

**LENAPE VALLEY REGIONAL
HIGH SCHOOL DISTRICT**

**Lenape Valley Regional High School District
Stanhope, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2010**

**Comprehensive Annual
Financial Report**

of the

**Lenape Valley Regional
High School District**

Stanhope, New Jersey

For the Fiscal Year Ended June 30, 2010

Prepared by

**Lenape Valley Regional High School
Board of Education**

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
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INTRODUCTORY SECTION

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BOARD OF EDUCATION

28 SPARTA ROAD, P.O. BOX 578, STANHOPE, N.J. 07874

Paul Tracy, President
Douglas Stout, Vice President

Robert G. Klinck
Assistant Superintendent for Business/
Board Secretary
Telephone (973) 347-7600 ext. 104
Fax (973) 347-2536

September 23, 2010

The Honorable President and Members
of the Board of Education
Lenape Valley Regional High School District
Sussex County, New Jersey

Dear Honorable President and Board Members:

The Comprehensive Annual Financial Report of the Lenape Valley Regional High School District (the "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 (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations 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 Independent Auditor's Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economical and demographic information, financial trends and the fiscal capacity of the District, 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 Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*, and the New Jersey OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** Lenape Valley Regional High School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB No. 14. All funds of the District are included in this report. Lenape Valley Regional High School District and its school constitute 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 for handicapped students. The following details the changes in the student enrollment of the District over the last three years.

Fiscal Year	Average Daily Enrollment	
	Enrollment	Change
2009-2010	846	-1.63%
2008-2009	860	0.12%
2007-2008	859	0.59%

The Honorable President and Members
of the Board of Education
Lenape Valley Regional High School District
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September 23, 2010

2. ECONOMIC CONDITION AND OUTLOOK: Lenape Valley is a regional school district serving approximately 846 students from three sending districts. Students come from Byram Township and Stanhope Borough in Sussex County, New Jersey, and the Borough of Netcong in Morris County, New Jersey. The regional high school is situated on a 57.30-acre tract of land located in the northeastern part of Stanhope Borough at 28 Sparta Road.

Byram Township is situated in the southwesterly section of Sussex County. The township is bounded on the north by Sparta Township, on the northwest by Green and Andover Townships, on the east and southeast by Hopatcong Borough, on the south by Stanhope Borough, on the southwest by Mt. Olive Township in Morris County and on the west by Allamuchy Township in Warren County. Route 206, which serves as an access corridor linking Interstate Route 80 with other larger towns in Sussex County, bisects Byram Township.

The Borough of Stanhope is situated in the southernmost part of Sussex County. It is bounded on the north and northwest by Byram Township, on the northeast by Hopatcong Borough, on the southeast by Roxbury Township, on the south by Netcong and on the southwest by Mount Olive Township. Interstate Route 80, U.S. Route 206 and Sussex County Route 183 provide direct access into the Borough.

The Borough of Netcong is located along the western boundary of Morris County approximately in the middle of the county in the north-south direction. Netcong is bounded on the north by the Borough of Stanhope in Sussex County, on the west by the Township of Mt. Olive, and on the south and east by the Township of Roxbury. Netcong Borough is traversed by three major highways, namely Routes 206, 46 and 80.

The district currently operates one Regional High School with an estimated 846 students, grades 9-12. The future outlook for the Lenape Valley Regional High School District is for a slow growth in industrial and commercial ratables and a slow growth for housing. A 1% increase in enrollment is projected over the next 2-3 years.

3. MAJOR INITIATIVES: During the 2009-2010 school year, the continued maintenance and repair of our fire alarm system was completed with installation of duct and heat detectors throughout the building at an approximate cost of \$8,000. Another major project completed was the conversion of our wood shop classroom to an art-technology lab at an approximate cost of \$15,000. We also completed maintenance and repair to the lighting system in our auditorium at an approximate cost of \$4,000. Lastly, at an approximate cost of \$15,000, we replaced a compressor and repaired a few of our HVAC roof top units.
4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of 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 awards and state awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management.

The Honorable President and Members
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4. INTERNAL ACCOUNTING CONTROLS: (Cont'd) As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to major federal and state award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.
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 cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reserves 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. These funds are explained in "Notes to the Basic Financial Statements", Note 1.
7. DEBT ADMINISTRATION: At June 30, 2010, the District' had no outstanding debt issued.
8. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic 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, contents, and fidelity bonds. The Board oversees Risk Management for the District. A schedule of insurance coverage is found on Exhibit 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 Nisivoccia & Company LLP, CPAs, was selected by the Board. 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 Amendments of 1996 and the related OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and New Jersey OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements 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.

The Honorable President and Members
of the Board of Education
Lenape Valley Regional High School District
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September 23, 2010

11. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Lenape Valley Regional High School 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.

Respectfully submitted,



Paul A. Palek, Jr.
Superintendent



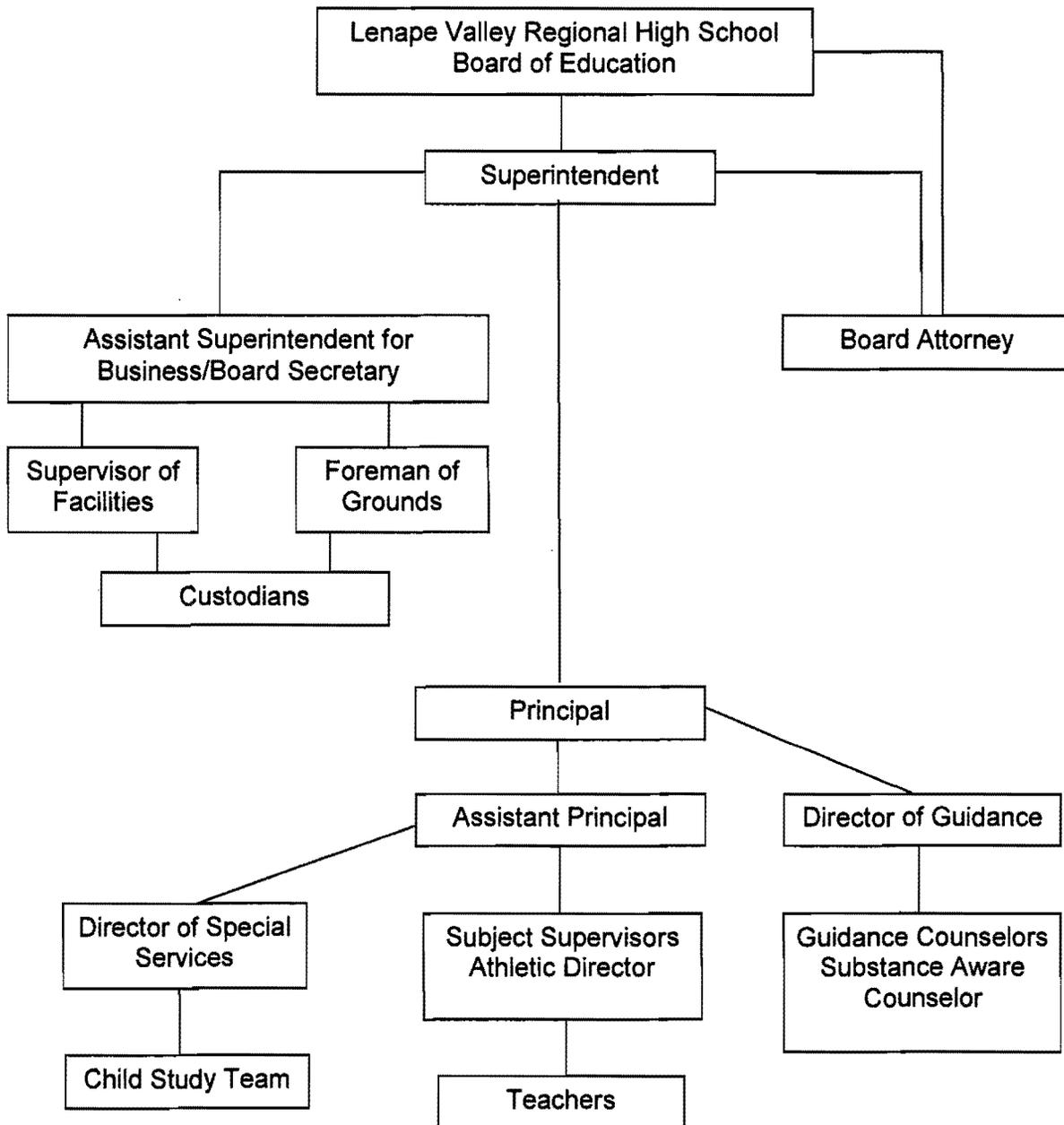
Robert G. Klinck
Assistant Superintendent for Business

POLICY

LENAPE VALLEY REGIONAL BOARD OF EDUCATION

ADMINISTRATION
1110/Page 1 of 1
ORGANIZATIONAL CHART

1110 ORGANIZATIONAL CHART



Adopted: 25 April 2006



LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT

Roster of Officials Year Ended June 30, 2010

<u>Regional High School District Board Members</u>	<u>Term Expires</u>
Paul Tracy, President Byram Township	2012
Douglas Stout, Vice President Byram Township	2011
Henry Bilas Byram Township	2013
Dr. Joseph A. Carducci, Jr. Stanhope Borough	2011
Timothy P. Grogan Netcong Borough	2013
Kirby Smith Byram Township	2011
Timothy Smith Stanhope Borough	2013
Sharon Still Netcong Borough	2012
Ann Weber. Byram Township	2012
<u>Other Officials</u>	<u>Title</u>
Paul A. Palek, Jr.	Superintendent
Robert G. Klinck	Assistant Superintendent for Business/Board Secretary

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT

**Consultants and Advisors
Year Ended June 30, 2010**

Audit Firm

Nisivoccia & Company LLP
Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mount Arlington, New Jersey 07856

And

Lawrence Business Park
11 Lawrence Road
Newton, NJ 07860

Attorney

Anthony P. Sciarrillo, Esq.
Lindabury, McCormick & Estabrook, P.C.
53 Cardinal Drive
P.O. Box 2369
Westfield, New Jersey

Official Depository

Lankeland Bank
80 US Highway 206
Stanhope, New Jersey 07874

FINANCIAL SECTION



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mount Arlington, NJ 07856
 Phone: 973-328-1825
 Fax: 973-328-0507

Lawrence Business Park
 11 Lawrence Road
 Newton, NJ 07860
 Phone: 973-383-6699
 Fax: 973-383-6555

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Lenape Valley Regional High School District
 County of Sussex, 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 Lenape Valley Regional High School District in the County of Sussex as of and for the fiscal year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the foregoing table of contents. These financial statements are the responsibility of the Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the 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 the 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 opinions.

