Long Range Facilities Plan.

NOTE 14. FUND BALANCES-GAAP BASIS

As described in Note 1 O-Fund Equity (Fund Balance) may be reserved or designated. An analysis of the General Fund Balance on June 30, 2010 and 2009 is as follows:

	2010	2009
Reserved:		
Encumbrances-Represents reservation of fund balance for purchase orders which have been issued but goods or services were not received as of June 30	\$ 157,619	\$ 83,886
Capital Reserve Account-Represents funds restricted to capital projects in the District Long Range Facilities Plan	413,130	261,956
Maintenance Reserve Account-Represents funds accumulated for the required maintenance of a facility	75,000	
Emergency Reserve-Represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education	250,000	
Excess Surplus-Designated for Subsequent Year's expenditures-represents excess surplus appropriated in the succeeding year's budget to reduce tax requirements		123,471
Unreserved:		
Undesignated-Represents fund balance which has not been reserved or designated	331,414	302,614
Total Fund Balance	\$ 1,227,163	\$ 771,927

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)

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, 2010 is \$-0-.

NOTE 16. DEFICIT FUND BALANCE

The district has a deficit unreserved fund balance of \$98,936 in the General Fund as of June 30, 2010 as reported in the fund statements. NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For inter-governmental transactions, GASB Statement No. 33 requires the recognition (revenue, expenditure, asset and liability) should be in symmetry, (i.e. if one government recognizes an asset, the other government recognizes a liability). Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the June state aid payments, the unreserved, undesignated general fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to NJSA 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$98,936 is less than the last state aid payment of \$430,350.

NOTE 17. CHANGE IN ACCOUNTING ESTIMATE

During the fiscal year ending June 30, 2010, the District had a change in accounting estimate for their calculation of the compensated absences liability. As a result of this change, more employees are included in the liability calculation and the amount of the liability has been increased. The District has decided not to restate their prior year financial statements but to reflect the change in the amount accrued in the current fiscal year. The effect of this decision is not considered material to the financial statements. A summary of the compensated absences liability is included in Note 5.

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, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 12,339,722		\$ 12,339,722	\$ 12,339,722	
Tuition from Individuals				5,910	\$ 5,910
Interest on Investments	71,000		71,000	17,165	(53,835)
Interest Earned on Capital Reserve Funds	100		100	1,174	1,074
Miscellaneous-Unrestricted	50,000		50,000	33,863	(16,137)
Total	<u>12,460,822</u>	<u>\$ -</u>	<u>12,460,822</u>	<u>12,397,834</u>	<u>(62,988)</u>
State Sources:					
Categorical Special Education Aid	556,634		556,634	556,634	
Equalization Aid	3,210,368	(582,508)	2,627,860	2,627,860	
Categorical Security Aid	72,905		72,905	72,905	
Categorical Transportation Aid	494,366		494,366	428,877	(65,489)
Extraordinary Special Education Costs Aid					
Nonpublic Transportation Aid	20,191		20,191		(20,191)
On-Behalf TPAF Pension Contribution				9,327	9,327
Reimbursed TPAF Social Security Contribution				448,219	448,219
Total	<u>4,354,464</u>	<u>(582,508)</u>	<u>3,771,956</u>	<u>4,628,881</u>	<u>856,925</u>
Federal Sources:					
ARRA SFSF ESF Aid		560,799	560,799	560,799	
ARRA SFSF GSF Aid		21,709	21,709	21,709	
Total	<u>-</u>	<u>582,508</u>	<u>582,508</u>	<u>582,508</u>	<u>-</u>
TOTAL REVENUES	<u>\$ 16,815,286</u>	<u>\$ -</u>	<u>\$ 16,815,286</u>	<u>\$ 17,609,223</u>	<u>\$ 793,937</u>
EXPENDITURES					
Current:					
Regular Programs-Instruction:					
Salaries of Teachers:					
Grades 9-12					
	\$ 3,996,357	\$ (12,577)	\$ 3,983,780	\$ 3,983,780	
Regular Programs-Home Instruction:					
Salaries of Teachers	25,000	7,775	32,775	32,775	
Purchased Professional Educational Services	10,000	(6,100)	3,900	3,900	
Other Purchased Services	4,000	(1,301)	2,699	2,699	
Regular Programs-Undistributed Instruction:					
Other Salaries for Instruction	27,160	10,940	38,100	38,100	
Purchased Professional Educational Services	5,070	1,539	6,609	6,609	
Other Purchased Services	202,020	47,105	249,125	249,125	
General Supplies	215,264	263,742	479,006	458,425	\$ 20,581
Textbooks	100,640	(5,079)	95,561	89,009	6,552
Total	<u>4,585,511</u>	<u>306,044</u>	<u>4,891,555</u>	<u>4,864,422</u>	<u>27,133</u>
Special Education-Instruction:					
Multiple Disabilities:					
Salaries of Teachers	98,289	(6,851)	91,438	91,438	
Other Salaries for Instruction	88,457	41,188	129,645	129,645	
General Supplies	7,527	(5,569)	1,958	1,958	
Textbooks	551	(551)			
Other Objects			110	110	
Total	<u>194,824</u>	<u>28,327</u>	<u>223,151</u>	<u>223,151</u>	<u>-</u>
Resource Room/Resource Center:					
Salaries of Teachers	763,862	(91,266)	672,596	672,596	
Other Salaries for Instruction	341,815	(26,302)	315,513	315,513	
General Supplies	3,969	(810)	3,159	3,159	
Textbooks	4,731	(3,910)	821	821	
Total	<u>1,114,377</u>	<u>(122,288)</u>	<u>992,089</u>	<u>992,089</u>	<u>-</u>
Autism:					
Salaries of Teachers	50,000	8,525	58,525	58,525	
Other Salaries for Instruction	40,000	24,963	64,963	64,963	
Purchased Professional Educational Services	6,000	(6,000)			
General Supplies	4,679	(2,556)	2,123	2,123	
Textbooks	500	(500)			
Total	<u>101,179</u>	<u>24,432</u>	<u>125,611</u>	<u>125,611</u>	<u>-</u>
Total Special Education-Instruction	<u>1,410,380</u>	<u>(69,529)</u>	<u>1,340,851</u>	<u>1,340,851</u>	<u>-</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Basic Skills/Remedial-Instruction:					
Salaries of Teachers	\$ 55,962	\$ (3,262)	\$ 52,700	\$ 52,700	
Other Salaries for Instruction		2,726	2,726	2,726	
Other Purchased Services	136	(43)	93	93	
General Supplies	2,753	(1,404)	1,349	1,349	
Total	<u>58,851</u>	<u>(1,983)</u>	<u>56,868</u>	<u>56,868</u>	\$ -
Bilingual Education-Instruction:					
General Supplies	1,003	(747)	256	256	
Textbooks	550	(550)			
Total	<u>1,553</u>	<u>(1,297)</u>	<u>256</u>	<u>256</u>	-
School Sponsored Co/Extra Curricular Activities:					
Salaries	179,680	(13,926)	165,754	165,754	
Purchased Services		2,663	2,663	2,663	
Supplies & Materials	8,881	(7,005)	1,876	1,876	
Other Objects	1,000	(594)	406	406	
Total	<u>189,561</u>	<u>(18,862)</u>	<u>170,699</u>	<u>170,699</u>	-
School Sponsored Athletics:					
Salaries	668,288	(62,581)	605,707	605,707	
Purchased Services	68,921	(27,197)	41,724	41,724	
Supplies & Materials	88,658	34,046	122,704	91,563	31,141
Other Objects	18,090	3,520	21,610	21,610	
Transfers to Cover Deficit (Agency Funds)	41,109	(5,109)	36,000	36,000	
Total	<u>885,066</u>	<u>(57,321)</u>	<u>827,745</u>	<u>796,604</u>	<u>31,141</u>
Total Instruction	<u>\$ 7,130,922</u>	<u>\$ 157,052</u>	<u>\$ 7,287,974</u>	<u>\$ 7,229,700</u>	<u>\$ 58,274</u>
Undistributed Expenditures:					
Instruction Tuition:					
Other LEAs Within the State-Regular	\$ 28,600	\$ (1,287)	\$ 27,313	\$ 3,900	\$ 23,413
Other LEAs Within the State-Special	161,370	(22,871)	138,499	115,897	22,602
County Vocational School Districts-Regular	239,283	100	239,383	239,383	
CSSD and Regional Day Schools	143,207	(135,995)	7,212	7,017	195
Private Schools for Disabled Within the State	294,862	55,620	350,482	293,387	57,095
Private Schools for Disabled Outside the State		44,048	44,048	44,048	
Tuition-State Facilities		22,771	22,771	22,771	
Total	<u>867,322</u>	<u>(37,614)</u>	<u>829,708</u>	<u>726,403</u>	<u>103,305</u>
Health Services:					
Salaries	95,370	30,350	125,720	125,720	
Purchased Professional & Technical Services	31,585	(27,369)	4,216	4,216	
Other Purchased Services	3,010	(3,010)			
Supplies & Materials	9,599	5,104	14,703	14,703	
Other Objects	659	(659)			
Total	<u>140,223</u>	<u>4,416</u>	<u>144,639</u>	<u>144,639</u>	-
Speech, Occp Therapy, Phys Therapy & Related Serv:					
Salaries	54,340	8,984	63,324	63,324	
Purchased Professional Educational Services	20,000	16,368	36,368	36,368	
Total	<u>74,340</u>	<u>25,352</u>	<u>99,692</u>	<u>99,692</u>	-

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Guidance:					
Salaries of Other Professional Staff	\$ 477,719	\$ (141,115)	\$ 336,604	\$ 336,604	
Salaries of Secretarial & Clerical Assistants	76,111	5,851	81,962	81,962	
Other Salaries		24,394	24,394	24,394	
Other Purchased Professional & Technical Services	500	(500)			
Other Purchased Services	3,000	(1,926)	1,074	1,074	
Supplies & Materials	38,750	(14,225)	24,525	24,525	
Other Objects	1,000	(825)	175	175	
Total	597,080	(128,346)	468,734	468,734	\$ -
Child Study Teams:					
Salaries of Other Professional Staff	369,571	(6,233)	363,338	363,338	
Salaries of Secretarial & Clerical Assistants	57,026	955	57,981	57,981	
Other Salaries		9,275	9,275	9,275	
Purchased Professional Educational Services	40,000	(36,515)	3,485	3,485	
Other Purchased Professional & Technical Services	5,000	(2,225)	2,775	2,775	
Miscellaneous Purchased Services	2,000	1,065	3,065	3,065	
Supplies and Materials	9,690	(3,146)	6,544	6,544	
Other Objects	1,315	5	1,320	1,320	
Total	484,602	(36,819)	447,783	447,783	-
Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	304,157	(68,622)	235,535	235,535	
Salaries of Other Professional Staff		22,431	22,431	22,431	
Salaries of Secretarial & Clerical Assistants	38,064	359	38,423	38,423	
Other Purchases Services	2,000	3,769	5,769	5,769	
Supplies and Materials	2,000	6,814	8,814	1,816	6,998
Other Objects	3,000	(1,101)	1,899	1,899	
Total	349,221	(36,350)	312,871	305,873	6,998
Educational Media Services /School Library:					
Salaries	169,893	(23,900)	145,993	145,993	
Purchased Professional and Technical Services	18,700	(11,882)	6,818	6,818	
Other Purchased Services	350	(270)	80	80	
Supplies & Materials	45,440	62,817	108,257	106,432	1,825
Total	234,383	26,765	261,148	259,323	1,825
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	87,000	(87,000)			
Purchased Professional Educational Services	3,754	(3,754)			
Other Purchased Services	16,168	(12,858)	3,310	3,310	
Supplies & Materials	3,650	(3,251)	399	399	
Other Objects	6,505	(4,268)	2,237	2,237	
Total	117,077	(111,131)	5,946	5,946	-
Support Services General Administration:					
Salaries	217,940	(3,547)	214,393	214,393	
Legal Services	50,000	(272)	49,728	49,728	
Audit Fees	29,815	5,860	35,675	35,675	
Architectural / Engineering Services	14,000	(14,000)			
Other Purchased Professional Services	5,000	8,964	13,964	11,814	2,150
Communications & Telephone	48,000	(9,500)	38,500	35,374	3,126
Other Purchased Services	71,348	(8,746)	62,602	62,602	
General Supplies	5,500	1,735	7,235	7,235	
BOE In-House Training/Meeting Supplies	1,000	(1,000)			
Miscellaneous Expenditures	4,600	5,138	9,738	9,738	
Board of Education Membership Dues & Fees	9,337	4,080	13,417	13,417	
Total	456,540	(11,288)	445,252	439,976	5,276