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 Board of Education of the Lenape Valley Regional High School District in the County of Sussex as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof, for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2010 on our consideration of the Board of Education of the Lenape Valley Regional High School District's internal control over financial reporting and 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.

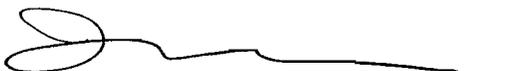
The Honorable President and Members
of the Board of Education
Lenape Valley Regional High School District
Page 2

The Management's Discussion and Analysis and Budgetary Comparison Information on Exhibits C-1 through C-3 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 inquiries 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 conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of the Lenape Valley Regional High School District's basic financial statements. The accompanying introductory section, supplementary schedules such as the combining and individual fund financial statements, financial schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*; and New Jersey OMB Circular NJOMB 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. The supplementary schedules and schedules of expenditures of federal and state awards 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 section 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.

September 23, 2010
Mount Arlington, New Jersey


NISIVOCIA & COMPANY LLP


David H. Evans
Licensed Public School Accountant #740
Certified Public Accountant


John D. Cassells
Licensed Public School Accountant #105

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STANHOPE, NEW JERSEY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

This section of Lenape Valley Regional High School's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2010. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's financial position decreased \$628,076 over the course of the year.
- Overall revenue was \$14,153,643.
- Overall expenditures were \$14,781,719.
- Net assets from the District's governmental activities decreased \$618,222 primarily due to a decrease in state aid and reappraisal of capital assets.
- The net assets from the District's business-type activity – food services – decreased \$9,854 primarily due to a decrease in student participation.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STANHOPE, NEW JERSEY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

Figure A-1

Organization of Lenape Valley Regional High School District's Financial Report

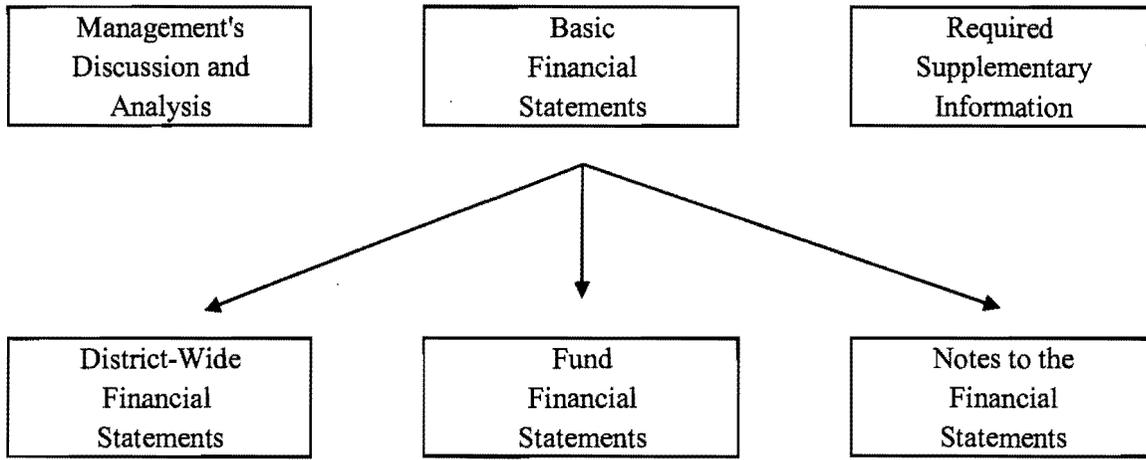


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STANHOPE, NEW JERSEY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net assets • Statement of revenue, expenses, and changes in net assets • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net assets • Statement of changes in fiduciary net assets
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STANHOPE, NEW JERSEY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

District-Wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net assets* and how they have changed. Net assets – the difference between the District's assets and liabilities – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows.

**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STANHOPE, NEW JERSEY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

Fund Financial Statements

- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

Notes to 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 notes to the financial statements can be found immediately following the fund financial statements.

Financial Analysis of the District as a Whole

Net Assets. The District's combined net assets were \$1,730,568 on June 30, 2010, \$628,076 or 26.63% lower than they were the year before (See Figure A-3). Net assets from governmental activities decreased \$618,222 and net assets from business-type activities decreased by \$9,854 (See Figure A-4). Net assets invested in capital assets (net of related debt) decreased \$729,264, restricted net assets decreased \$14,348 and unrestricted net assets increased \$115,536.

Figure A-3

Condensed Statement of Net Assets

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2010	2009	2010	2009	2010	2009	
Current and							
Other Assets	\$ 335,409	\$ 315,786	\$ 18,628	\$ 31,238	\$ 354,037	\$ 347,024	2.02%
Capital Assets	1,749,452	2,472,904	8,965	10,091	1,758,417	2,482,995	-29.18%
Total Assets	2,084,861	2,788,690	27,593	41,329	2,112,454	2,830,019	-25.36%
Long-Term Debt							
Outstanding	365,936	459,826			365,936	459,826	-20.42%
Other Liabilities	8,283		7,667	11,549	15,950	11,549	38.11%
Total Liabilities	374,219	459,826	7,667	11,549	381,886	471,375	-18.98%
Net Assets:							
Invested in							
Capital Assets,							
Net of Related							
Debt	1,606,896	2,335,034	8,965	10,091	1,615,861	2,345,125	-31.10%
Restricted	447,825	462,173			447,825	462,173	-3.10%
Unrestricted/							
(Deficit)	(344,079)	(468,343)	10,961	19,689	(333,118)	(448,654)	25.75%
Total Net Assets	\$ 1,710,642	\$ 2,328,864	\$ 19,926	\$ 29,780	\$ 1,730,568	\$ 2,358,644	-26.63%

**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STANHOPE, NEW JERSEY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

Financial Analysis of the District as a Whole

Changes in net assets. The District's combined net assets decreased by \$628,076 or 26.63%. Net assets invested in capital assets decreased by \$729,264 primarily due to a reappraisal of capital assets of \$647,225. Restricted net assets decreased \$14,348 and unrestricted net assets increased \$115,536. The net assets of the business-type activities decreased \$9,854 as a result of decreased participation in the cafeteria. (See Figure A-4).

Figure A-4

Changes in Net Assets from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2010	2009	2010	2009	2010	2009	
Revenue:							
Program Revenue:							
Charges for Services			\$ 225,848	\$ 239,138	\$ 225,848	\$ 239,138	-5.56%
Operating Grants & Contributions	\$2,019,810	\$1,792,009	29,551	23,289	2,049,361	1,815,298	12.89%
General Revenue:							
Property Taxes	9,008,355	8,671,403			9,008,355	8,671,403	3.89%
Federal & State Aid	3,481,980	3,357,312			3,481,980	3,357,312	3.71%
Other	(611,978)	32,003	77	363	(611,901)	32,366	-1990.57%
Total Revenue	<u>13,898,167</u>	<u>13,852,727</u>	<u>255,476</u>	<u>262,790</u>	<u>14,153,643</u>	<u>14,115,517</u>	0.27%
Expenses:							
Instruction	8,448,249	7,757,813			8,448,249	7,757,813	8.90%
Pupil & Instruction Services	2,803,389	2,775,815			2,803,389	2,775,815	0.99%
Administration and Business	1,437,249	1,546,905			1,437,249	1,546,905	-7.09%
Maintenance & Operations	1,173,170	1,341,679			1,173,170	1,341,679	-12.56%
Transportation	664,866	639,468			664,866	639,468	3.97%
Other	(10,534)		265,330	266,846	254,796	266,846	-4.52%
Total Expenses	<u>14,516,389</u>	<u>14,061,680</u>	<u>265,330</u>	<u>266,846</u>	<u>14,781,719</u>	<u>14,328,526</u>	3.16%
Change in Net Assets	<u>\$ (618,222)</u>	<u>\$ (208,953)</u>	<u>\$ (9,854)</u>	<u>\$ (4,056)</u>	<u>\$ (628,076)</u>	<u>\$ (213,009)</u>	194.86%

**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STANHOPE, NEW JERSEY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

Financial Analysis of the District as a Whole

Revenue Sources. The District's total revenue for the 2009-2010 school year was \$14,153,643. (See Figure A-4). Property taxes and state formula aid accounted for most of the District's revenue, with local taxes accounting for \$9,008,355 of the total, or 63.51 percent. (See Figure A-5). Another 39 percent came from state and federal aid and the remaining (2.51) percent from charges for services, miscellaneous sources and reappraisal of capital assets. Lenape Valley Regional High School District basically conducts its operations from the revenues it receives from its local taxpayers and State Aid.

**Figure A-5
Sources of Revenue for Fiscal Year 2010**

Sources of Income	Amount	Percentage
State Formula Aid	\$ 2,049,361	14.48%
Property Taxes	9,008,355	63.65%
Federal and State Categorical Grants	3,481,980	24.60%
Charges for Services	225,848	1.60%
Other	(611,901)	-4.32%
	<u>\$ 14,153,643</u>	<u>100.00%</u>

The total cost of all programs and services was \$14,781,719. The District's expenses are predominantly related to instructing, caring for (pupil services) and transporting students (80.62%). (See Figure A-6). The District's administration and business activities accounted for 9.70% of total expenses. Maintenance and operation costs amounted to \$1,173,170 or 7.92%.

**Figure A-6
Expenses for Fiscal Year 2010**

Expense Category	Amount	Percentage
Instruction	\$ 8,448,249	57.15%
Pupil & Instruction Services	2,803,389	18.97%
Administration and Business	1,437,249	9.72%
Maintenance & Operations	1,173,170	7.94%
Transportation	664,866	4.50%
Other	254,796	1.72%
	<u>\$ 14,781,719</u>	<u>100.00%</u>

**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STANHOPE, NEW JERSEY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

Governmental Activities

The financial position of the District decreased overall by 26%. Maintaining existing programs with increased regular pupil enrollment and the provision of a multitude of special programs and services for disabled pupils place great demands on the District's resources. During the past several years, numerous veteran teachers have retired and have been replaced by teachers of less experience. Such changes have generated significant salary savings, but these have not been sufficient enough to offset increased enrollment, increased special education programs and increased health benefit costs. As a result, three municipalities in the regional district were subject to a tax increase in 2010.