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(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 & Assistant Principals	\$ 245,673	\$ 124	\$ 245,797	\$ 245,797	
Salaries of Secretarial & Clerical Assistants	125,980	(7,058)	118,922	118,922	
Other Salaries		5,000	5,000	5,000	
Purchased Professional and Technical Services		7,821	7,821	7,821	
Other Purchased Services	6,500	(3,221)	3,279	3,279	
Supplies & Materials	27,911	(4,299)	23,612	20,724	\$ 2,888
Other Objects	4,200	(923)	3,277	3,277	
Total	410,264	(2,556)	407,708	404,820	2,888
Central Services:					
Salaries	275,389	(1,701)	273,688	273,688	
Purchased Professional Services		8,454	6,454	6,454	
Purchased Technical Services	20,615	(361)	20,254	20,254	
Miscellaneous Purchased Services	1,999	3,087	5,086	5,086	
Supplies and Materials	6,913	3,915	10,828	10,828	
Miscellaneous Expenditures	1,400	(95)	1,305	1,305	
Total	306,316	11,299	317,615	317,615	-
Administrative Information Technology:					
Salaries	42,167	47,833	90,000	90,000	
Other Purchased Services		5,132	5,132	5,132	
Supplies and Materials		19,663	19,663	19,211	452
Total	42,167	72,628	114,795	114,343	452
Required Maintenance for School Facilities:					
Salaries		60,000	60,000	45,760	14,240
Cleaning, Repair & Maintenance Services	102,750	7,788	110,538	106,138	4,400
General Supplies		7,748	7,748	7,541	207
Total	102,750	75,536	178,286	159,439	18,847
Custodial Services:					
Salaries	577,302	(103,216)	474,086	412,093	61,993
Purchased Professional and Technical Services		3,714	3,714	3,714	
Cleaning Repair & Maintenance Services	210,000	(104,617)	105,383	74,922	30,461
Other Purchased Property Services		577	577	577	
Insurance	35,000	30,904	65,904	65,904	
Miscellaneous Purchased Services	750	262	1,012	1,000	12
General Supplies	62,000	71,879	133,879	109,456	24,423
Energy	540,000	(540,000)			
Energy (Natural Gas)		3,000	3,000	1,436	1,564
Energy (Electricity)		345,000	345,000	267,455	77,545
Energy (Oil)		187,286	187,286	164,229	23,057
Other Objects	1,000	332	1,332	1,332	
Total	1,426,052	(104,879)	1,321,173	1,102,118	219,055
Care and Upkeep of Grounds:					
Salaries	-	103,333	103,333	97,489	5,844
Student Transportation Services:					
Management Fees-ESC & CTS Transp. Program	1,626	(1,626)			
Contracted Services-Aid In Lieu of Payments- Nonpublic Schools	39,780	14,037	53,817	19,939	33,878
Contracted Services (Other than Between Home & School)-Vendors	118,160	8,059	126,219	126,219	
Contracted Services (Special Education Students)-Vendors	94,500	(9,306)	85,194		85,194
Contracted Services (Regular Students)- ESC'S & CTSA'S	1,196,710	(288,124)	908,586	702,660	205,926
Contracted Services (Special Education Students)- ESC'S & CTSA'S		269,484	269,484	269,484	
Total	1,450,776	(7,476)	1,443,300	1,118,302	324,998

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Unallocated Benefits-Employee Benefits:					
Social Security Contribution	\$ 220,000	\$ (1,276)	\$ 218,724	\$ 218,724	
Other Retirement Contributions-Regular	244,996	(9,392)	235,604	235,604	
Unemployment Compensation	15,000	(14,532)	468	468	
Workmen's Compensation	118,800	(49,187)	69,613	69,613	
Health Benefits	2,013,116	(157,740)	1,855,376	1,855,376	
Tuition Reimbursement	30,000	(5,243)	24,757	24,757	
Other Employee Benefits	10,000	178,249	188,249	188,249	
Total	<u>2,651,912</u>	<u>(59,121)</u>	<u>2,592,791</u>	<u>2,592,791</u>	\$ -
On-Behalf TPAF Pension Contribution				448,219	(448,219)
Reimbursed TPAF Social Security Contribution				485,059	(485,059)
Total				<u>933,278</u>	<u>(933,278)</u>
Total Undistributed Expenditures	<u>\$ 9,711,025</u>	<u>\$ (216,251)</u>	<u>\$ 9,494,774</u>	<u>\$ 9,738,564</u>	<u>\$ (243,790)</u>
TOTAL CURRENT	<u>\$ 16,841,947</u>	<u>\$ (59,199)</u>	<u>\$ 16,782,748</u>	<u>\$ 16,968,264</u>	<u>\$ (185,516)</u>
CAPITAL OUTLAY					
Equipment:					
Grades 9-12	\$ 82,375	\$ (1,542)	\$ 80,833	\$ 46,815	\$ 34,018
School Sponsored/Other Instructional Programs	7,335	7,177	14,512	2,595	11,917
Undistributed Expenditures:					
Support Services-Instructional Staff		9,313	9,313	9,313	
School Administration		2,700	2,700	2,700	
Central Services		2,027	2,027	2,027	
Administrative Information Technology		12,300	12,300	12,300	
Custodial Services	7,000	28,056	35,056	15,145	19,911
Total	<u>96,710</u>	<u>60,031</u>	<u>156,741</u>	<u>90,895</u>	<u>65,846</u>
Facilities Acquisition & Construction Services:					
Construction Services		7,590	7,590	7,590	
Total		<u>7,590</u>	<u>7,590</u>	<u>7,590</u>	
TOTAL CAPITAL OUTLAY	<u>\$ 96,710</u>	<u>\$ 67,621</u>	<u>\$ 164,331</u>	<u>\$ 98,485</u>	<u>\$ 65,846</u>
TOTAL EXPENDITURES	<u>\$ 16,938,657</u>	<u>\$ 8,422</u>	<u>\$ 16,947,079</u>	<u>\$ 17,066,749</u>	<u>\$ (119,670)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (123,371)	\$ (8,422)	\$ (131,793)	\$ 542,474	\$ 674,267
Other Financing Sources (Uses):					
Proceeds from Sale of Fixed Assets				2,762	2,762
Transfers Out to the Unemployment Trust Fund		(90,000)	(90,000)	(90,000)	
Total Other Financing Sources (Uses)		<u>(90,000)</u>	<u>(90,000)</u>	<u>(87,238)</u>	<u>2,762</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	(123,371)	(98,422)	(221,793)	455,236	677,029
Fund Balances, July 1	<u>771,927</u>		<u>771,927</u>	<u>771,927</u>	
Fund Balances, June 30	<u>\$ 648,556</u>	<u>\$ (98,422)</u>	<u>\$ 550,134</u>	<u>\$ 1,227,163</u>	<u>\$ 677,029</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<u>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</u>					
Adjustment for Prior Year Encumbrances		\$ (83,886)	\$ (83,886)	\$ (83,886)	
Increase in Capital Reserve	\$ 100	151,074	151,174	151,174	
Increase in Maintenance Reserve		75,000	75,000	75,000	
Increase in Emergency Reserve		250,000	250,000	250,000	
Budgeted Fund Balance	(123,471)	(490,610)	(614,081)	62,948	\$ 677,029
TOTAL	\$ (123,371)	\$ (98,422)	\$ (221,793)	\$ 455,236	\$ 677,029

RECAPITULATION OF FUND BALANCE

Reserved:		
Reserve for Encumbrances		\$ 157,619
Capital Reserve		413,130
Maintenance Reserve		75,000
Emergency Reserve		250,000
Unreserved:		
Undesignated-Free		331,414
		<u>1,227,163</u>
Reconciliation to Governmental Statements (GAAP):		
Last State Aid Payment not Recognized on GAAP Basis		(430,350)
Fund Balance Per Governmental Funds (GAAP)		<u>\$ 796,813</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

(NOT APPLICABLE TO THIS REPORT)

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
AMERICAN RECOVERY AND REINVESTMENT ACT-BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Federal Sources:					
ARRA SFSF ESF Aid		\$ 560,799	\$ 560,799	\$ 560,799	
ARRA SFSF GSF Aid		21,709	21,709	21,709	
TOTAL REVENUES	\$ -	\$ 582,508	\$ 582,508	\$ 582,508	\$ -
EXPENDITURES					
Fund 16 ARRA SFSF ESF:					
Regular Programs-Instruction:					
Salaries of Teachers:					
Grades 9-12		\$ 560,799	\$ 560,799	\$ 560,799	
Total	\$ -	560,799	560,799	560,799	\$ -
Fund 17 ARRA SFSF GSF:					
Regular Programs-Instruction:					
Salaries of Teachers:					
Grades 9-12		21,709	21,709	21,709	
Total	-	21,709	21,709	21,709	-
TOTAL EXPENDITURES	\$ -	\$ 582,508	\$ 582,508	\$ 582,508	\$ -
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances, July 1	-	-	-	-	-
Fund Balances, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources	\$ 27,964		\$ 27,964	\$ 5,774	\$ (22,190)
Federal Sources	866,422		866,422	472,378	(394,044)
TOTAL REVENUES	\$ 894,386	\$ -	\$ 894,386	\$ 478,152	\$ (416,234)
EXPENDITURES					
Instruction:					
Salaries	\$ 124,900		\$ 124,900	\$ 46,824	\$ 78,076
Other Purchased Services	183,058		183,058	182,833	225
General Supplies	203,555	\$ (4,884)	198,671	105,917	92,754
Other Objects	1,500		1,500		1,500
Totals	513,013	(4,884)	508,129	335,574	172,555
Support Services:					
Salaries	75,000		75,000	32,080	42,920
Personal Services Employee Benefits	24,000		24,000		24,000
Purchased Professional & Technical Services	22,020		22,020	17,895	4,125
Other Purchased Services	218,977		218,977	73,226	145,751
Supplies & Materials	28,650		28,650	6,009	22,641
Other Objects	12,726		12,726	8,484	4,242
Total	381,373	-	381,373	137,694	243,679
Facility Acquisition & Construction Services:					
Instructional Equipment		2,101	2,101	2,101	-
Building		2,783	2,783	2,783	-
Total	-	4,884	4,884	4,884	-
TOTAL EXPENDITURES	\$ 894,386	\$ -	\$ 894,386	\$ 478,152	\$ 416,234

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	\$ 17,609,223	\$ 478,152
Difference-Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding Encumbrances Prior Year		29,074
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	411,271	
State Aid Receivable Current Year	<u>(430,350)</u>	
Total Revenues (GAAP Basis)	<u>\$ 17,590,144</u>	<u>\$ 507,226</u>
<u>Uses/Outflows of Resources</u>		
Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 17,066,749	\$ 478,152
Differences-Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
		<u>29,074</u>
Total Expenditures (GAAP Basis)	<u>\$ 17,066,749</u>	<u>\$ 507,226</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, 2010

	NCLB Title II A	NCLB Title IV	Teaching American History	IDEA Basic	ARRA IDEA Basic	Local Grants	Totals
REVENUES							
Local Sources						\$ 5,774	\$ 5,774
Federal Sources	\$ 26,385	\$ 1,326	\$ 154,342	\$ 182,833	\$ 107,492		\$ 472,378
Total Revenues	<u>\$ 26,385</u>	<u>\$ 1,326</u>	<u>\$ 154,342</u>	<u>\$ 182,833</u>	<u>\$ 107,492</u>	<u>\$ 5,774</u>	<u>\$ 478,152</u>
EXPENDITURES							
Instruction:							
Salaries			\$ 46,824				\$ 46,824
Other Purchased Services				\$ 182,833			182,833
General Supplies					\$ 102,926	\$ 2,991	105,917
Total	<u>\$ -</u>	<u>\$ -</u>	<u>46,824</u>	<u>182,833</u>	<u>102,926</u>	<u>2,991</u>	<u>335,574</u>
Support Services:							
Salaries			32,080				32,080
Purchased Professional and Technical Services	15,694	1,326			875		17,895
Other Purchased Services	10,691		60,945		1,590		73,226
Supplies & Materials			6,009				6,009
Other Objects			8,484				8,484
Total	<u>26,385</u>	<u>1,326</u>	<u>107,518</u>	<u>-</u>	<u>2,465</u>	<u>-</u>	<u>137,694</u>
Facility Acquisition & Construction Services:							
Instructional Equipment					2,101	2,783	2,101
Building						2,783	2,783
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,101</u>	<u>2,783</u>	<u>4,884</u>
Total Expenditures	<u>\$ 26,385</u>	<u>\$ 1,326</u>	<u>\$ 154,342</u>	<u>\$ 182,833</u>	<u>\$ 107,492</u>	<u>\$ 5,774</u>	<u>\$ 478,152</u>

CAPITAL PROJECTS FUND

DETAIL STATEMENTS

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/10
			Prior Years	Current Year	
Construction & Equipment Additions & Renovations to the High School	12/15/03	\$ 9,378,693	\$ 9,339,271		\$ 39,422
		\$ 9,378,693	\$ 9,339,271	\$ -	\$ 39,422

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Fund Balance-Beginning	\$ 469,422
Other Financing Sources (Uses):	
Transfer Out to Debt Service Fund	<u>(430,000)</u>
Fund Balance-Ending	<u>\$ 39,422</u>
<u>Reconciliation of Fund Balance Difference for GAAP Purposes</u>	
Fund Balance-Budgetary Basis (Schedule F-2)	<u>\$ 39,422</u>
Fund Balance-GAAP Basis (Schedule B-1)	<u>\$ 39,422</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS-BUDGETARY BASIS
CONSTRUCTION AND EQUIPMENT AND RENOVATIONS TO DELAWARE VALLEY REGIONAL HIGH SCHOOL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Bond Proceeds	\$ 6,719,000		\$ 6,719,000	\$ 6,719,000
SCC Grant	3,089,693		3,089,693	3,089,693
Total Revenues	9,808,693	\$ -	9,808,693	9,808,693
Expenditures and Other Financing Uses:				
Construction Services	9,339,271		9,339,271	9,378,693
Transfer Out to Debt Service Fund		430,000	430,000	430,000
Total Expenditures	9,339,271	430,000	9,769,271	9,808,693
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 469,422	\$ (430,000)	\$ 39,422	\$ -

Additional Project Information

Project Number	1050-040-03-0231
Grant Date	11/14/2002
Bond Authorized Date	12/15/2003
Bonds Authorized	\$ 6,719,000
Bonds Issued	\$ 6,719,000
Original Authorized Cost	\$ 9,808,693
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 9,808,693
Percentage Complete	100%

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, 2010

	Food Service Fund	Transportation Service Fund	Total
ASSETS			
Current Assets:			
Cash & Cash Equivalents	\$ 166,866	\$ 288,240	\$ 455,106
Receivables from Other Governments:			
State	204		204
Federal	1,897		1,897
Other		87,391	87,391
Inventory	2,525		2,525
Total Current Assets	<u>171,492</u>	<u>375,631</u>	<u>547,123</u>
Noncurrent Assets:			
Capital Assets	184,905	3,350,499	3,535,404
Less: Accumulated Depreciation	121,037	2,198,322	2,319,359
Total Noncurrent Assets	<u>63,868</u>	<u>1,152,177</u>	<u>1,216,045</u>
Total Assets	<u>235,360</u>	<u>1,527,808</u>	<u>1,763,168</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable		23	23
Deferred Revenues	1,026		1,026
Total Current Liabilities	<u>1,026</u>	<u>23</u>	<u>1,049</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	63,868	1,152,177	1,216,045
Unrestricted	170,466	375,608	546,074
TOTAL NET ASSETS	<u>\$ 234,334</u>	<u>\$ 1,527,785</u>	<u>\$ 1,762,119</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, 2010

	Food Service Fund	Transportation Service Fund	Total
Operating Revenues:			
Charges for Services:			
Daily Sales-Reimbursable Programs	\$ 169,234		\$ 169,234
Daily Sales-Nonreimbursable Programs	159,145		159,145
Transportation Fees		\$ 2,438,329	2,438,329
Total Operating Revenues	<u>328,379</u>	<u>2,438,329</u>	<u>2,766,708</u>
Operating Expenses:			
Costs of Sales	150,677		150,677
Salaries	108,414	1,161,294	1,269,708
Employee Benefits	28,976	180,357	209,333
Purchased Professional & Technical Services		16,437	16,437
Purchased Property Services	888	7,092	7,980
Rental/Lease Payments for Vehicles		228,781	228,781
Contracted Services-Transportation		545,223	545,223
Insurance	2,835	18,356	21,191
Management Fee	8,600		8,600
Other Purchased Services	3,256	1,707	4,963
General Supplies	14,246	79,421	93,667
Energy (Natural Gas)		8,544	8,544
Energy (Electricity)		142,890	142,890
Energy (Oil)		5,843	5,843
Depreciation	6,451	249,897	256,348
Miscellaneous	311	4,404	4,715
Total Operating Expenses	<u>324,654</u>	<u>2,650,246</u>	<u>2,974,900</u>
Operating Income (Loss)	<u>3,725</u>	<u>(211,917)</u>	<u>(208,192)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	2,529		2,529
Federal Sources:			
National School Lunch Program	23,968		23,968
Food Donation Program	12,560		12,560
Total Nonoperating Revenues (Expenses)	<u>39,057</u>	<u>-</u>	<u>39,057</u>
Other Financing Sources (Uses):			
Transfer Out to Unemployment Compensation Fund		(20,929)	(20,929)
Loss on Disposal of Assets	(1,813)		(1,813)
Total Other Financing Sources (Uses)	<u>(1,813)</u>	<u>(20,929)</u>	<u>(22,742)</u>
Change in Net Assets	40,969	(232,846)	(191,877)
Total Net Assets, Beginning	<u>193,365</u>	<u>1,760,631</u>	<u>1,953,996</u>
Total Net Assets, Ending	<u>\$ 234,334</u>	<u>\$ 1,527,785</u>	<u>\$ 1,762,119</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Food Service Fund	Transportation Services Fund	Total
Cash Flows from Operating Activities:			
Receipts from Services Provided	\$ 328,379	\$ 2,537,013	\$ 2,865,392
Payments to Employees		(1,161,294)	(1,161,294)
Payments for Employee Benefits		(180,357)	(180,357)
Payments to Food Service Management Company	(301,562)		(301,562)
Payments to Vendors	(1,232)	(1,058,675)	(1,059,907)
Net Cash Provided by (Used For) Operating Activities	<u>25,585</u>	<u>136,687</u>	<u>162,272</u>
Cash Flows from Noncapital Financing Activities:			
State Sources	2,478		2,478
Federal Sources	23,299		23,299
Transfer out to Unemployment Compensation Fund		(20,929)	(20,929)
Net Cash Provided by (Used For) Noncapital Financing Activities	<u>25,777</u>	<u>(20,929)</u>	<u>4,848</u>
Cash Flows from Capital Financing Activities:			
Acquisition of Equipment	(26,205)		(26,205)
Net Cash Provided by (Used For) Capital Financing Activities	<u>(26,205)</u>	<u>-</u>	<u>(26,205)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	25,157	115,758	140,915
Cash and Cash Equivalents, Beginning	<u>141,709</u>	<u>172,482</u>	<u>314,191</u>
Cash and Cash Equivalents, Ending	<u>\$ 166,866</u>	<u>\$ 288,240</u>	<u>\$ 455,106</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	\$ 3,725	\$ (211,917)	\$ (208,192)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	6,451	249,897	256,348
Federal Food Donation Program	12,560		12,560
(Increase) Decrease in Accounts Receivable		98,684	98,684
(Increase) Decrease in Inventory	3,861		3,861
Increase (Decrease) in Accounts Payable		23	23
Increase (Decrease) in Deferred Revenue	(1,012)		(1,012)
Net Cash Provided by (Used For) Operating Activities	<u>\$ 25,585</u>	<u>\$ 136,687</u>	<u>\$ 162,272</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, 2010

	Student Activity Agency Fund	Payroll Agency Fund	Total
ASSETS			
Cash & Cash Equivalents	\$ 111,355	\$ 76,579	\$ 187,934
TOTAL ASSETS	<u>\$ 111,355</u>	<u>\$ 76,579</u>	<u>\$ 187,934</u>
LIABILITIES			
Due to Other Funds		\$ 3,773	\$ 3,773
Due to Student Groups	\$ 111,355		111,355
Payroll Deductions & Withholdings		72,806	72,806
TOTAL LIABILITIES	<u>\$ 111,355</u>	<u>\$ 76,579</u>	<u>\$ 187,934</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Totals
ADDITIONS			
Contributions:			
Employees	\$ 17,415		\$ 17,415
Other		\$ 1,624	1,624
Investment Earnings:			
Interest	102	254	356
Total Additions	<u>17,517</u>	<u>1,878</u>	<u>19,395</u>
DEDUCTIONS			
Unemployment Claims	153,672		153,672
Scholarships Awarded		3,750	3,750
Total Deductions	<u>153,672</u>	<u>3,750</u>	<u>157,422</u>
Other Financing Sources (Uses):			
Transfers In from General Fund	90,000		90,000
Transfers In from Transportaion Service Enterprise Fund	20,929		20,929
Total Other Financing Sources (Uses)	<u>110,929</u>	<u>-</u>	<u>110,929</u>
Change in Net Assets	(25,226)	(1,872)	(27,098)
Net Assets, Beginning of the Year	<u>26,225</u>	<u>47,220</u>	<u>73,445</u>
Net Assets, End of the Year	<u>\$ 999</u>	<u>\$ 45,348</u>	<u>\$ 46,347</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, 2010