Careful management of expenses remains essential for the District to sustain its financial health. Among the many significant cost savings actions implemented during the year were:

- Participation in an insurance pool has resulted in lower costs in property, casualty, liability and workers compensation insurance.
- Shared service agreements with the Stanhope and Netcong school districts for several positions has reduced the cost of part time positions significantly.
- A significant number of disabled pupils continue to be educated in programs within the District rather than being sent out-of-District where the District would have to pay tuition as well as increased transportation costs.
- Participation in joint purchasing agreements for vehicle fuel with Byram Township has reduced this cost significantly.
- Participation in joint transportation agreements continues to lower the cost of special education transportation.

Due to the constraints placed upon the District by recent legislation, it is crucial that the District examine its expenditures carefully. Increasing parental and student demands for new activities and programs must be evaluated thoroughly.

Figure A-7 presents the cost of six major District activities: instruction, pupil & instructional services, administration & business, maintenance & operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

**Figure A-7
Net Cost of Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2010	2009	2010	2009
Instruction	\$ 8,448,249	7,757,813	\$ 6,807,102	\$ 6,580,677
Pupil & Instruction Services	2,803,389	2,775,815	2,744,932	2,614,780
Administration and Business	1,437,249	1,546,905	1,376,249	1,429,034
Maintenance & Operations	1,173,170	1,341,679	1,173,170	1,297,120
Transportation	664,866	639,468	405,660	348,060
Other	(10,534)		(10,534)	
Total	\$ 14,516,389	\$ 14,061,680	\$ 12,496,579	\$ 12,269,671

**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STANHOPE, NEW JERSEY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

Governmental Activities

- The cost of all governmental activities this year was \$14,516,389.
- The federal and state governments subsidized certain programs with grants and contributions (\$3,481,980).
- Most of the District's costs, \$14,781,719, however, were financed by District taxpayers.
- A portion of governmental activities were financed with \$2,049,361 in State Aid based on the SFRA formula.
- The remainder of the funding came from charges for services, miscellaneous revenue and investment earnings.

Business-Type Activities

Net assets from the District's business-type activities decreased \$9,854. (Refer to Figure A-4). Factors contributing to these results included:

- The food services management company has controlled the cost of staff salary expenses, but increasing costs of goods sold and a reduction in sales revenue has resulted in a small decrease in net assets.

Financial Analysis of the District's Funds

The District's financial position remains very positive despite changes in the student population and difficult economic times. Expenditures during the recent year increased significantly as a result of an increased number of pupils with disabilities entering the high school District from the constituent elementary Districts. In addition to greater numbers, these pupils are more profoundly disabled and require more complex educational and related services.

Difficult economic times have had a direct impact upon the District's revenue sources. The District has had a multi-year practice of utilizing funds from the unappropriated balance to reduce the tax levy. Ratables in the three municipalities of the Regional District show little growth, thus generating concern for the local tax levy in the future.

All of these factors are likely to continue for the next several years. To maintain a stable financial position, the District must continue to practice sound fiscal management.

**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STANHOPE, NEW JERSEY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

General Fund Budgetary Highlights

Over the course of the year, the District revised its annual operating budget several times. These budget amendments consisted of changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.

Capital Asset and Debt Administration

Figure A-8

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2010	2009	2010	2009	2010	2009	
Land	\$ 98,915	\$ 98,915			\$ 98,915	\$ 98,915	0.00%
Site Improvements	22,394	15,371			22,394	15,371	45.69%
Buildings & Bldg. Imps.	1,387,447	1,944,565			1,387,447	1,944,565	-28.65%
Machinery, Furniture and Equipment	240,696	414,053	\$ 8,965	\$ 10,091	249,661	424,144	-41.14%
Total	\$1,749,452	\$2,472,904	\$ 8,965	\$ 10,091	\$1,758,417	\$2,482,995	-29.18%

Long-Term Debt

(More detailed information about the District's long -term liabilities is presented in Note 6 to the financial statements.)

Figure A-9

Outstanding Long-Term Debt

	Total School District		Percent Change
	2010	2009	
Compensted Absences	\$ 223,380	\$ 321,956	-30.62%
Capital Leases Payable	142,556	137,870	3.40%
Total	\$ 365,936	\$ 459,826	-20.42%

- Capital leases payable increased by a net amount of \$4,686.
- Compensated absences payable decreased by \$98,576.

**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STANHOPE, NEW JERSEY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of four existing circumstances that could significantly affect its financial health in the future:

- A4 – known as CORE. This new law, approved by the Governor on April 3, 2007 implements CORE proposals and the primary focus of this new law is to establish uniform shared services and consolidation through the new Executive County Superintendent.
- In June 2004, the State of New Jersey passed legislation titled S1701 and A-99 which requires school districts to reduce unreserved undesignated fund balance to 2% of annual expenditures.
- The State of New Jersey passed legislation A-1 which imposes a 4% cap on the District's tax levy.
- State School Aid was reduced for 2010/2011 school year by \$672,038 or 15.6%.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Robert G. Klinck, Assistant Superintendent for Business, Lenape Valley Regional High School District, P.O. Box 578, Stanhope, New Jersey 07874.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30,2010

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ (47,782)	\$ 15,807	\$ (31,975)
Receivable from State Government	66,480	63	66,543
Receivable from Federal Government	41,183	912	42,095
Internal Balances	975	(975)	
Other Governmental Accounts Receivable	7,200		7,200
Inventories		2,821	2,821
Restricted Assets:			
Capital Reserve Account - Cash	267,353		267,353
Capital Assets:			
Site (Land)	98,915		98,915
Depreciable Building and Building Improvements and Machinery, Furniture and Equipment	1,650,537	8,965	1,659,502
Total Assets	2,084,861	27,593	2,112,454
LIABILITIES			
Current Liabilities:			
Accounts Payable - Vendors		7,667	7,667
Deferred Revenue	8,283		8,283
Noncurrent Liabilities:			
Due Within One Year	56,923		56,923
Due Beyond One Year	309,013		309,013
Total Liabilities	374,219	7,667	381,886
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	1,606,896	8,965	1,615,861
Restricted for:			
Other Purposes	447,825		447,825
Unrestricted/(Deficit)	(344,079)	10,961	(333,118)
Total Net Assets	\$ 1,710,642	\$ 19,926	\$ 1,730,568

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30,2010

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
Governmental Activities:						
Instruction:						
Regular	\$ 6,733,502		\$ 821,885		\$ (5,911,617)	\$ (5,911,617)
Special Education	965,455		807,657		(157,798)	(157,798)
Other Special Instruction	91,742		11,605		(80,137)	(80,137)
Other Instruction	657,550				(657,550)	(657,550)
Support Services:						
Tuition	619,516				(619,516)	(619,516)
Student & Instruction Related Services	2,183,873		58,457		(2,125,416)	(2,125,416)
General Administration Services	375,878				(375,878)	(375,878)
School Administration Services	583,784		61,000		(522,784)	(522,784)
Central Services	378,104				(378,104)	(378,104)
Administration Information Technology	99,483				(99,483)	(99,483)
Plant Operations and Maintenance	1,173,170				(1,173,170)	(1,173,170)
Pupil Transportation	664,866		259,206		(405,660)	(405,660)
Capital Outlay	(10,534)				10,534	10,534
Total Governmental Activities	14,516,389	\$ - 0 -	2,019,810	\$ - 0 -	(12,496,579)	\$ - 0 - (12,496,579)

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

<u>Functions/Programs</u>	<u>Program Revenue</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Business-Type Activities: Food Service	\$ 265,330	\$ 225,848	\$ 29,551		\$ (9,931)	\$ (9,931)
Total Primary Government	<u>\$ 14,781,719</u>	<u>\$ 225,848</u>	<u>\$ 2,049,361</u>	<u>\$ - 0 -</u>	<u>\$ (12,496,579)</u>	<u>(9,931)</u> <u>(12,506,510)</u>
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				9,008,355		9,008,355
Federal and State Aid not Restricted				3,481,980		3,481,980
Investment Earnings				3,134		3,134
Miscellaneous Income				62,113	77	62,190
Transfers				(30,000)		(30,000)
Special Item - Reappraisal of Capital Assets				(647,225)		(647,225)
Total General Revenue, Special Items, Extraordinary Items and Transfers				<u>11,878,357</u>	<u>77</u>	<u>11,878,434</u>
Change in Net Assets				(618,222)	(9,854)	(628,076)
Net Assets - Beginning				<u>2,328,864</u>	<u>29,780</u>	<u>2,358,644</u>
Net Assets - Ending				<u>\$ 1,710,642</u>	<u>\$ 19,926</u>	<u>\$ 1,730,568</u>

FUND FINANCIAL STATEMENTS

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS:			
Cash and Cash Equivalents	\$ (7,255)	\$ (40,527)	\$ (47,782)
Interfunds Receivable	975		975
Other Accounts Receivable	7,200		7,200
Receivable from State Government	66,480		66,480
Receivable from Federal Government		41,183	41,183
Restricted Cash and Cash Equivalents	267,353		267,353
Total Assets	<u>\$ 334,753</u>	<u>\$ 656</u>	<u>\$ 335,409</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Deferred Revenue	\$ 7,627	\$ 656	\$ 8,283
Total Liabilities	<u>7,627</u>	<u>656</u>	<u>8,283</u>
Fund Balances:			
Reserved for:			
Capital Reserve Account	267,353		267,353
Excess Surplus	84,981		84,981
Excess Surplus - Designated for Subsequent Year's Expenditures	95,491		95,491

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
LIABILITIES AND FUND BALANCES:			
Unreserved/(Deficit), Reported in:			
General Fund:			
Designated for Subsequent Year's Expenditures	\$ 4,509		\$ 4,509
Unreserved/Undesignated/(Deficit)	(125,208)		(125,208)
Total Fund Balances	<u>327,126</u>	<u>\$ - 0 -</u>	<u>327,126</u>
Total Liabilities and Fund Balances	<u>\$ 334,753</u>	<u>\$ 656</u>	

Amounts Reported for *Governmental Activities* in the Statement of Net Assets (A-1) are different because:

Total Fund Balances (Above)	\$ 327,126
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds. The cost of the assets is \$8,725,758 and the accumulated depreciation is \$6,976,306. (See Note 6)	1,749,452
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the Funds. (See Note 8)	<u>(365,936)</u>
Net Assets of Governmental Activities	<u>\$ 1,710,642</u>