	<u>Balance 07/01/09</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/10</u>
ASSETS				
Cash & Cash Equivalents	\$ 104,887	\$ 257,830	\$ 251,362	\$ 111,355
TOTAL ASSETS	<u>\$ 104,887</u>	<u>\$ 257,830</u>	<u>\$ 251,362</u>	<u>\$ 111,355</u>
LIABILITIES				
Due to Student Groups:				
Student Activities	\$ 98,352	\$ 202,155	\$ 197,202	\$ 103,305
Athletic Activities	6,535	55,675	54,160	8,050
TOTAL LIABILITIES	<u>\$ 104,887</u>	<u>\$ 257,830</u>	<u>\$ 251,362</u>	<u>\$ 111,355</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
PAYROLL AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Balance 07/01/09</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/10</u>
ASSETS				
Cash & Cash Equivalents	\$ 67,787	\$ 11,690,715	\$ 11,681,923	\$ 76,579
TOTAL ASSETS	<u>\$ 67,787</u>	<u>\$ 11,690,715</u>	<u>\$ 11,681,923</u>	<u>\$ 76,579</u>
LIABILITIES				
Due to Other Funds	\$ 3,273	\$ 19,457	\$ 18,957	\$ 3,773
Payroll Deductions & Withholdings:				
Net Payroll	360	7,176,686	7,178,182	(1,136)
Payroll Agency	64,154	4,494,572	4,484,784	73,942
TOTAL LIABILITIES	<u>\$ 67,787</u>	<u>\$ 11,690,715</u>	<u>\$ 11,681,923</u>	<u>\$ 76,579</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, 2010

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/09	Issued	Retired	Balance 06/30/10
			Date	Amount					
Construction and Equipment Additions and Renovations to Delaware Valley Regional High School	12/15/03	\$ 6,719,000	01/15/11	\$ 430,000	3.30%				
			01/15/12	445,000					
			01/15/13	460,000	3.40%				
			01/15/14	480,000	3.50%				
			01/15/15	500,000	3.60%				
			01/15/16	515,000	3.70%				
			01/15/17	535,000	3.80%				
			01/15/18	555,000	3.90%				
			01/15/19	549,000	4.00%				
					\$ 4,884,000		\$ 415,000	\$ 4,469,000	
					<u>\$ 4,884,000</u>	<u>\$ -</u>	<u>\$ 415,000</u>	<u>\$ 4,469,000</u>	

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 591,000		\$ 591,000	\$ 591,000	
Total Revenues	\$ 591,000	\$ -	\$ 591,000	\$ 591,000	\$ -
EXPENDITURES					
Regular Debt Service:					
Interest on Bonds	176,000		176,000	176,000	
Redemption of Principal	415,000		415,000	415,000	
Total Expenditures	591,000	-	591,000	591,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources (Uses):					
Transfer In from Capital Projects Fund				430,000	430,000
Total Other Financing Sources (Uses)	-	-	-	430,000	430,000
Net Change in Fund Balances	-	-	-	430,000	430,000
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 430,000	\$ 430,000
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Budgeted Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -

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 EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
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
Restricted	380,910	6,766,437	2,682,711	675,012	342,260	414,767	409,822	1,180,548
Unrestricted	(614,805)	(495,061)	(811,781)	(656,172)	(242,311)	344,121	(454,258)	(807,965)
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
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
Restricted	456		44,282	86,449				
Unrestricted	167,976	213,893	266,476	322,622	226,774	362,644	505,995	546,074
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 211,618	\$ 268,764	\$ 353,375	\$ 519,881	\$ 1,975,343	\$ 1,938,375	\$ 1,953,996	\$ 1,762,119
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
Restricted	381,366	6,766,437	2,726,993	761,461	342,260	414,767	409,822	1,180,548
Unrestricted	(446,829)	(281,168)	(545,305)	(333,550)	(15,537)	706,765	51,737	(261,891)
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

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

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
EXPENSES								
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
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
Other Special Education	57,918	49,659	68,783	70,123	419,015	117,212	80,560	107,967
Other Instruction	634,860	722,007	891,945	950,336	1,209,911	1,275,918	1,351,133	1,345,429
Support Services:								
Tuition	1,018,317	743,305	565,875	818,795	972,416	1,032,040	1,031,523	909,236
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
General & Business Administrative Services	648,413	1,229,518	1,179,815	889,437	880,731	996,228	1,016,561	1,150,911
School Administration	530,063	731,551	433,081	588,060	666,853	529,411	514,981	582,320
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
Pupil Transportation	905,103	1,043,730	617,611	972,369	1,083,017	1,280,005	1,484,905	1,188,704
Interest on Long Term Debt	93,798	244,884	371,895	53,665	106,024	197,316	183,150	169,723
Unallocated Depreciation				175,090	243,208			
Total Governmental Activities Expenses	<u>12,107,281</u>	<u>12,690,741</u>	<u>14,655,225</u>	<u>15,546,434</u>	<u>17,202,510</u>	<u>17,298,232</u>	<u>18,013,654</u>	<u>18,438,621</u>
Business-Type Activities:								
Food Services	255,677	264,076	277,178	286,688	312,198	384,704	413,719	324,654
Transportation	557,627	645,992	906,305	849,286	1,830,070	2,665,156	2,654,001	2,650,246
Total Business-Type Activities	<u>813,304</u>	<u>910,068</u>	<u>1,183,483</u>	<u>1,135,974</u>	<u>2,142,268</u>	<u>3,049,860</u>	<u>3,067,720</u>	<u>2,974,900</u>
TOTAL DISTRICT EXPENSES	<u>\$ 12,920,585</u>	<u>\$ 13,600,809</u>	<u>\$ 15,838,708</u>	<u>\$ 16,682,408</u>	<u>\$ 19,344,778</u>	<u>\$ 20,348,092</u>	<u>\$ 21,081,374</u>	<u>\$ 21,413,521</u>

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

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
PROGRAM REVENUES								
Governmental Activities:								
Charges for Services:								
Regular Instruction								
Other Instruction								
Student & Instructional Related Services								
General & Business Administration Services								
Plant Operations & Maintenance								
Pupil Transportation								
Operating Grants & Contributions								
Total Governmental Activities Program Revenues	1,697,241	2,138,609	\$ 2,091,335	\$ 2,226,585	\$ 2,632,756	\$ 2,326,960	258,297	507,226
	1,703,781	2,143,903	2,091,335	2,226,585	2,632,756	326,422	298,030	548,938
Business-Type Activities:								
Charges for Services:								
Food Service	246,348	267,236	286,143	263,397	283,412	329,418	302,877	328,379
Transportation	552,058	670,834	952,847	893,868	1,619,009	2,644,070	2,675,802	2,438,329
Operating Grants & Contributions	20,667	29,144			30,580	34,404	34,102	39,057
Transportation	819,073	967,214	1,238,990	1,157,265	1,933,001	3,007,892	3,012,781	2,805,765
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
NET (EXPENSES) REVENUES								
Governmental Activities	\$ (10,403,500)	\$ (10,546,836)	\$ (12,563,890)	\$ (13,319,849)	\$ (14,569,754)	\$ (16,971,810)	\$ (17,715,624)	\$ (17,889,683)
Business-Type Activities	5,769	57,146	55,507	21,291	(209,267)	(41,968)	(54,939)	(169,135)
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)

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

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
GENERAL REVENUES, SPECIAL ITEMS AND TRANSFERS								
Governmental Activities:								
Property Taxes Levied for General Purposes	\$ 7,660,266	\$ 8,363,708	\$ 9,171,116	\$ 9,993,982	\$ 10,974,948	\$ 11,565,442	\$ 11,774,649	\$ 12,339,722
Property Taxes Levied for Debt Service			580,532	558,418	584,115	586,905	589,200	591,000
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
Investment Earnings	24,753	22,057	105,578	39,164	15,461	114,611	43,642	18,339
Miscellaneous Income	78,244	114,938	77,750	166,343	194,610	48,284	20,662	26,811
Transfers Out				(31,859)	(30,650)		(6,752)	(90,000)
Special Item-Adjustment to Capital Asset Appraisal Report or Disposal of Capital Assets		8,350		1,696,502	1,514,099			
Total Governmental Activities	10,239,312	11,334,153	12,747,734	17,724,905	16,735,941	17,735,657	17,464,022	18,078,411
Business-Type Activities:								
Transfers In (Out)				31,859	30,650			(20,929)
Special Item-Prior Year Accounts Payable Canceled						5,000		
Special Item-Gain (Loss) on Deletion of Assets							2,100	(1,813)
Special Item-Adjustment to Capital Asset Appraisal Report				84,174				
Total Business-Type Activities				116,033	30,650	5,000	2,100	(22,742)
TOTAL DISTRICT GENERAL REVENUES, SPECIAL ITEMS AND TRANSFERS	\$ 10,239,312	\$ 11,334,153	\$ 12,747,734	\$ 17,840,938	\$ 16,766,591	\$ 17,740,657	\$ 17,466,122	\$ 18,055,669
CHANGE IN NET ASSETS								
Governmental Activities	\$ (164,188)	\$ 787,315	\$ 183,844	\$ 4,405,056	\$ 2,166,187	\$ 763,847	\$ (251,602)	\$ 188,728
Business-Type Activities	5,769	57,146	55,507	137,324	(178,617)	(36,968)	(52,839)	(191,877)
TOTAL DISTRICT CHANGE IN NET ASSETS	\$ (158,419)	\$ 844,461	\$ 239,351	\$ 4,542,380	\$ 1,987,570	\$ 726,879	\$ (304,441)	\$ (3,149)

GENERAL REVENUES, SPECIAL ITEMS AND TRANSFERS

Governmental Activities:
 Property Taxes Levied for General Purposes
 Property Taxes Levied for Debt Service
 Unrestricted Grants & Contributions
 Investment Earnings
 Miscellaneous Income
 Transfers Out
 Special Item-Adjustment to Capital Asset Appraisal Report
 Special Item-Gain (Loss) on Sale, Trade-in
 or Disposal of Capital Assets
 Total Governmental Activities
 Business-Type Activities:
 Transfers In (Out)
 Special Item-Prior Year Accounts Payable Canceled
 Special Item-Gain (Loss) on Deletion of Assets
 Special Item-Adjustment to Capital Asset Appraisal Report
 Total Business-Type Activities