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

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUE:			
Local Sources:			
Local Tax Levy	\$ 9,008,355		\$ 9,008,355
Interest Earned on Capital Reserve Funds	671		671
Miscellaneous	64,576		64,576
Total - Local Sources	9,073,602		9,073,602
State Sources	4,506,565		4,506,565
Federal Sources	622,288	\$ 372,937	995,225
Total Revenue	14,202,455	372,937	14,575,392
EXPENDITURES:			
Current:			
Regular Instruction	4,858,875	12,900	4,871,775
Special Education Instruction	510,099	266,580	776,679
Other Special Instruction	67,220		67,220
Other Instruction	568,384		568,384
Support Services and Undistributed Costs:			
Tuition	619,516		619,516
Student & Instruction Related Services	1,858,677	58,457	1,917,134
General Administration Services	331,906		331,906
School Administration Services	466,826		466,826
Central Services	322,599		322,599
Administrative Information Technology	83,264		83,264
Plant Operations and Maintenance	1,076,547		1,076,547
Pupil Transportation	688,561	15,000	703,561
Unallocated Benefits	2,694,129		2,694,129

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

	General Fund	Special Revenue Fund	Total Governmental Funds
EXPENDITURES (Cont'd):			
Capital Outlay	\$ 77,460	\$ 20,000	\$ 97,460
Total Expenditures	<u>14,224,063</u>	<u>372,937</u>	<u>14,597,000</u>
(Deficiency) of Revenue over Expenditures	<u>(21,608)</u>		<u>(21,608)</u>
OTHER FINANCING SOURCES:			
Capital Leases (Non-Budgeted)	62,948		62,948
Transfers Out - Agency Fund (Athletic)	<u>(30,000)</u>		<u>(30,000)</u>
Total Other Financing Sources	<u>32,948</u>		<u>32,948</u>
Net Change in Fund Balances	11,340		11,340
Fund Balance—July 1	<u>315,786</u>		<u>315,786</u>
Fund Balance—June 30	<u><u>327,126</u></u>	<u><u>\$ - 0 -</u></u>	<u><u>\$ 327,126</u></u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

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

Total Net Change in Fund Balances - Governmental Funds (from B-2)		\$ 11,340
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are different because:		
Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
	Depreciation Expense	\$ (184,221)
	Capital Outlays	<u>107,994</u>
		(76,227)
Reappraisal of Assets		(647,225)
Proceeds from capital leases are a financing source in the governmental funds. They are not revenue in the Statement of Activities; issuing debt increases long-term liabilities in the Statement of Net Assets.		(62,948)
In the Statement of Activities, certain operating expenses, e.g., compensated absences (vacations) 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 reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		98,576
Repayment of capital lease is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Assets and is not reported in the Statement of Activities.		<u>58,262</u>
Change in Net Assets of Governmental Activities (A-2)		<u>\$ (618,222)</u>

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Business-Type Activities - Enterprise Funds</u> <u>Food Service</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 15,807
Intergovernmental Accounts Receivable:	
State	63
Federal	912
Inventories	2,821
	2,821
Total Current Assets	19,603
Non-Current Assets:	
Capital Assets:	
Depreciable Furniture, Machinery and Equipment	128,935
Less: Accumulated Depreciation	(119,970)
	8,965
Total Non-Current Assets	8,965
Total Assets	28,568
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable - Vendors	7,667
Interfund Payable - General Fund	975
	8,642
Total Liabilities	8,642
<u>NET ASSETS:</u>	
Investment in Capital Assets, Net of Related Debt	8,965
Unrestricted	10,961
	19,926
Total Net Assets	\$ 19,926

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Business-Type Activities - Enterprise Funds <hr/> Food Service <hr/>
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 193,582
Daily Sales - Non-Reimbursable Programs	32,266
	<hr/>
Total Operating Revenue	225,848
	<hr/>
Operating Expenses:	
Cost of Sales	113,806
Salaries, Benefits & Payroll Taxes	109,792
Supplies, Insurance & Other Costs	19,117
Management Fee	9,000
Miscellaneous Expense	12,489
Depreciation Expense	1,126
	<hr/>
Total Operating Expenses	265,330
	<hr/>
Operating Income/(Loss)	(39,482)
	<hr/>
Non-Operating Income:	
Local Sources:	
Interest Income	77
State Sources:	
State School Lunch Program	1,294
State School Breakfast Program	157
Federal Sources:	
National School Lunch Program	18,738
National School Breakfast Program	1,771
Food Distribution Program	7,591
	<hr/>
Total Non-Operating Income	29,628
	<hr/>
Change in Net Assets	(9,854)
	<hr/>
Net Assets - Beginning of Year	29,780
	<hr/>
Net Assets - End of Year	\$ 19,926
	<hr/> <hr/>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

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

	Business-Type Activities - Enterprise Funds
	Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 225,848
Payments to Food Service Vendor	(247,392)
Payments for Miscellaneous Expenditures	(13,093)
	(34,637)
Net Cash Provided by (Used for) Operating Activities	
Cash Flows from Investing Activities:	
Interest Income	77
	77
Net Cash Provided by Investing Activities	
Cash Flows from Noncapital Financing Activities:	
Local Sources:	
Interfund Advanced - General Fund	271
Receipt of Federal State Aid	20,245
Receipt of State Aid	1,445
	21,961
Net Cash Provided by Noncapital Financing Activities	
Net Decrease in Cash and Cash Equivalents	(12,599)
Cash and Cash Equivalents, July 1	28,406
Cash and Cash Equivalents, June 30	\$ 15,807
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Operating Income (Loss)	\$ (39,482)
Adjustment to Reconcile Operating Income to Cash Provided by (Used for) Operating Activities:	
Depreciation	1,126
Food Distribution Program	7,591
Changes in Assets and Liabilities:	
Decrease in Inventory	10
(Decrease) in Accounts Payable	(3,882)
	(34,637)
Net Cash Provided by (Used for) Operating Activities	\$ (34,637)
Noncash Investing, Capital and Financing Activities:	
The Food Service Enterprise Fund received and utilized USDA Donated Commodities through the Food Distribution Program valued at \$7,591 for the fiscal year ended June 30, 2010.	

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

<u>ASSETS:</u>	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 85,081	\$ 11,300	\$ 64,230	\$ 160,611
Interfund Receivable		22,811		22,811
Total Assets	<u>85,081</u>	<u>34,111</u>	<u>64,230</u>	<u>183,422</u>
 <u>LIABILITIES:</u>				
Accounts Payable - Vendors	10,866			10,866
Interfund Payable	22,811			22,811
Due to Student Groups	51,404			51,404
Total Liabilities	<u>85,081</u>			<u>85,081</u>
 <u>NET ASSETS:</u>				
Held in Trust for:				
Unemployment Claims		34,111		34,111
Scholarships			64,230	64,230
Total Net Assets	<u>\$ -0-</u>	<u>\$ 34,111</u>	<u>\$ 64,230</u>	<u>\$ 98,341</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

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

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Total
ADDITIONS:			
Contributions:			
Plan Members	\$ 22,811		22,811
Other		\$ 1,450	\$ 1,450
Total Contributions	22,811	1,450	24,261
Investment Earnings:			
Interest	39	167	206
Net Investment Earnings	39	167	206
Total Additions	22,850	1,617	24,467
DEDUCTIONS:			
Unemployment Compensation Claims	7,915		7,915
Scholarship Payments		6,577	6,577
Total Deductions	7,915	6,577	14,492
Change in Net Assets	14,935	(4,960)	9,975
Net Assets - Beginning of the Year	19,176	69,190	88,366
Net Assets - End of the Year	\$ 34,111	\$ 64,230	\$ 98,341

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include one senior high school serving the Boroughs of Netcong and Stanhope and the Township of Byram. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net assets and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall District in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

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

B. Basis of Presentation: (Cont'd)

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

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

As required by the NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. 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 Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. This fund is not applicable to the Districts operations.

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. This fund is not applicable to the Districts operations.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

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

B. Basis of Presentation: (Cont'd)

The District reports the following proprietary fund:

Enterprise (Food Service) Fund: The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. 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.

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Student Activities Fund, Payroll Agency Fund, Unemployment Compensation Insurance Trust Fund and Private Purpose Trust Fund.

C. Measurement Focus and Basis of Accounting:

The district-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net assets may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

Reports for the District's Food Service Fund are prepared following the Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989; Accounting Principles Board Opinions; and Accounting Research Bulletins, unless those pronouncements conflict with Governmental Accounting Standards Board (GASB) pronouncements.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

(Continued)

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General and Special Revenue 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 N.J.A.C. 6:20-2A.2(m)1. All budget Amendments/Transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized reserves on the annual budget during the year).

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 Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 14,208,575	\$ 372,937
Differences - Budget to GAAP:		
Prior Year State Aid Payment Recognized for GAAP Statements, not recognized for Budgetary Basis	423,085	
Current Year State Aid Payment recognized for Budgetary purposes, not recognized for GAAP Statements	(429,205)	
Total Revenues as reported on the Statement of Revenues,		
Expenditures & Changes in Fund Balances - Governmental Funds	<u>\$ 14,202,455</u>	<u>\$ 372,937</u>

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

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

D. Budgets/Budgetary Control: (Cont'd)

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	<u>\$ 14,224,063</u>	<u>\$ 372,937</u>
Total Expenditures as Reported on the Statement of Revenue, Expenditures, & Changes in Fund Balances - Governmental Funds	<u>\$ 14,224,063</u>	<u>\$ 372,937</u>

E. Cash and Cash Equivalents, and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

New Jersey school districts are limited as to type 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.

N.J.S.A. 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 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 savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Government Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions:

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

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net assets, except for amounts due between governmental and business-type activities, which are presented as internal balances.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

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

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. 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 revenue 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.

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, 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. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2010.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

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

K. Capital Assets: (Cont'd)

	<u>Estimated Useful Life</u>
Buildings	50 Years
Site Improvements	20 Years
Furniture and Equipment	10 to 15 Years
Computer and Related Technology	5 Years
Vehicles	8 Years

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

L. Long Term Liabilities:

In the District-wide and enterprise fund statements of net assets, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond issuance costs, as well as applicable bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, governmental fund types recognize bond discounts, as well as bond issuance costs, as expenditures in 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 issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2010.

N. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 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. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after fifteen years of service.

In the district-wide *Statement of Net Assets*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

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

O. Deferred Revenue:

Deferred revenue in the special revenue fund represents cash which has been received but not yet earned. See Note 1(D) regarding the special revenue fund.

P. Fund Balance Appropriated:

General Fund: Of the \$327,126 General Fund balance at June 30, 2010, \$267,353 is reserved in the capital reserve account; \$179,872 is reserved as excess surplus (\$95,491 from the prior year and \$84,981 from the current year which must be included as anticipated revenue for the fiscal years ending June 30, 2011 and June 30, 2012, respectively) in accordance with N.J.S.A. 18A:7F-7 as amended; and \$4,509 is unreserved and has been appropriated as revenue for the fiscal year ending June 30, 2011 and \$(125,208) is undesignated and is \$429,205 less than the calculated maximum unreserved fund balance, on the GAAP basis, due to final state aid payments, which are not recognized until the fiscal year ending June 30, 2011.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended, 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 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 year's budget. The District had excess surplus as noted above. The excess fund balance at June 30, 2010 was \$179,872.

The District's unreserved/undesignated fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$429,205 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 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 intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final state aid payment and not the fund balance reported on the fund statement which excludes the last two state aid payments.

Q. Deficit Net Assets:

The \$344,079 deficit in unrestricted governmental activities net assets resulted from deficit in unreserved undesignated General Fund Balance deferral in the last two state aid payments and \$223,380 in accrued compensated absences. This deficit does not indicate that the District is in financial difficulties and is permitted practice under general accepted accounting principles.

R. Net Assets:

Net Assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

(Continued)

R. Net Assets: (Cont'd)

adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

S. Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditures. Unreserved fund balance indicates that portion which is available for appropriation in future periods. Fund balance reserves have been established for capital reserve and excess surplus as defined by State law.

T. Revenue - Exchange and Non-exchange Transactions:

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

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

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

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

V. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents, and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below and on the following page.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

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

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; or
- (7) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

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

Investments: (Cont'd)

As of June 30, 2010, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash Equivalents	Capital Reserve	Total
Checking Accounts	\$ 128,636	\$ 267,353	\$ 395,989
	\$ 128,636	\$ 267,353	\$ 395,989

During the period ended June 30, 2010, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2010, was \$395,989 and the bank balance was \$627,141.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Lenape Valley Regional High School District by inclusion of \$5,000 on August 23, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the General Fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the NJ 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 or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2009 to June 30, 2010 fiscal year is as follows:

Beginning Balance at July 1, 2009	\$ 266,682
Interest Earnings	671
Ending Balance at June 30, 2010	\$ 267,353

The balance in the capital reserve account did not exceed the balance of local support costs of uncompleted capital projects in the District's approved LRFP.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

NOTE 5. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2010, the District transferred \$14,700 to the capital outlay accounts for equipment which did not require approval from the County Superintendent.

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2010 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Adjustments</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 98,915			\$ 98,915
Total Capital Assets not being Depreciated	<u>98,915</u>			<u>98,915</u>
Capital Assets being Depreciated:				
Site Improvements	82,940			82,940
Buildings and Building Improvements	6,667,219		\$ (411,143)	6,256,076
Machinery and Equipment	2,521,255	\$ 107,994	(341,422)	2,287,827
Total Capital Assets being Depreciated	<u>9,271,414</u>	<u>107,994</u>	<u>(752,565)</u>	<u>8,626,843</u>
Governmental Activities Capital Assets	<u>9,370,329</u>	<u>107,994</u>	<u>(752,565)</u>	<u>8,725,758</u>
Less Accumulated Depreciation for:				
Site Improvements	(67,569)	(1,659)	8,682	(60,546)
Buildings and Building Improvements	(4,722,654)	(136,835)	(9,140)	(4,868,629)
Machinery and Equipment	(2,107,202)	(45,727)	105,798	(2,047,131)
Total Accumulated Depreciation	<u>(6,897,425)</u>	<u>(184,221)</u>	<u>105,340</u>	<u>(6,976,306)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 2,472,904</u>	<u>\$ (76,227)</u>	<u>\$ (647,225)</u>	<u>\$ 1,749,452</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 168,902		\$ (39,967)	\$ 128,935
Less Accumulated Depreciation	(158,811)	\$ (1,126)	39,967	(119,970)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 10,091</u>	<u>\$ (1,126)</u>	<u>\$ - 0 -</u>	<u>\$ 8,965</u>
Total Governmental and Business-Type Activities	<u>\$ 2,482,995</u>	<u>(77,353)</u>	<u>\$ (647,225)</u>	<u>\$ 1,758,417</u>

During the year ended June 30, 2010, the District expended \$77,460 from its General Fund capital outlay accounts, of these expenditures \$73,862 were capitalized. In addition, equipment valued at \$2,677 was donated, \$13,046 for computer software was charged to budget line software business & information technology, and \$18,409 for gym equipment was charged to the special revenue fund.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 150,988
Special Education	74
Student and Instruction Related Services	3,279
School Administrative Services	2,671
General and Business Administrative	3,648
Operations and Maintenance of Plant	19,748
Student Transportation	3,813
Total Depreciation	<u>\$ 184,221</u>

NOTE 7. OPERATING LEASES

The District has commitments to lease copying equipment, postage equipment and computers under operating leases which expire in 2015. Future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2011	\$ 65,530
2012	42,066
2013	42,066
2014	26,412
2015	17,640
	<u>\$ 193,714</u>

NOTE 8. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2010, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>6/30/2009</u>	<u>Issued/</u> <u>Accrued</u>	<u>Matured/</u> <u>Retired</u>	<u>Balance</u> <u>6/30/2010</u>
Capital Lease Payable	\$ 137,870	\$ 62,948	\$ 58,262	\$ 142,556
Compensated Absences Payable	321,956		98,576	223,380
	<u>\$ 459,826</u>	<u>\$ 62,948</u>	<u>\$ 156,838</u>	<u>\$ 365,936</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

The District had no bonds outstanding as of June 30, 2010.

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

NOTE 8. GENERAL LONG-TERM DEBT (Cont'd)

B. Bonds Authorized But Not Issued:

As of June 30, 2010, the Board had no bonds authorized but not issued.

C. Capital Leases Payable:

The District is leasing buses and other vehicles totaling \$142,556 under capital leases. All capital leases are for terms of five years. The General Fund will be used to liquidate capital leases payable. The following is a schedule of the future minimum lease payments under this capital lease and the present value of the net minimum lease payments at June 30, 2010:

<u>Year Ending June 30,</u>	<u>Amount</u>
2011	\$ 64,438
2012	64,438
2013	14,298
2014	<u>14,298</u>
	157,472
Less: Amount representing interest	<u>(14,916)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 142,556</u>

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a current and long-term liability and will be liquidated through the General Fund. The current portion of the liability is \$-0- and the long-term portion is \$223,380.

The District had no liability at June 30, 2010 for compensated absences associated with its Food Service Enterprise Fund.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

(Continued)

NOTE 9. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey. These systems are sponsored and administered by the State of New Jersey. The TPAF 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 non-contribution employers. The PERS is also considered a cost-sharing, multiple-employer plan.

Employees who are members of TPAF or PERS and retire at or after age 55 are entitled to a retirement benefit based upon a formula which takes 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Vesting occurs after 8 to 10 years of service.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be 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.

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey regulation. Employee contributions are based on percentages of 5.50% for TPAF and 5.50% for PERS of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate.

The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits, and post-retirement medical premiums. Under current statute, the District is a noncontributing employer of the TPAF.

Three-Year Trend for TPAF (Paid On-Behalf of District)

<u>Year Funding</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
2010	\$ - 0 -	100.00%	\$ - 0 -
2009	- 0 -	100.00%	- 0 -
2008	442,076	100.00%	442,076

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

Three-Year Trend for PERS			
Year Funding June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	\$ 90,480	100.00%	\$ 90,480
2009	77,108	100.00%	77,108
2008	69,825	80.00%	55,860

Effective July 1, 2003, Chapter 108, P.L. 2003 provides for a reduction or “phase in” of the required pension contribution to PERS for local employers for State fiscal years 2005-2008.

The required local employer PERS normal and accrued liability contributions are as follows:

- 20% for payments due in State fiscal year 2005
- Not more than 40% for payments due in State fiscal year 2006
- Not more than 60% for payments due in State fiscal year 2007
- Not more than 80% for payments due in State fiscal year 2008

NOTE 11. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. Chapter 103 of Public Laws 2007 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 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 Chapter 62 of Public Laws 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126 of Public Laws 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. The State paid \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

The State’s on behalf Post Retirement Medical Contributions to TPAF for the District were \$419,890, \$408,270 and \$354,540, for 2010, 2009 and 2008, respectively.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

NOTE 12. 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, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

The plan administrators are as follows:

Equitable Life Assurance
Metropolitan Life Insurance Company
Lincoln Investment
Variable Annuity Life Insurance Company (V.A.L.I.C.)

NOTE 13. RISK MANAGEMENT

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

Property, Liability and Health Benefits

The District maintains insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report. Health Benefits are provided to the employees through the State of New Jersey Health Benefits Plan.

The Board is a member of the School Alliance Insurance Fund ("SAIF). The SAIF provides its members with Workers' Compensation, Comprehensive General Liability and Automobile Liability, Property, Boiler and Machinery, and School Board Legal Liability Insurance. The SAIF is a risk-sharing fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the SAIF are elected.

As a member of the SAIF, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the SAIF were to be exhausted, members would become responsible for their respective shares of the SAIF's liabilities.

The SAIF can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

NOTE 13. RISK MANAGEMENT (Cont'd)

Selected financial information for the SAIF as of June 30, 2009 is as follows:

	<u>School Alliance Insurance Fund</u>
Total Assets	\$ 33,656,794
Net Assets	\$ 14,417,326
Total Revenue	\$ 28,042,089
Total Expenses	\$ 25,015,943
Change in Net Assets	\$ 3,026,146
Net Assets Distribution to Participating Members	\$ 3,005,614

Financial statements for the Fund are available at the Fund's Executive Director's Office:

Public Entity Group Administrative Services
51 Everett Drive Suite B-40
West Windsor, NJ 08550
(609) 275-1155

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

The following is a summary of the District's contributions, employee contributions and interest, reimbursements to the State for benefits paid and the ending balance of the District's Unemployment Trust Fiduciary Fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions and Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2009-2010	\$ - 0 -	\$ 22,850	\$ 7,915	\$ 34,111
2008-2009	- 0 -	37,560	29,567	19,176
2007-2008	- 0 -	270		11,183

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

NOTE 14. ECONOMIC DEPENDENCY

The Board of Education receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Board of Education's programs and activities.