TOTAL DISTRICT GENERAL REVENUES, SPECIAL ITEMS AND TRANSFERS

CHANGE IN NET ASSETS

Governmental Activities
 Business-Type Activities

TOTAL DISTRICT CHANGE IN NET ASSETS

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

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

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues:										
Tax Levy	6,379,522	7,242,583	7,660,266	8,383,708	9,751,648	10,552,400	11,559,063	12,152,347	12,363,849	12,930,722
Tuition Charges	3,134	15,600	7,800	6,500		13,650		19,125	16,779	5,910
Transportation								4,122		
Interest Earnings	74,867	30,318	24,753	33,086	71,041	124,421	160,122	114,611	43,642	18,339
Miscellaneous	52,163	22,578	84,784	117,553	112,287	67,436	49,949	85,970	32,789	39,637
State Sources	4,345,892	3,932,658	4,100,746	4,671,505	4,649,789	4,819,462	5,302,945	5,420,415	5,042,621	4,609,802
State Sources-Capital Projects					15,448	2,471,754	602,491			
Federal Sources	117,676	143,803	64,744	265,704	209,742	208,542	210,678	232,660	249,372	1,083,960
Total Revenues	10,973,254	11,387,540	11,943,093	13,478,056	14,809,965	18,257,665	17,885,248	18,029,250	17,749,052	18,688,370
Expenditures:										
Instruction:										
Regular Instruction	3,316,841	3,438,990	3,655,344	4,149,112	4,314,727	4,528,593	4,728,433	4,523,475	4,797,391	4,864,422
Special Education Instruction	660,045	654,820	673,588	697,572	779,093	888,446	981,866	1,131,213	1,169,436	1,340,851
Other Special Instruction	62,120	55,883	41,723	49,659	51,814	52,831	55,804	55,270	54,368	57,124
School Sponsored/Other Instructional	484,824	521,684	567,140	620,550	777,794	773,919	918,147	950,464	979,914	967,303
Tuition	656,115	730,196	1,018,317	743,305	565,875	818,795	972,418	854,155	846,625	726,403
Student & Inst Related Services	849,306	1,121,834	1,144,963	1,189,562	1,434,484	1,397,993	1,426,458	1,764,487	1,789,464	1,731,990
General Administration	331,514	297,835	327,120	364,786	374,668	417,102	399,572	475,723	489,489	439,876
School Administration Services	359,875	397,917	425,189	485,278	370,500	380,485	410,291	421,487	378,140	404,820
Central Services	207,771	284,937	256,013	252,380	307,729	325,957	315,485	276,230	250,605	317,615
Administrative Information Technology										
Plant Operations & Maintenance	892,826	895,565	1,004,133	1,021,913	1,479,909	1,515,096	1,635,004	1,518,779	1,474,730	1,143,343
Pupil Transportation	894,919	1,037,898	1,038,942	872,328	721,458	663,752	820,972	1,326,312	1,492,902	1,369,046
Employee Benefits	1,088,526	1,238,882	1,177,941	1,448,197	1,739,969	2,063,878	2,111,442	1,842,507	2,397,139	1,118,302
On-Behalf TPAF Pension & Social Security Contributions	510,687	356,844	637,019	818,298	827,232	957,825	1,403,712	1,427,202	926,084	2,592,791
Capital Outlay	221,938	502,226	162,089	258,743	594,607	144,069	110,902	121,640	582,986	933,278
Capital Revenue Funds	152,068	187,188	194,512	178,175	214,532	212,542	210,678	232,660	258,287	98,485
Capital Projects Fund				573,477	3,830,640	4,506,136	400,306			507,226
Debt Service:										
Principal										
Interest & Other Charges										
Total Expenditures	10,699,375	11,722,699	12,324,033	13,723,335	18,965,382	20,237,894	17,486,603	17,570,440	18,541,200	18,164,975
Excess (Deficiency) of Revenues	273,879	(335,159)	(380,940)	(245,279)	(4,155,417)	(1,980,229)	398,645	458,810	(792,148)	523,395
Over (Under) Expenditures										
Other Financing Sources (Uses):										
Capital Leases										
Proceeds from Bond Issue		374,873								
Transfers from Sale of Capital Assets				6,719,000						
Transfers In (Out)										
Total Other Financing Sources (Uses)				6,719,000						
Net Change in Fund Balances	\$ 273,879	\$ 39,714	\$ (380,940)	\$ 6,473,721	\$ (4,155,417)	\$ (2,012,088)	\$ 367,995	\$ 458,810	\$ (798,900)	\$ 436,157
Debt Service as a Percentage of Non-capital Expenditures	0.00%	0.00%	0.00%	0.00%	4.16%	3.87%	3.56%	3.49%	3.39%	3.38%

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 THREE FISCAL YEARS

Fiscal Year	Township of	Borough of	Township of	Township of	Borough of	Totals
	Alexandria	Frenchtown	Holland	Kingwood	Millford	
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

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,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Interest Income	\$ 74,867	\$ 30,318	\$ 24,753	\$ 33,086	\$ 71,041	\$ 119,170	\$ 155,025	\$ 114,611	\$ 43,642	\$ 18,339
Tuition	3,134	15,600	7,800	6,500		13,650		19,125	16,779	5,910
Book Fines								2,286	1,857	2,871
Prior Year:										
Outstanding Checks Canceled										
Refunds								12,611		6,032
Accounts Payable Cancelled								15,723	560	15,379
Sale of Surplus Equipment				8,350						2,120
Transportation								222	120	
Building Use Rental Income	3,669	4,883	6,540	5,294				4,122		
Donations								33,307	1,100	5,550
Miscellaneous:									16,214	
Account Balances Canceled								4,262		
Refunds								12,749	74	
Miscellaneous	48,494	17,695	78,244	81,852	9,714	38,774	49,949	4,810	3,939	1,911
Annual Totals	\$ 130,164	\$ 68,496	\$ 117,337	\$ 135,082	\$ 80,755	\$ 171,594	\$ 204,974	\$ 223,828	\$ 84,285	\$ 58,112

Sources: District Records

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Vacant Land	\$ 40,925,600	\$ 40,719,500	\$ 44,042,600	\$ 53,014,993	\$ 71,769,879	\$ 75,428,179	\$ 83,396,300	\$ 74,728,800	\$ 66,839,400	\$ 58,521,900
Residential	950,387,995	966,447,245	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
Farm-Regular	129,383,050	135,442,100	164,707,800	209,137,300	222,408,200	235,005,000	303,512,600	313,057,500	322,024,300	310,208,800
Farm-Qualified	9,295,080	10,082,819	8,942,444	10,280,555	10,162,514	22,368,552	12,716,896	12,547,319	12,517,939	12,444,181
Commercial	62,011,650	63,254,375	69,275,675	91,760,753	93,349,373	92,724,673	113,482,558	112,788,758	118,843,658	111,884,758
Industrial	45,750,060	49,331,210	54,563,360	50,614,860	48,910,360	41,157,260	43,855,850	43,672,450	33,135,550	32,080,250
Apartment	7,681,400	7,681,400	8,723,900	12,323,100	12,145,100	12,111,800	12,449,380	12,449,380	12,776,000	12,131,400
Total Assessed Value	1,245,434,835	1,272,958,649	1,525,897,224	1,923,968,911	2,100,813,026	2,146,151,064	2,518,532,884	2,552,686,007	2,565,537,647	2,471,271,489
Public Utilities (a)	6,050,456	5,707,934	5,754,737	6,054,439	6,251,785	6,023,757	6,669,891	6,526,914	6,224,110	6,817,385
Net Valuation Taxable	\$ 1,251,485,291	\$ 1,278,666,583	\$ 1,531,651,961	\$ 1,930,024,350	\$ 2,107,064,811	\$ 2,152,174,821	\$ 2,525,202,775	\$ 2,559,212,921	\$ 2,571,761,757	\$ 2,478,088,874
Estimated Actual County Equalized Value	\$ 1,484,790,842	\$ 1,654,031,226	\$ 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
Percentage of Net Valuation to Estimated Actual County Equalized Value	84.29%	77.31%	79.87%	93.36%	90.79%	83.75%	89.19%	90.47%	93.09%	90.29%
Regional High School Tax Rate by Constituent District:										
Alexandria Township	\$ 0.53	\$ 0.60	\$ 0.65	\$ 0.44	\$ 0.48	\$ 0.52	\$ 0.56	\$ 0.55	\$ 0.57	\$ 0.53
Frenchtown Borough	\$ 0.75	\$ 0.62	\$ 0.67	\$ 0.47	\$ 0.50	\$ 0.53	\$ 0.61	\$ 0.50	\$ 0.50	\$ 0.47
Holland Township	\$ 0.58	\$ 0.59	\$ 0.44	\$ 0.49	\$ 0.42	\$ 0.46	\$ 0.46	\$ 0.48	\$ 0.50	\$ 0.50
Kingwood Township	\$ 0.59	\$ 0.61	\$ 0.64	\$ 0.71	\$ 0.76	\$ 0.79	\$ 0.39	\$ 0.39	\$ 0.41	\$ 0.51
Milford Borough	\$ 0.61	\$ 0.55	\$ 0.40	\$ 0.46	\$ 0.50	\$ 0.46	\$ 0.57	\$ 0.59	\$ 0.59	\$ 0.68

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Vacant Land	\$ 10,626,100	\$ 10,583,600	\$ 10,738,400	\$ 19,513,914	\$ 36,947,000	\$ 42,729,100	\$ 33,421,700	\$ 27,780,400	\$ 23,145,300	\$ 19,873,200
Residential	308,270,345	317,508,345	326,726,845	570,932,700	580,220,100	591,260,800	613,108,800	644,944,300	653,844,600	661,048,700
Farm-Regular	49,160,700	47,738,400	50,198,400	92,534,800	93,233,700	102,581,300	110,104,700	114,371,300	119,772,700	120,545,600
Farm-Qualified	3,422,158	2,912,252	2,847,923	4,190,318	4,063,271	4,053,249	3,972,780	3,864,670	3,962,339	3,957,181
Commercial	11,295,680	11,302,280	11,414,980	21,808,288	22,067,188	21,353,888	21,479,488	21,719,788	21,679,788	21,720,188
Industrial	2,342,500	2,761,800	2,412,800	2,534,800	2,534,800	2,534,800	2,534,800	2,534,800	2,534,800	2,534,800
Apartment	194,500	194,500	194,500	418,900	418,900	418,900	418,900	418,900	418,900	418,900
Total Assessed Value	385,311,983	393,001,177	404,533,848	711,933,720	739,484,959	764,932,037	785,041,168	815,634,158	825,358,427	830,098,569
Public Utilities (a)	1,623,834	1,550,593	1,259,985	1,882,252	1,934,337	1,952,128	2,004,605	1,769,750	1,515,311	1,960,839
Net Valuation Taxable	\$ 386,935,817	\$ 394,551,770	\$ 405,793,833	\$ 713,815,972	\$ 741,419,296	\$ 766,884,165	\$ 787,045,773	\$ 817,403,908	\$ 826,873,738	\$ 832,059,408
Estimated Actual County Equalized Value	\$ 465,919,130	\$ 529,193,016	\$ 599,552,238	\$ 642,283,188	\$ 706,071,605	\$ 835,122,231	\$ 893,908,093	\$ 916,853,752	\$ 900,393,499	\$ 884,510,905
Percentage of Net Valuation to Estimated Actual County Equalized Value	83.05%	74.56%	67.68%	111.14%	105.01%	91.83%	88.05%	89.15%	91.83%	94.07%
Total Regional High School Tax Rate (b)	\$ 0.53	\$ 0.60	\$ 0.65	\$ 0.44	\$ 0.48	\$ 0.52	\$ 0.56	\$ 0.55	\$ 0.57	\$ 0.53

*

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Vacant Land	\$ 1,307,500	\$ 1,738,300	\$ 1,757,000	\$ 3,806,500	\$ 2,704,600	\$ 2,617,100	\$ 2,554,500	\$ 2,554,500	\$ 2,608,300	\$ 2,505,100
Residential	58,521,200	59,069,500	59,255,100	108,585,800	108,135,800	108,765,800	108,162,700	108,094,600	108,052,500	109,384,700
Farm-Regular	268,300	268,300	441,200	898,600	898,600	898,600	898,600	898,600	898,600	898,600
Farm-Qualified	26,830	18,200	19,700	27,705	76,805	76,805	52,749	52,749	14,200	14,700
Commercial	15,408,500	15,667,200	15,521,500	26,794,400	26,621,400	26,699,600	26,662,500	28,085,300	27,687,500	26,861,900
Industrial	2,288,750	2,238,750	2,238,750	3,622,350	3,726,350	3,726,350	3,726,350	3,726,350	3,726,350	3,726,350
Apartment	3,572,900	3,572,900	3,319,900	6,867,600	6,867,600	6,834,300	6,119,880	6,119,880	6,446,500	6,045,500
Total Assessed Value	81,393,980	82,574,150	82,553,150	150,602,955	149,031,155	149,618,555	148,177,279	149,531,979	149,433,950	149,436,850
Public Utilities (a)	782,903	901,453	969,810	611,511	881,591	970,914	945,769	1,059,003	1,130,900	889,485
Net Valuation Taxable	\$ 82,176,883	\$ 83,475,603	\$ 83,522,960	\$ 151,214,466	\$ 149,912,746	\$ 150,589,469	\$ 149,123,048	\$ 150,590,982	\$ 150,564,850	\$ 150,326,335
Estimated Actual County Equalized Value	\$ 94,158,218	\$ 113,247,563	\$ 124,833,989	\$ 129,596,570	\$ 142,156,740	\$ 166,760,565	\$ 180,920,032	\$ 189,110,834	\$ 182,114,565	\$ 177,418,076
Percentage of Net Valuation to Estimated Actual County Equalized Value	87.28%	73.71%	66.91%	116.68%	105.46%	90.30%	82.42%	79.63%	82.68%	84.73%
Total Regional High School Tax Rate (b)	\$ 0.75	\$ 0.62	\$ 0.67	\$ 0.47	\$ 0.50	\$ 0.53	\$ 0.61	\$ 0.50	\$ 0.50	\$ 0.47

*

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Vacant Land	\$ 14,925,600	\$ 14,740,900	\$ 17,671,800	\$ 15,662,100	\$ 19,866,700	\$ 18,740,600	\$ 15,993,100	\$ 13,910,600	\$ 13,960,200	\$ 13,623,600
Residential	327,929,950	329,092,700	491,253,000	504,186,100	631,566,600	637,852,300	646,038,300	644,816,900	646,967,000	646,506,300
Farm-Regular	20,267,700	26,032,800	51,192,600	52,317,000	64,036,700	66,490,700	66,731,500	72,529,100	73,861,100	75,961,400
Farm-Qualified	2,356,245	3,600,800	2,564,400	2,527,500	2,514,200	2,428,000	2,402,600	2,619,500	2,615,500	2,588,800
Commercial	10,875,600	11,604,200	15,147,400	14,981,200	16,210,700	16,221,100	16,192,600	16,192,600	16,150,100	16,302,400
Industrial	19,594,200	22,806,050	28,067,800	27,813,300	26,004,800	17,736,700	17,736,700	17,716,700	14,480,500	14,480,500
Apartment	261,500	281,500	996,900	587,900	409,900	409,900	409,900	409,900	409,900	409,900
Total Assessed Value	396,210,795	408,138,950	606,893,900	618,075,100	760,609,600	759,879,300	765,504,700	768,195,300	768,444,300	769,872,900
Public Utilities (a)	1,670,279	1,549,554	2,114,342	2,212,182	2,196,628	1,901,237	1,865,780	1,915,521	1,952,899	2,066,917
Net Valuation Taxable	\$ 397,881,074	\$ 409,688,504	\$ 609,008,242	\$ 620,287,282	\$ 762,806,228	\$ 761,780,537	\$ 767,370,480	\$ 770,110,821	\$ 770,397,199	\$ 771,939,817
Estimated Actual County Equalized Value	\$ 497,732,311	\$ 507,861,256	\$ 615,651,520	\$ 656,913,449	\$ 759,926,853	\$ 808,243,008	\$ 876,204,072	\$ 854,549,495	\$ 830,669,491	\$ 832,100,698
Percentage of Net Valuation to Estimated Actual County Equalized Value	79.94%	80.67%	98.92%	94.42%	100.38%	94.25%	87.58%	90.12%	92.74%	92.77%
Total Regional High School Tax Rate (b)	\$ 0.58	\$ 0.59	\$ 0.44	\$ 0.49	\$ 0.42	\$ 0.46	\$ 0.46	\$ 0.46	\$ 0.50	\$ 0.50

*

*

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Vacant Land	\$ 11,791,200	\$ 11,478,100	\$ 11,426,300	\$ 10,409,379	\$ 9,292,379	\$ 9,344,079	\$ 29,392,700	\$ 28,977,700	\$ 24,913,500	\$ 19,877,000
Residential	202,777,200	207,568,000	217,302,400	223,549,850	232,456,100	236,095,900	486,985,900	490,067,000	494,471,800	421,467,300
Farm-Regular	59,001,350	60,714,900	61,648,500	62,229,900	62,830,700	63,625,900	124,369,300	123,850,000	126,078,000	111,387,300
Farm-Qualified	3,465,447	3,527,167	3,481,121	3,504,032	3,476,438	3,577,698	6,256,967	5,970,400	5,910,000	5,862,400
Commercial	15,412,470	15,813,395	15,854,095	15,903,295	16,010,415	16,010,415	36,882,000	34,335,100	40,870,300	34,544,300
Industrial	8,325,610	8,325,610	8,325,610	8,325,610	8,325,610	8,840,610	11,539,200	11,539,200	10,401,900	9,346,600
Apartment	1,210,500	1,210,500	1,210,500	1,210,500	1,210,500	1,210,500	2,262,500	2,262,500	2,262,500	2,018,900
Total Assessed Value	301,963,777	308,637,672	319,448,526	325,132,566	333,602,142	350,903,102	697,488,587	697,001,900	704,908,000	604,503,800
Public Utilities (a)	1,510,381	1,412,208	1,082,559	1,040,047	947,193	947,193	1,622,202	1,545,883	1,359,500	1,639,850
Net Valuation Taxable	\$ 303,494,158	\$ 310,049,880	\$ 320,531,085	\$ 326,172,613	\$ 334,549,335	\$ 351,850,295	\$ 699,110,789	\$ 698,547,783	\$ 706,267,500	\$ 606,143,650
Estimated Actual County Equalized Value	\$ 337,125,515	\$ 412,949,466	\$ 484,207,484	\$ 508,082,317	\$ 577,613,171	\$ 615,263,836	\$ 716,228,633	\$ 717,447,587	\$ 704,115,651	\$ 697,511,612
Percentage of Net Valuation to Estimated Actual County Equalized Value	90.02%	75.08%	69.05%	64.20%	57.92%	57.19%	97.61%	97.37%	100.31%	86.90%
Total Regional High School Tax Rate (b)	\$ 0.59	\$ 0.61	\$ 0.64	\$ 0.71	\$ 0.76	\$ 0.79	\$ 0.39	\$ 0.39	\$ 0.41	\$ 0.51

*

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Vacant Land	\$ 2,275,200	\$ 2,177,600	\$ 2,449,100	\$ 3,623,100	\$ 2,959,200	\$ 1,997,300	\$ 2,034,300	\$ 1,505,600	\$ 2,212,100	\$ 2,643,000
Residential	52,889,300	53,208,700	81,104,100	89,583,900	89,889,000	93,383,800	94,823,600	95,519,000	96,064,900	95,585,200
Farm-Regular	685,000	687,700	1,027,100	1,157,000	1,408,500	1,408,500	1,408,500	1,408,500	1,413,900	1,413,900
Farm-Qualified	24,400	24,400	29,300	31,000	31,800	31,800	31,800	40,000	15,900	21,100
Commercial	9,019,400	8,867,300	11,337,700	12,273,570	12,439,670	12,439,670	12,465,970	12,455,970	12,455,970	12,455,970
Industrial	13,199,000	13,199,000	13,518,400	8,318,800	8,318,800	8,318,800	8,318,800	8,155,400	1,992,000	1,992,000
Apartment	2,442,000	2,442,000	3,002,100	3,238,200	3,238,200	3,238,200	3,238,200	3,238,200	3,238,200	3,238,200
Total Assessed Value	80,534,300	80,606,700	112,467,800	118,225,570	118,085,170	120,818,070	122,321,170	122,322,670	117,392,970	117,359,370
Public Utilities (a)	463,059	294,126	328,041	308,447	292,036	252,285	231,535	236,757	269,500	260,294
Net Valuation Taxable	\$ 80,997,359	\$ 80,900,826	\$ 112,795,841	\$ 118,534,017	\$ 118,377,206	\$ 121,070,355	\$ 122,552,705	\$ 122,559,427	\$ 117,668,470	\$ 117,619,664
Estimated Actual County Equalized Value	\$ 89,855,668	\$ 90,779,925	\$ 113,442,463	\$ 130,328,771	\$ 135,123,242	\$ 144,328,527	\$ 164,084,365	\$ 150,832,151	\$ 145,327,603	\$ 152,971,341
Percentage of Net Valuation to Estimated Actual County Equalized Value	90.14%	89.12%	99.43%	90.95%	87.61%	83.89%	74.69%	81.26%	80.96%	76.89%
Total Regional High School Tax Rate (b)	\$ 0.61	\$ 0.55	\$ 0.40	\$ 0.46	\$ 0.50	\$ 0.46	\$ 0.57	\$ 0.59	\$ 0.59	\$ 0.68

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 Service (b)	Total Regional High School Tax Rate (From J-7)		Direct School Tax Rate	Municipality	County			
			\$	\$					\$	
2001	0.53		0.53	1.33	0.19	0.55		2.60		
2002	0.60		0.60	1.38	0.21	0.61		2.80		
2003	0.65		0.65	1.45	0.24	0.63		2.97		
2004	0.41	\$	0.44	0.85	0.19	0.36		1.84		
2005	0.45		0.48	0.85	0.19	0.36		1.88		
2006	0.49		0.52	0.88	0.21	0.39		2.00		
2007	0.53		0.56	0.90	0.21	0.38		2.05		
2008	0.52		0.55	0.91	0.21	0.37		2.04		
2009	0.54		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		

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					Overlapping Rates			Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	Total Regional High School Tax Rate		Direct School Tax Rate	Municipality	County	\$	
			From J-7						
2001	\$ 0.75		\$ 0.75	1.30	1.30	0.62	0.53	\$ 3.20	
2002	0.62		0.62	1.53	1.53	0.61	0.62	3.38	
2003	0.67		0.67	1.58	1.58	0.64	0.65	3.54	
2004	0.44	\$	0.47	0.91	0.91	0.40	0.35	2.13	
2005	0.47	0.03	0.50	0.95	0.95	0.44	0.36	2.25	
2006	0.50	0.03	0.53	0.99	0.99	0.50	0.40	2.42	
2007	0.58	0.03	0.61	1.05	1.05	0.55	0.40	2.61	
2008	0.48	0.02	0.50	1.08	1.08	0.54	0.42	2.54	
2009	0.48	0.02	0.50	1.12	1.12	0.56	0.42	2.60	
2010	0.46	0.01	0.47	1.17	1.17	0.60	0.41	2.65	

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					Overlapping Rates			Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Service (b)	Total Regional High School Tax Rate	Direct School Tax Rate	Municipality	County	Direct School Tax Rate	County	
2001	\$ 0.58		\$ 0.58	\$ 0.93		\$ 0.57	\$ 0.93	\$ 0.57	\$ 2.08
2002	0.59		0.59	1.12		0.56	1.12	0.56	2.27
2003	*		0.44	0.87		0.43	0.87	0.43	1.74
2004		\$ 0.03	0.49	1.00		0.44	1.00	0.44	1.93
2005	*		0.42	0.88		0.38	0.88	0.38	1.68
2006	0.44		0.46	0.96		0.38	0.96	0.38	1.80
2007	0.44		0.46	0.99		0.38	0.99	0.38	1.83
2008	0.46		0.48	1.00		0.37	1.00	0.37	1.85
2009	0.48		0.50	1.05		0.37	1.05	0.37	1.92
2010	0.49	0.01	0.50	1.08		0.37	1.08	0.37	1.95

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						Overlapping Rates			Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	Total Regional High School Tax Rate		Direct School Tax Rate	Municipality	County			
			\$	(From J-7)					\$	
2001	0.59		0.59	1.08	0.12	0.51		2.30		
2002	0.61		0.61	1.13	0.19	0.60		2.53		
2003	0.64		0.64	1.23	0.19	0.62		2.68		
2004	0.67	\$	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		