NOTE 15. INTERFUND RECEIVABLES AND PAYABLES

The District had the following interfund receivables and payables at June 30, 2010.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 975	
Proprietary Fund		\$ 975
Fiduciary Funds:		
Unemployment Compensation Trust	22,811	
Payroll Agency		22,811
	<u>\$ 23,786</u>	<u>\$ 23,786</u>

The interfund receivable in the General Fund and the interfund payable in the Proprietary Fund represent an interfund advance. The interfund receivable in the Unemployment Compensation Trust Fund and the interfund payable in the Payroll Agency Fund represent employee contributions not turned over.

NOTE 16. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined, agreed-upon schedule.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

NOTE 17. CONTINGENT LIABILITIES

Grant Programs

The school district participates in state and federally assisted grant programs. The programs are subject to program compliance audits by grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation

The District is periodically involved in certain types of lawsuits. The District estimates that the potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial statements of the District.

BUDGETARY COMPARISON SCHEDULES

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 9,008,355		\$ 9,008,355	\$ 9,008,355	
Interest Earned on Capital Reserve Funds	4,000		4,000	671	\$ (3,329)
Miscellaneous	40,000		40,000	64,576	24,576
Total - Local Sources	9,052,355		9,052,355	9,073,602	21,247
State Sources:					
Categorical Special Education Aid	444,290		444,290	444,290	
Equalization Aid	3,429,602	\$ (471,557)	2,958,045	2,778,063	(179,982)
Categorical Security Aid	60,353	(21,124)	39,229	39,229	
Categorical Transportation Aid	370,307	(129,607)	240,700	240,700	
Extraordinary Aid				37,325	37,325
Nonpublic Transportation Aid - 2009-2010				2,854	2,854
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				22,357	22,357
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				419,890	419,890
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				527,977	527,977
Total State Sources	4,304,552	(622,288)	3,682,264	4,512,685	830,421
Federal Sources:					
Education Stabilization Fund - ARRA		599,096	599,096	599,096	
Government Services Fund - ARRA		23,192	23,192	23,192	
Total Federal Sources		622,288	622,288	622,288	
TOTAL REVENUES	13,356,907		13,356,907	14,208,575	851,668

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 4,601,045	\$ (20,140)	\$ 4,580,905	\$ 4,575,754	\$ 5,151
Regular Programs - Home Instruction:					
Salaries of Teachers	20,000	32,700	52,700	47,129	5,571
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	500	724	1,224	1,067	157
Purchased Technical Services	1,000		1,000	625	375
Other Purchased Services (400-500 series)	104,060	76	104,136	97,784	6,352
General Supplies	91,333	18,600	109,933	105,551	4,382
Textbooks	29,430	2,300	31,730	29,987	1,743
Other Objects	1,000		1,000	978	22
Total Regular Programs - Instruction	4,848,368	34,260	4,882,628	4,858,875	23,753
Special Education - Instruction:					
Cognitive Mild:					
Salaries of Teachers	67,135	(28,423)	38,712	38,712	
Other Salaries for Instruction	54,350	(300)	54,050	36,001	18,049
General Supplies	1,200		1,200	1,018	182
Textbooks	500		500	496	4
Total Cognitive - Mild	123,185	(28,723)	94,462	76,227	18,235
Behavioral Disabilities					
Salaries of Teachers	68,968	(150)	68,818	68,625	193
Other Salaries for Instruction	30,000		30,000	30,000	
General Supplies	650	650	1,300	1,129	171
Textbooks	1,500	(500)	1,000	960	40
Total Behavioral Disabilities	101,118	(500)	101,118	100,714	404

LENAPE 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
EXPENDITURES:					
CURRENT EXPENSE					
Resource Room/Resource Center:					
Salaries of Teachers	\$ 321,825	\$ 12,242	\$ 334,067	\$ 333,158	\$ 909
General Supplies	250		250		250
Textbooks	1,250	(800)	450		450
Total Resource Room/Resource Center	<u>323,325</u>	<u>11,442</u>	<u>334,767</u>	<u>333,158</u>	<u>1,609</u>
Total Special Education Instruction	<u>547,628</u>	<u>(17,281)</u>	<u>530,347</u>	<u>510,099</u>	<u>20,248</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	58,902		58,902	58,902	
General Supplies	600	400	1,000	905	95
Total Basic Skills/Remedial - Instruction	<u>59,502</u>	<u>400</u>	<u>59,902</u>	<u>59,807</u>	<u>95</u>
Bilingual Education - Instruction:					
Salaries of Teachers	7,413		7,413	7,413	
General Supplies	100		100		100
Total Bilingual Education - Instruction	<u>7,513</u>		<u>7,513</u>	<u>7,413</u>	<u>100</u>
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	114,050	(8,300)	105,750	104,800	950
Purchased Services (300-500 series)	21,000	7,800	28,800	27,678	1,122
Supplies and Materials	4,000	(2,700)	1,300	1,296	4
Other Objects	3,500	500	4,000	3,998	2
Total School-Sponsored Cocurricular Activities - Instruction	<u>142,550</u>	<u>(2,700)</u>	<u>139,850</u>	<u>137,772</u>	<u>2,078</u>

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	\$ 358,750	\$ (225)	\$ 358,525	\$ 352,958	\$ 5,567
Purchased Services (300-500 series)	35,400	(24,775)	10,625	10,189	436
Other Purchased Services (400-500 series)		25,000	25,000	20,129	4,871
Supplies and Materials	37,800		37,800	36,347	1,453
Other Objects	6,000		6,000	5,489	511
Total School-Sponsored Cocurricular Athletics - Instruction	437,950		437,950	425,112	12,838
Other Instructional Programs - Instruction					
Salaries	5,500		5,500	5,500	
Total Other Instructional Programs - Instruction	5,500		5,500	5,500	
Total Instruction	6,049,011	14,679	6,063,690	6,004,578	59,112
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	100,775	(6,000)	94,775	92,596	2,179
Tuition to County Vocational School District - Regular	9,268	30,800	40,068	37,181	2,887
Tuition to County Vocational School District - Special	5,959	(5,959)			
Tuition to Private Schools for the Handicapped - Within State	527,439	(41,381)	486,058	485,239	819
Tuition - State Facilities	4,500		4,500	4,500	
Total Undistributed Expenditures - Instruction	647,941	(22,540)	625,401	619,516	5,885
Attendance & Social Work:					
Salaries	79,768	5,300	85,068	84,086	982
Total Attendance & Social Work	79,768	5,300	85,068	84,086	982

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Health Services:					
Salaries	\$ 84,368	\$ 5,000	\$ 89,368	\$ 89,219	\$ 149
Purchased Professional and Technical Services	900	(300)	600	261	339
Other Purchased Services (400-500 series)	200	200	400		400
Supplies and Materials	600	100	700	681	19
Other Objects	100		100		100
Total Health Services	<u>86,168</u>	<u>5,000</u>	<u>91,168</u>	<u>90,161</u>	<u>1,007</u>
Other Support Services - Students - Related Services:					
Salaries	27,480	13,740	41,220	41,220	
Purchased Professional - Educational Services	64,000	15,270	79,270	78,591	679
Supplies and Materials	200	120	320	311	9
Total Other Support Services - Students - Related Services	<u>91,680</u>	<u>29,130</u>	<u>120,810</u>	<u>120,122</u>	<u>688</u>
Other Support Services - Students - Extra Services:					
Salaries of Other Professional Staff	158,668	(29,340)	129,328	126,674	2,654
Total Other Support Services - Students - Extra Services	<u>158,668</u>	<u>(29,340)</u>	<u>129,328</u>	<u>126,674</u>	<u>2,654</u>
Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	404,596	6,374	410,970	408,165	2,805
Salaries of Secretarial and Clerical Assistants	72,234	850	73,084	73,070	14
Purchased Professional - Educational Services	100		100		100
Other Purchased Professional and Technical Services	4,100		4,100	3,498	602
Other Purchased Services (400-500)	8,500		8,500	7,210	1,290
Supplies and Materials	6,000	(850)	5,150	2,910	2,240
Other Objects	1,200		1,200	1,190	10
Total Other Support Services - Students - Regular	<u>496,730</u>	<u>6,374</u>	<u>503,104</u>	<u>496,043</u>	<u>7,061</u>

LENAPE 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
EXPENDITURES:					
CURRENT EXPENSE					
Other Support Services - Students - Special:					
Salaries of Other Professional Staff	\$ 172,082		\$ 172,082	\$ 171,719	\$ 363
Salaries of Secretarial and Clerical Assistants	28,474		28,474	28,474	
Other Salaries	527	\$ 800	1,327	1,313	14
Other Purchased Professional and Technical Services	40,000	9,000	49,000	48,010	990
Miscellaneous Purchased Services (400-500 other than Residential Costs)	1,700	(180)	1,520	1,121	399
Supplies and Materials	2,900	180	3,080	3,014	66
Software		700	700	654	46
Total Other Support Services - Students - Special	245,683	10,500	256,183	254,305	1,878
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	498,147	7,371	505,518	503,904	1,614
Salaries of Other Professional Staff	3,000	163	3,163	3,024	139
Salaries of Secretarial and Clerical Assistants	57,730	(163)	57,567	57,566	1
Other Salaries	2,227	600	2,827	2,733	94
Other Purchased Services (400-500)	500	(50)	450		450
Other Objects	4,600	50	4,650	4,650	
Total Improvement of Instructional Services	566,204	7,971	574,175	571,877	2,298
Educational Media Services/School Library:					
Salaries	67,200	(13,156)	54,044	54,000	44
Other Purchased Services (400-500)	375		375		375
Supplies and Materials	35,850	27,875	63,725	61,359	2,366
Other Objects	70		70	50	20
Total Educational Media Services/School Library	103,495	14,719	118,214	115,409	2,805