Sources: Municipal Tax Collector

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

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

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

* Revalued / Reassessed

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

Assessment Year	School District Direct Rate						Overlapping Rates			Total Direct & Overlapping Tax Rate
	(From J-7)						Direct School Tax Rate	Municipality	County	
	Basic Rate (a)	General Obligation Service (b)	Total Regional High School Tax Rate	Direct School Tax Rate	Municipality	County				
2001	\$ 0.61		\$ 0.61	1.54	\$ 0.29	0.51	\$ 2.95			
2002	0.55		0.55	1.55	0.29	0.51	2.90			
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			

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

	2010			2001		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Individual Property Owner #1	\$ 6,841,800	1	0.82%	\$ 3,600,245	1	0.93%
Sky Manor Airport Partners LLC	3,543,100	2	0.43%	1,138,200	4	0.29%
Columbia Gas Transmission	2,571,488	3	0.31%	1,401,780	3	0.36%
International Paper Company	1,993,500	4	0.24%			
Individual Property Owner #2	1,686,300	5	0.20%	790,500	7	0.20%
United Telephone Company	1,650,215	6	0.20%			
Manchada Shapiro Rauch LLC	1,541,000	7	0.19%	950,000	6	0.25%
Saphire Inc c/o Riverside Jeans	1,486,900	8	0.18%			
Individual Property Owner #3	1,409,000	9	0.17%	763,300	8	0.20%
Individual Property Owner #4	1,387,100	10	0.17%	633,200	9	0.16%
Crown Paper Company				1,993,500	2	0.52%
Forsat Inc				1,133,000	5	0.29%
Individual Property Owner #5				613,600	10	0.16%
	<u>\$ 24,110,403</u>		<u>2.91%</u>	<u>\$ 13,017,325</u>		<u>3.36%</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

	2010			2001		
	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	1.96%	\$ 1,900,000	1	2.31%
Frenchtown Properties LLC	2,145,200	2	1.43%			
Frenchtown Barn Center LLC	1,500,000	3	1.00%	800,000	4	0.97%
Davon LLC	977,200	4	0.65%	875,700	3	1.07%
Bridge Race Properties LLC	972,200	5	0.65%			
United Telephone Company of NJ	889,485	6	0.59%			
Individual Property Owner #1	830,800	7	0.55%	1,200,000	2	1.46%
Warren House LLC	809,900	8	0.54%			
Traub Holdings LLC	758,400	9	0.50%			
B & B Properties LLC	748,500	10	0.50%			
Individual Property Owner #2				773,700	5	0.94%
Individual Property Owner #3				722,500	6	0.88%
T2 Services Inc				576,800	7	0.70%
RAM Enterprises				544,100	8	0.66%
FP Realty				531,350	9	0.65%
Individual Property Owner #4				516,500	10	0.63%
	<u>\$ 12,581,685</u>		<u>8.37%</u>	<u>\$ 8,440,650</u>		<u>10.27%</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

	2010			2001		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
RRI Energy	\$ 8,000,000	1	1.04%	\$ 14,213,950	1	3.57%
Oak Hill Golf Club	5,168,000	2	0.67%	2,981,200	3	0.75%
Georgia Pacific Corporation	3,300,000	3	0.43%			
Individual Property Owner #1	3,268,000	4	0.42%			
Columbia Gas	2,206,500	5	0.29%	2,191,700	4	0.55%
Fiberville Estates	1,973,700	6	0.26%			
Warren Glen Investments	1,900,000	7	0.25%			
Verizon	1,790,171	8	0.23%			
Individual Property Owner #2	1,459,200	9	0.19%			
KJA Holdings Inc.	1,349,500	10	0.17%			
Fibermark				5,707,400	2	1.43%
SV Partnership				2,046,000	5	0.51%
NJ Bell				1,418,941	6	0.36%
Hunterdon Capital				1,190,500	7	0.30%
Individual Property Owner #3				1,080,600	8	0.27%
Holland Center				1,060,000	9	0.27%
Riegel Federal Credit				936,600	10	0.24%
	<u>\$ 30,415,071</u>		<u>3.95%</u>	<u>\$ 18,612,941</u>		<u>8.25%</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

	2010			2001		
	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%	\$ 2,931,500	2	0.97%
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%	1,608,100	4	0.53%
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	1,628,200	10	0.27%			
Magnesium Elektron Inc.				2,100,000	3	0.69%
United Telephone Company of NJ				3,768,400	1	1.24%
Razberry's				1,428,645	5	0.47%
Individual Property Owner #2				743,900	6	0.25%
Kingston Trap Rock				737,900	7	0.24%
Individual Property Owner #2				670,500	8	0.22%
Embassy of Our Lord Jesus Christ				614,900	9	0.20%
				345,000	10	0.11%
	<u>\$ 29,474,900</u>		<u>4.85%</u>	<u>\$ 14,948,845</u>		<u>4.92%</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

	2010			2001		
	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	3.01%
International Paper Company	1,336,600	2	1.14%	12,731,900	1	15.72%
Hunterdon Medical Center	1,131,000	3	0.96%	929,600	3	1.15%
TD Bank Tower B	702,100	4	0.60%			
Peter Trustee Kerl	573,700	5	0.49%	471,700	6	0.58%
Individual Property Owner #1	539,700	6	0.46%			
Stem Brothers	523,700	7	0.44%	444,400	7	0.55%
60 Bridge Street LLC	490,400	8	0.42%			
Individual Property Owner #2	463,600	9	0.39%			
Little Kids NJ Partnership	462,500	10	0.39%			
Adams Bakery Corp				673,900	4	0.83%
Hudson United Bank				551,700	5	0.68%
Milford Market Inc.				427,700	8	0.53%
Individual Property Owner #3				401,200	9	0.50%
Individual Property Owner #4				334,300	10	0.41%
	<u>\$ 9,461,500</u>		<u>8.04%</u>	<u>\$ 19,408,400</u>		<u>23.96%</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
2000	\$ 28,516,566	\$ 27,510,506	96.47%
2001	30,755,999	29,912,337	97.26%
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%

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
2000	\$ 9,338,430	\$ 9,200,011	98.52%
2001	10,219,294	10,028,441	98.13%
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%

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
2000	\$ 2,464,459	\$ 2,331,198	94.59%
2001	2,651,546	2,546,432	96.04%
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%

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
2000	\$ 7,571,643	\$ 7,313,845	96.59%
2001	8,345,707	8,037,015	96.30%
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%

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**

<u>Year Ending December 31,</u>	<u>Taxes Levied for the Year</u>	<u>Collected Within the Fiscal Year of the Levy (a)</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>
2000	\$ 6,847,029	\$ 6,659,172	97.26%
2001	7,142,775	6,944,962	97.23%
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%

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
2000	\$ 2,295,005	\$ 2,006,280	87.42%
2001	2,396,677	2,355,487	98.28%
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%

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			Bond		Business-Type Activities		Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Certificates of Participation	Capital Leases	Anticipation Notes (BANs)	Capital Leases					
2001			\$ 500,042			\$ 500,042			0.06%	\$ 31
2002			623,195			623,195			0.07%	38
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			0.77%	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			0.42%	286
2010	4,469,000					4,469,000			N/A	261

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

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

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

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

Fiscal Year Ending June 30,	General Bonded Debt Outstanding		% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions		
	Net General Bonded Debt Outstanding			
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

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-14.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT BY CONSTITUENT DISTRICT-
 ALEXANDRIA TOWNSHIP
 AS OF DECEMBER 31, 2009

GOVERNMENTAL UNIT	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Local School District Debt	\$ 3,672,000	100.00	\$ 3,672,000
Regional High School District Debt	4,884,000	32.26	1,575,676
County General Obligation Debt	115,572,465	3.71	<u>4,287,738</u>
Subtotal Overlapping Debt			9,535,414
Municipality Direct Debt			<u>5,751,237</u>
Total Direct and Overlapping Debt			<u>\$ 15,286,651</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, 2009

GOVERNMENTAL UNIT	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Local School District Debt	\$ 834,000	100.00	\$ 834,000
Regional High School District Debt	4,884,000	6.60	322,176
County General Obligation Debt	115,572,465	0.76	878,351
Subtotal Overlapping Debt			<u>2,034,527</u>
Municipality Direct Debt			<u>2,099,964</u>
Total Direct and Overlapping Debt			<u>\$ 4,134,491</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, 2009

GOVERNMENTAL UNIT	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Local School District Debt	\$ 799,000	100.00	\$ 799,000
Regional High School District Debt	4,884,000	30.28	1,478,652
County General Obligation Debt	115,572,465	3.48	<u>4,018,701</u>
Subtotal Overlapping Debt			6,296,353
Municipality Direct Debt			<u>1,045,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 7,341,353</u></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, 2009

GOVERNMENTAL UNIT	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Local School District Debt	\$ 2,635,000	100.00	\$ 2,635,000
Regional High School District Debt	4,884,000	25.19	1,230,406
County General Obligation Debt	115,572,465	2.89	<u>3,344,014</u>
Subtotal Overlapping Debt			7,209,420
Municipality Direct Debt			<u>3,748,785</u>
Total Direct and Overlapping Debt			<u>\$ 10,958,205</u>

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

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT BY CONSTITUENT DISTRICT-
 MILFORD BOROUGH
 AS OF DECEMBER 31, 2009

GOVERNMENTAL UNIT	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
Local School District Debt	\$ 800,842	100.00	\$ 800,842
Regional High School District Debt	4,884,000	5.67	277,090
County General Obligation Debt	115,572,465	0.65	751,221
Subtotal Overlapping Debt			1,829,153
Municipality Direct Debt			9,718,680
Total Direct and Overlapping Debt			\$ 11,547,833

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 2010

Equalized Valuation Basis- All Constituent Districts

2009	\$ 2,730,074,326
2008	2,829,929,207
2007	2,825,082,128
	<u>\$ 8,385,085,661</u>

Average Equalized Valuation of Taxable Property

	<u>\$ 2,795,028,554</u>
--	-------------------------

Debt Limit (3.0% of Average Equalization Value)

	\$ 83,850,857 (a)
--	-------------------

Total Net Debt Applicable to Limit

	4,469,000
--	-----------

Legal Debt Margin

	<u>\$ 79,381,857</u>
--	----------------------

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Limit	\$ 37,360,446	\$ 40,174,956	\$ 44,355,946	\$ 49,791,220	\$ 56,363,496	\$ 63,730,851	\$ 71,698,403	\$ 78,820,849	\$ 83,261,784	\$ 83,850,857
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
Legal Debt Margin	\$ 37,360,446	\$ 40,174,956	\$ 44,355,946	\$ 43,072,220	\$ 49,969,496	\$ 57,691,851	\$ 66,029,403	\$ 73,536,849	\$ 78,377,784	\$ 79,381,857

Total Net Debt Applicable to the Limit
 as a Percentage of Debt Limit

	0.00%	0.00%	0.00%	13.49%	11.34%	9.48%	7.91%	6.70%	5.87%	5.33%
--	-------	-------	-------	--------	--------	-------	-------	-------	-------	-------

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 N.J.S.A. 18A:24-19

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

Constituent District	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
SCHOOL DISTRICT POPULATION (a)										
Alexandria Township	4,698	4,811	4,859	4,901	4,912	4,947	5,029	5,118	5,134	5,145
Frenchtown Borough	1,488	1,505	1,507	1,509	1,495	1,486	1,477	1,473	1,467	1,467
Holland Township	5,124	5,180	5,212	5,239	5,243	5,246	5,252	5,260	5,253	5,268
Kingwood Township	3,782	3,864	3,907	3,948	3,962	3,971	3,989	4,032	4,055	4,057
Milford Borough	1,195	1,200	1,197	1,192	1,193	1,199	1,205	1,200	1,194	1,192
	16,287	16,560	16,682	16,789	16,805	16,849	16,962	17,083	17,103	17,129

PERSONAL INCOME (b)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Alexandria Township	\$ 250,638,300	\$ 268,673,730	\$ 277,487,490	\$ 287,522,066	\$ 294,312,304	\$ 294,801,624	\$ 323,485,454	\$ 348,812,172	\$ 353,142,190	N/A
Frenchtown Borough	79,384,800	83,422,150	86,064,770	88,526,994	89,575,915	88,553,712	95,009,502	100,390,842	100,907,595	N/A
Holland Township	273,365,400	287,127,400	297,657,320	307,351,174	314,144,831	312,619,632	337,840,152	358,490,040	361,327,605	N/A
Kingwood Township	201,769,700	214,181,520	223,128,770	231,613,368	237,391,154	236,639,832	257,239,674	274,796,928	278,923,175	N/A
Milford Borough	63,753,250	66,516,000	68,360,670	69,929,672	71,480,981	71,450,808	77,512,830	81,784,800	82,129,290	N/A
	\$ 868,911,450	\$ 917,920,800	\$ 952,709,020	\$ 984,943,474	\$ 1,006,905,185	\$ 1,004,085,608	\$ 1,091,087,612	\$ 1,184,274,782	\$ 1,176,429,855	N/A

PER CAPITA PERSONAL INCOME (c)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
County of Hunterdon	\$ 53,350	\$ 55,430	\$ 57,110	\$ 58,666	\$ 59,917	\$ 59,592	\$ 64,326	\$ 68,154	\$ 68,785	N/A

UNEMPLOYMENT RATE (d)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Alexandria Township	2.3%	2.9%	4.9%	5.3%	4.4%	4.6%	5.7%	4.9%	6.4%	11.4%
Frenchtown Borough	1.8%	2.3%	4.0%	4.4%	3.6%	4.1%	3.1%	2.7%	3.5%	6.4%
Holland Township	2.1%	1.7%	2.1%	3.6%	3.9%	3.2%	4.0%	3.5%	4.5%	8.2%
Kingwood Township	2.5%	3.1%	5.3%	5.7%	4.7%	3.4%	3.8%	3.3%	4.3%	7.8%
Milford Borough	1.8%	2.3%	4.0%	4.2%	3.6%	3.8%	6.2%	5.4%	7.0%	12.4%

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 2000 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	2010			2001		
	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 SIX FISCAL YEARS

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

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
2001	818	\$ 10,477,437	\$ 12,809	8.55%	83	1 to 12.00	822.0	776.5	4.05%	94.46%
2002	870	11,220,473	12,897	0.69%	87	1 to 12.00	835.5	791.5	1.64%	94.73%
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%

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 SIX FISCAL YEARS

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

Number of Schools at June 30, 2010
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
2001	\$ 17,857	\$ 17,857
2002	39,003	39,003
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
	<u>\$ 904,398</u>	<u>\$ 904,398</u>

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2010
(UNAUDITED)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy-School Alliance Insurance Fund:		
Property-Blanket Building & Contents (Fund Limit)	\$ 250,000,000	\$ 1,000
Comprehensive General Liability	5,000,000	
Blanket Dishonesty Bond	500,000	1,000
Excess Liability	5,000,000	
Public Employees' Faithful Performance-Selective Insurance:		
Business Administrator	250,000	
Payroll/Human Resources	150,000	
Treasurer	200,000	
School Board Legal Liability-Ace American Insurance Co:		
Policy Limit	5,000,000	10,000
Workman's Compensation-School Alliance Insurance Fund:		
Employers Liability	5,000,000	
Storage Tank Liability-SAIF Through Illinois Union Insurance Co	1,000,000	5,000
Student Accident Insurance-Monumental Life Insurance Company:		
Policy Limit	1,000,000	

Source: District Records

SINGLE AUDIT SECTION

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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

INDEPENDENT AUDITORS' 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

October 21, 2010

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, 2010, and have issued our report thereon dated October 21, 2010. 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 Division of Finance, Department of Education, State of New Jersey.

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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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 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 above.

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 that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division 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 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

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND
NEW JERSEY OMB CIRCULAR 04-04**

October 21, 2010

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 New Jersey OMB's Circular 04-04 that are applicable to its major federal and state programs for the year ended June 30, 2010. 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 Division of 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 requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2010.

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 control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance 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 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 for the information of the Board of Education, the New Jersey State Department of Education (the cognizant audit agency) and other state and federal awarding agencies and is not intended to be and should not be used by anyone other than those 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, 2010

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2009	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Accounts Receivable	Balance June 30, 2010	Due to Grantor
US Department of Education:													
General Revenue Fund:													
ARRA State Fiscal Stabilization Fund:							\$ 560,799	\$ 560,799					
Education Stabilization Fund Aid (ESF) 84.394	ARRA-105010		\$ 560,799	07/01/2009-06/30/2010			21,709	21,709					
Government Services Fund Aid (GSF) 84.397	ARRA-105010			07/01/2009-06/30/2010			582,508	582,508					
Total General Fund							\$ 1,143,307	\$ 1,143,307					
US Department of Education Passed Through State Department of Education:													
Special Revenue Fund													
NCLB Title II Part A	84.367A	NCLB-105010	13,691	09/01/2009-06/31/2010				13,691			(13,691)		
NCLB Title II Part A Carry-over	84.367A	NCLB-105008	15,573	09/01/2008-08/31/2009	3,631								
NCLB Title II Part A	84.367A	NCLB-105009	13,748	09/01/2008-08/31/2009	7,246			12,694			(5,448)	3,631	
NCLB Title IV	84.184	NCLB-105009	1,435	09/01/2008-08/31/2009	(1,435)		1,435						
NCLB Title IV	84.184	NCLB-105010	1,326	09/01/2009-08/31/2010				1,326			(1,326)		
IDEA Basic	84.027	IDEA-105009	184,898	09/01/2008-08/31/2010	(45,615)		45,615						
IDEA Basic	84.027	IDEA-105010	182,833	09/01/2009-08/31/2010			152,112	182,833			(30,721)		
ARRA IDEA Basic	84.391	ARRA-105010	199,816	09/01/2009-08/31/2011				107,492			(199,816)	92,324	3,351
Carl D. Perkins Vocational	84.048A	PERK-105009	42,280	07/01/2008-06/30/2009	(38,814)		42,165						
Teaching American History	84.215X	N/A	496,431	07/01/2008-06/30/2011	(44,000)		117,877	154,342			(378,554)	298,089	
Total Special Revenue Fund					(118,987)		359,204	472,378			(629,556)	394,044	3,351
US Department of Agriculture Passed Through State Department of Education:													
Enterprise Fund:													
Food Donation Program	10.550	N/A	11,352	07/01/2008-06/30/2009				2,038					
Food Donation Program	10.550	N/A	11,548	07/01/2009-06/30/2010	2,038								
National School Lunch Program	10.555	N/A	21,191	07/01/2008-06/30/2009	(1,228)		11,548	10,522				1,026	
National School Lunch Program	10.555	N/A	23,968	07/01/2009-06/30/2010			1,228						
Total Enterprise Fund					810		22,071	23,968			(1,897)		
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ (118,177)		\$ 976,559	\$ 1,091,414			\$ (631,453)	\$ 395,070	\$ 3,351

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, 2010

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2009	Cash Received	Budgetary Expenditure	Repayment/Adjustment	Accounts Receivable	Balance June 30, 2010	Deferred Revenue	Due to Grantor	MEMO	
												Budgetary Receivable	Cumulative Expenditures
State Department of Education													
General Fund:													
Equalization Aid	10-495-034	\$ 2,627,860	07/01/2009-06/30/2010		\$ 2,627,860	\$ 2,627,860						\$ 306,786	\$ 2,627,860
Categorical Transportation Aid	-5120-078	428,877	07/01/2009-06/30/2010		428,877	428,877						50,069	428,877
Categorical Special Education Aid	-5120-014	556,634	07/01/2009-06/30/2010		556,634	556,634						64,984	556,634
Categorical Security Aid	-5120-089	72,905	07/01/2009-06/30/2010		72,905	72,905						8,511	72,905
Extraordinary Special Education Costs Aid	-5120-084	60,191	07/01/2008-06/30/2009	\$ (60,191)	60,191								
Nonpublic Remote Transportation Aid	-5120-473	14,536	07/01/2008-06/30/2009	\$ (14,536)	14,536								
Nonpublic Remote Transportation Aid	N/A	9,327	07/01/2009-06/30/2010		-	9,327	\$ (9,327)						9,327
On-Behalf TPAF Pension Contribution- Post Retirement Medical	10-495-034	425,560	07/01/2009-06/30/2010		425,560	425,560							425,560
On-Behalf TPAF Pension Contribution- Non-Contributory Insurance	-5095-001	22,659	07/01/2009-06/30/2010		22,659	22,659							22,659
Reimbursed TPAF Social Security Contribution	-5095-007	488,304	07/01/2008-06/30/2009	(24,503)	24,503								488,304
Reimbursed TPAF Social Security Contribution	10-495-034	485,059	07/01/2009-06/30/2010		460,907	485,059		(24,152)				430,350	485,059
Total General Fund				(99,230)	4,694,632	4,628,881	\$ -	(33,479)	\$ -	\$ -	\$ -	\$ 430,350	5,191,912
State Department of Agriculture													
Enterprise Fund:													
State School Lunch Program	09-100-010	2,587	07/01/2008-06/30/2009	(153)	153								2,587
State School Lunch Program	-3350-023	2,529	07/01/2009-06/30/2010	(153)	2,325	2,529		(204)					2,529
Total Enterprise Fund	-3350-023				2,478	2,529		(204)					5,116
TOTAL STATE FINANCIAL ASSISTANCE				\$ (99,383)	\$ 4,697,110	\$ 4,631,410	\$ -	\$ (33,683)	\$ -	\$ -	\$ -	\$ 430,350	\$ 5,197,028

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2010

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 (\$19,079) for the general fund and \$29,074 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		\$ 582,508	\$ 4,609,802	\$ 5,192,310
Special Revenue Fund	\$ 5,774	501,452		507,226
Food Service Fund		36,528	2,529	39,057
	<u>\$ 5,774</u>	<u>\$ 1,120,488</u>	<u>\$ 4,612,331</u>	<u>\$ 5,738,593</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2010

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, 2010. 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, 2010.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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?
2. Reportable conditions identified that are not considered to be material weaknesses?

 Yes X No

 Yes X No

Noncompliance Material to Financial Statements Noted?

 Yes X No

Federal Awards

Internal Control Over Major Programs:

1. Material weakness(es) identified?
2. Reportable conditions identified that are not considered to be material weaknesses?

 Yes X No

 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>
84.394	\$ 560,799	ARRA SFSF ESF
84.027	182,833	IDEA Basic
84.391	107,492	ARRA IDEA Basic

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(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>
10-495-034-5095-002	\$ 485,059	Reimbursed TPAF Social Security Aid
10-495-034-5120-089	556,634	Categorical Special Education Aid
10-495-034-5120-014	428,877	Categorical Transportation Aid
10-495-034-5120-078	2,627,860	Equalization Aid

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

SECTION II-FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended June 30, 2010.

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, 2010.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

K-7

There were no prior year findings or questioned costs.