LENAPE 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
EXPENDITURES:					
CURRENT EXPENSE					
Instructional Staff Training Services:					
Purchased Professional - Educational Services	\$ 500		\$ 500		\$ 500
Other Purchased Services (400-500 series)	100		100		100
Total Instructional Staff Training Services	600		600		600
Support Services - General Administration:					
Salaries	205,461	\$ 4,450	209,911	\$ 207,014	2,897
Legal Services	15,000	9,580	24,580	20,588	3,992
Audit Fees	14,500	435	14,935	14,935	
Purchased Technical Services	2,500	500	3,000	2,661	339
Communications/Telephone	40,000	8,000	48,000	47,288	712
BOE Other Purchased Services (Travel)	5,000	(560)	4,440	3,558	882
Other Purchased Services (400-500 series)	30,420	(3,000)	27,420	24,237	3,183
General Supplies	3,000		3,000	2,007	993
Board of Education Membership Dues and Fees	10,000		10,000	9,618	382
Total Support Services - General Administration	325,881	19,405	345,286	331,906	13,380
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	227,380	2,992	230,372	230,370	2
Salaries of Other Professional Staff	116,000	2,209	118,209	118,208	1
Salaries of Secretarial and Clerical Assistants	79,342	(50)	79,292	78,999	293
Other Purchased Services (400-500 series)	19,500	873	20,373	19,960	413
Supplies and Materials	19,000	(1,237)	17,763	17,192	571
Other Objects	2,500	(403)	2,097	2,097	
Total Support Services - School Administration	463,722	4,384	468,106	466,826	1,280

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - Central Services:					
Salaries	\$ 284,530	\$ 419	\$ 284,949	\$ 284,949	
Purchased Professional Services	6,000	681	6,681	6,541	\$ 140
Purchased Technical Services	10,000	1,950	11,950	11,464	486
Miscellaneous Purchased Services (400-500 series)	21,000	(2,664)	18,336	14,579	3,757
Supplies and Materials	3,400	325	3,725	3,701	24
Miscellaneous Expenditures	1,500		1,500	1,365	135
Total Support Services - Central Services	<u>326,430</u>	<u>711</u>	<u>327,141</u>	<u>322,599</u>	<u>4,542</u>
Support Services - Administration Information Technology:					
Salaries	106,017	(8,750)	97,267	83,264	14,003
Total Support Services - Administration Information Technology	<u>106,017</u>	<u>(8,750)</u>	<u>97,267</u>	<u>83,264</u>	<u>14,003</u>
Required Maintenance of School Facilities:					
Salaries	75,115		75,115	75,115	
Cleaning, Repair and Maintenance Services	120,000	(12,450)	107,550	102,349	5,201
General Supplies	7,000		7,000	4,970	2,030
Total Required Maintenance of School Facilities	<u>202,115</u>	<u>(12,450)</u>	<u>189,665</u>	<u>182,434</u>	<u>7,231</u>
Undistributed Expenditures- Care & Upkeep of Grounds					
Salaries	105,125	(1,100)	104,025	102,864	1,161
Purchased Professional and Technical Services		4,000	4,000	3,750	250
Cleaning, Repair and Maintenance Services	4,000	8,650	12,650	12,062	588
General Supplies	17,000	450	17,450	15,550	1,900
Total Care and Upkeep of Grounds	<u>126,125</u>	<u>12,000</u>	<u>138,125</u>	<u>134,226</u>	<u>3,899</u>

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Other Operations & Maintenance of Plant:					
Salaries	\$ 221,325	\$ (3,000)	\$ 218,325	\$ 216,679	\$ 1,646
Purchased Professional and Technical Services	1,500		1,500	1,490	10
Cleaning, Repair and Maintenance Services	28,000	1,000	29,000	28,987	13
Other Purchased Property Services	22,000	(2,000)	20,000	14,428	5,572
Insurance	66,133	160	66,293	64,792	1,501
Miscellaneous Purchased Services	1,000		1,000	759	241
General Supplies	67,000	10,000	77,000	73,929	3,071
Energy (Electricity)	301,150	(27,000)	274,150	259,185	14,965
Energy (Oil)	132,528	(9,000)	123,528	99,638	23,890
Other Objects	250		250		250
Total Other Operations & Maintenance of Plant	840,886	(29,840)	811,046	759,887	51,159
Student Transportation Services:					
Salaries for Transportation - Between Home & School - NonPublic School	76,000	8,000	84,000	80,878	3,122
Management Fee - ESC & CTSA Transportation Programs	17,000	(1,827)	15,173	15,173	
Cleaning, Repair, & Maintenance Services	6,500	5,000	11,500	10,718	782
Lease Purchase Payments - School Buses	55,137		55,137	55,136	1
Contracted Services:					
Between Home and School - Vendors	311,709	13,281	324,990	324,989	1
Other than Between Home and School - Vendors	8,000	(7,644)	356	356	
Special Education Students - Vendors	198,000	(8,871)	189,129	179,485	9,644
Aid in Lieu of Payments - Non-Public	12,079	(3,239)	8,840	8,840	
Miscellaneous Purchased Services - Transportation	1,500	300	1,800	1,784	16
Supplies and Materials	12,000	4,000	16,000	11,202	4,798
Total Student Transportation Services	697,925	9,000	706,925	688,561	18,364

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Unallocated Benefits:					
Social Security Contributions	\$ 151,913	\$ 459	\$ 152,372	\$ 152,372	
Other Retirement Contributions - PERS	91,000	(459)	90,541	90,480	\$ 61
Workmen's Compensation	71,885	8,978	80,863	80,863	
Health Benefits	1,457,060	(84,931)	1,372,129	1,350,937	21,192
Tuition Reimbursement	26,000		26,000	14,253	11,747
Other Employee Benefits	10,000	25,000	35,000	35,000	
Total Unallocated Benefits	<u>1,807,858</u>	<u>(50,953)</u>	<u>1,756,905</u>	<u>1,723,905</u>	<u>33,000</u>
On-Behalf Contributions:					
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				22,357	(22,357)
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				419,890	(419,890)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				527,977	(527,977)
Total On-Behalf Contributions				<u>970,224</u>	<u>(970,224)</u>
Total Personal Services - Employee Benefits	<u>1,807,858</u>	<u>(50,953)</u>	<u>1,756,905</u>	<u>2,694,129</u>	<u>(937,224)</u>
Total Undistributed Expenses	<u>7,373,896</u>	<u>(29,379)</u>	<u>7,344,517</u>	<u>8,142,025</u>	<u>(797,508)</u>
TOTAL CURRENT EXPENSE	<u>13,422,907</u>	<u>(14,700)</u>	<u>13,408,207</u>	<u>14,146,603</u>	<u>(738,396)</u>
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures:					
Support Services - Related and Extraordinary Services		3,700	3,700	3,597	103
Support Services - Instructional Staff		3,500	3,500	3,451	49
Central Services		7,500	7,500	7,464	36
Total Equipment		<u>14,700</u>	<u>14,700</u>	<u>14,512</u>	<u>188</u>

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Assets Acquired Under Capital Leases (Non-Budgeted):					
Student Transportation Services				\$ 62,948	\$ (62,948)
TOTAL CAPITAL OUTLAY		\$ 14,700	\$ 14,700	77,460	(62,760)
TOTAL EXPENDITURES	\$ 13,422,907		13,422,907	14,224,063	(801,156)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(66,000)		(66,000)	(15,488)	50,512
Other Financing Sources/(Uses):					
Capital Leases (Non-Budgeted)				62,948	62,948
Transfers to Cover Deficit (Agency Funds)	(30,000)		(30,000)	(30,000)	
Total Other Financing Sources/(Uses)	(30,000)		(30,000)	32,948	62,948
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(96,000)		(96,000)	17,460	113,460
Fund Balance, July 1	738,871		738,871	738,871	
Fund Balance, June 30	\$ 642,871	\$ -0-	\$ 642,871	\$ 756,331	\$ 113,460
<u>Recapitulation:</u>					
Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 95,491	
Excess Surplus				84,981	
Capital Reserve				267,353	
Unreserved Designated for Subsequent Year's Expenditures				4,509	
Unreserved/Undesignated Fund Balance				303,997	
				756,331	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis				(429,205)	
Fund Balance per Governmental Funds (GAAP)				\$ 327,126	

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ 146,256	\$ 231,276	\$ 377,532	\$ 372,937	\$ (4,595)
Total Revenues	<u>146,256</u>	<u>231,276</u>	<u>377,532</u>	<u>372,937</u>	<u>(4,595)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	114,874	51,492	166,366	166,366	
Tuition Other LEA's		44,510	44,510	44,510	
Tuition Special Education Out of District		46,857	46,857	46,857	
General Supplies		21,747	21,747	21,747	
Total Instruction	<u>114,874</u>	<u>164,606</u>	<u>279,480</u>	<u>279,480</u>	
Support Services:					
Salaries of Other Professional Staff					
Personal Services - Employee Benefits	31,382	11,184	42,566	42,566	
Purchased Professional/Education Services		1,391	1,391	1,391	
Purchased Property Services		5,276	5,276	5,276	
Other Purchased Services		15,000	15,000	15,000	
Travel		13,819	13,819	9,224	4,595
Total Support Services	<u>31,382</u>	<u>46,670</u>	<u>78,052</u>	<u>73,457</u>	<u>4,595</u>
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment		20,000	20,000	20,000	
Total Facilities Acquisition and Construction Services		<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	
Total Expenditures	<u>\$ 146,256</u>	<u>\$ 231,276</u>	<u>\$ 377,532</u>	<u>\$ 372,937</u>	<u>\$ 4,595</u>

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 14,208,575	\$ 372,937
Differences - Budget to GAAP:		
Prior Year State Aid Payment Recognized for GAAP Statements	423,085	
State Aid Payment Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(429,205)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and and Changes in Fund Balances - Governmental Funds.	<u>\$ 14,202,455</u>	<u>\$ 372,937</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 14,224,063	\$ 372,937
Differences - Budget to GAAP:		
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 14,224,063</u>	<u>\$ 372,937</u>

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue 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 N.J.A.C. 6:20-2A.2(m)l. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions or the annual budgets during the year).

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 special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The General Fund budgetary revenue differs from the GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SPECIAL REVENUE FUND

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	No Child Left Behind		
	Title I	Title II A	Title IV
REVENUE:			
Local Sources			
Federal Sources	\$ 15,679	\$ 9,025	\$ 1,391
Total Revenue	<u>15,679</u>	<u>9,025</u>	<u>1,391</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	12,900		
Tuition to Other LEAs Within the State - Regular			
Tuition to Private School for the Disabled Within the State			
General Supplies			
Total Instruction	<u>12,900</u>		
Support Services:			
Purchased Professional/Educational Services			1,391
Personal Services - Employee Benefits	2,580		
Purchased Property Services			
Other Purchased Services			
Travel	199	9,025	
Total Support Services	<u>2,779</u>	<u>9,025</u>	<u>1,391</u>
Facilities Acquisition:			
Non-Instructional Equipment			
Total Facilities Acquisition			
Total Expenditures	<u>\$ 15,679</u>	<u>\$ 9,025</u>	<u>\$ 1,391</u>

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	I.D.E.A. Part B Basic	I.D.E.A. Part B Basic ARRA	Totals June 30, 2010
REVENUE:			
Federal Sources	\$ 161,652	\$ 185,190	\$ 372,937
Total Revenue	161,652	185,190	372,937
EXPENDITURES:			
Instruction:			
Salaries of Teachers	126,966	26,500	166,366
Tuition to Other LEAs Within the State - Regular		44,510	44,510
Tuition to Private School for the Disabled Within the State		46,857	46,857
General Supplies		21,747	21,747
Total Instruction	126,966	139,614	279,480
Support Services:			
Purchased Professional/Educational Services			1,391
Personal Services - Employee Benefits	34,686	5,300	42,566
Purchased Property Services		5,276	5,276
Other Purchased Services		15,000	15,000
Travel			9,224
Total Support Services	34,686	25,576	73,457
Facilities Acquisition:			
Non-Instructional Equipment		20,000	20,000
Total Facilities Acquisition		20,000	20,000
Total Expenditures	\$ 161,652	\$ 185,190	\$ 372,937

PROPRIETARY FUNDS

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$	15,807
Intergovernmental Accounts Receivable:		
State		63
Federal		912
Inventories		2,821
		2,821

Total Current Assets		19,603
----------------------	--	--------

Non-Current Assets:

Capital Assets:

Depreciable Furniture, Machinery & Equipment		128,935
Less: Accumulated Depreciation		(119,970)
		8,965

Total Non-Current Assets		8,965
--------------------------	--	-------

Total Assets		28,568
--------------	--	--------

LIABILITIES:

Current Liabilities:

Accounts Payable - Vendors		7,667
Interfund- General Fund		975
		8,642

Total Liabilities		8,642
-------------------	--	-------

NET ASSETS:

Investment in Capital Assets, Net of Related Debt		8,965
Unrestricted		10,961
		19,926

Total Net Assets	\$	19,926
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LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Operating Revenue:

Local Sources:

Daily Sales - Non-Reimbursable Programs	\$ 193,582
Daily Sales - Reimbursable Programs	32,266

Total Operating Revenue	225,848
-------------------------	---------

Operating Expenses:

Cost of Sales	113,806
Salaries, Benefits & Payroll Taxes	109,792
Supplies, Insurance & Other Costs	19,117
Management Fee	9,000
Miscellaneous Expense	12,489
Depreciation Expense	1,126

Total Operating Expenses	265,330
--------------------------	---------

Operating Income/(Loss)	(39,482)
-------------------------	----------

Non-Operating Income:

Interest Income	77
State Sources:	
State School Lunch Program	1,294
State School Breakfast Program	157
Federal Sources:	
National School Lunch Program	18,738
National School Breakfast Program	1,771
Food Distribution Program	7,591

Total Non-Operating Income	29,628
----------------------------	--------

Change in Net Assets	(9,854)
----------------------	---------

Net Assets - Beginning of Year	29,780
--------------------------------	--------

Net Assets - End of Year	\$ 19,926
--------------------------	-----------

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 225,848
Payments to Food Service Vendor	(247,392)
Payments for Miscellaneous Expenditures	(13,093)
	<hr/>
Net Cash Provided by/(Used for) Operating Activities	(34,637)
	<hr/>
Cash Flows from Investing Activities:	
Interest Income	77
	<hr/>
Net Cash Provided by Investing Activities	77
	<hr/>
Cash Flows from Noncapital Financing Activities:	
Local Sources:	
Interfund Advanced - General Fund	271
Receipt of Federal State Aid	20,245
Receipt of State Aid	1,445
	<hr/>
Net Cash Provided by Noncapital Financing Activities	21,961
	<hr/>
Net Decrease in Cash and Cash Equivalents	(12,599)
	<hr/>
Cash and Cash Equivalents, July 1	28,406
	<hr/>
Cash and Cash Equivalents, June 30	\$ 15,807
	<hr/> <hr/>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for)	
Operating Activities:	
Operating Income	\$ (39,482)
Adjustment to Reconcile Operating Income to Cash Provided	
by/(Used for) Operating Activities:	
Depreciation	1,126
Food Distribution Program	7,591
Changes in Assets and Liabilities:	
Decrease in Inventory	10
(Decrease) in Accounts Payable	(3,882)
	<hr/>
Net Cash Provided by Operating Activities	\$ (34,637)
	<hr/> <hr/>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received and utilized USDA Donated Commodities through the Food Distribution Program valued at \$7,591 for the fiscal year ended June 30, 2010.

FIDUCIARY FUNDS

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

	<u>Student Activities</u>	<u>Payroll</u>	<u>Total Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>	<u>Totals</u>
<u>ASSETS:</u>						
Cash and Cash Equivalents	\$ 51,404	\$ 33,677	\$ 85,081	\$ 11,300	\$ 64,230	\$ 160,611
Interfund Receivable				22,811		22,811
Total Assets	<u>51,404</u>	<u>\$ 33,677</u>	<u>85,081</u>	<u>34,111</u>	<u>64,230</u>	<u>183,422</u>
<u>LIABILITIES:</u>						
Payroll Deductions and Withholdings		10,866	10,866			10,866
Due to Student Groups	51,404		51,404			51,404
Interfund Payable		22,811	22,811			22,811
Total Liabilities	<u>51,404</u>	<u>33,677</u>	<u>85,081</u>			<u>85,081</u>
<u>NET ASSETS:</u>						
Held in Trust for:						
Unemployment Claims				34,111		34,111
Scholarships					64,230	64,230
Total Net Assets	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 34,111</u>	<u>\$ 64,230</u>	<u>\$ 98,341</u>

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

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Totals
ADDITIONS:			
Contributions:			
Plan Members	\$ 22,811		22,811
Other		\$ 1,450	\$ 1,450
Total Contributions	22,811	1,450	24,261
Investment Earnings:			
Interest	39	167	206
Net Investment Earnings	39	167	206
Total Additions	22,850	1,617	24,467
DEDUCTIONS:			
Unemployment Compensation Claims	7,915		7,915
Scholarship Payments		6,577	6,577
Total Deductions	7,915	6,577	14,492
Change in Net Assets	14,935	(4,960)	9,975
Net Assets - Beginning of the Year	19,176	69,190	88,366
Net Assets - End of the Year	\$ 34,111	\$ 64,230	\$ 98,341

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 62,376	\$ 253,188	\$ 264,160	\$ 51,404
Total Assets	<u>\$ 62,376</u>	<u>\$ 253,188</u>	<u>\$ 264,160</u>	<u>\$ 51,404</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 62,376	\$ 253,188	\$ 264,160	\$ 51,404
Total Liabilities	<u>\$ 62,376</u>	<u>\$ 253,188</u>	<u>\$ 264,160</u>	<u>\$ 51,404</u>

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2010</u>
Senior High School:				
Lenape Valley Activities	\$ 61,110	\$ 194,236	\$ 205,203	\$ 50,143
Lenape Valley Athletics	1,266	58,952	58,957	1,261
	<u>62,376</u>	<u>253,188</u>	<u>264,160</u>	<u>51,404</u>
Total All Schools	<u>\$ 62,376</u>	<u>\$ 253,188</u>	<u>\$ 264,160</u>	<u>\$ 51,404</u>

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 22,819	\$ 15,340,273	\$ 15,329,415	\$ 33,677
Total Assets	<u>\$ 22,819</u>	<u>\$ 15,340,273</u>	<u>\$ 15,329,415</u>	<u>\$ 33,677</u>
<u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	\$ 22,819	\$ 9,756,137	\$ 9,768,090	\$ 10,866
Net Payroll		5,561,325	5,561,325	
Interfund Payable		<u>22,811</u>		<u>22,811</u>
Total Liabilities	<u>\$ 22,819</u>	<u>\$ 15,340,273</u>	<u>\$ 15,329,415</u>	<u>\$ 33,677</u>

LONG-TERM DEBT

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance June 30, 2009</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance June 30, 2010</u>
Buses	4.48%	\$ 229,503	\$ 137,870		\$ 43,964	93,906
Chassis Cab/Dump Truck	6.80%	39,718		\$ 39,718	9,022	30,696
Wagon	6.80%	23,230		23,230	5,276	17,954
			<u>\$ 137,870</u>	<u>\$ 62,948</u>	<u>\$ 58,262</u>	<u>\$ 142,556</u>

STATISTICAL SECTION

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

Contents

	<u>Exhibit</u>
<p>Financial Trends</p> <p>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</p>	J-1 thru J-5
<p>Revenue Capacity</p> <p>These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.</p>	J-6 thru J-9
<p>Debt Capacity</p> <p>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.</p>	J-10 thru J-13
<p>Demographic and Economic Information</p> <p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.</p>	J-14 thru J-15
<p>Operating Information</p> <p>These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.</p>	J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The District implemented Statement 34 in a previous fiscal year. Schedules presenting government-wide information include information beginning in the fiscal year ended June 30, 2003.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental Activities:								
Invested in Capital Assets, Net of Related Debt	\$ 2,044,443	\$ 2,444,788	\$ 2,425,869	\$ 2,440,995	\$ 2,546,734	\$ 2,443,990	\$ 2,335,034	\$ 1,606,896
Restricted	619,396	815,104	667,661	589,231	427,795	364,118	462,173	447,825
Unrestricted/(Deficit)	<u>(162,086)</u>	<u>(346,872)</u>	<u>(332,194)</u>	<u>(188,979)</u>	<u>(281,071)</u>	<u>(270,292)</u>	<u>(468,343)</u>	<u>(344,079)</u>
Total Governmental Activities Net Assets	<u>\$ 2,501,753</u>	<u>\$ 2,913,020</u>	<u>\$ 2,761,336</u>	<u>\$ 2,841,247</u>	<u>\$ 2,693,458</u>	<u>\$ 2,537,816</u>	<u>\$ 2,328,864</u>	<u>\$ 1,710,642</u>
Business-Type Activities:								
Invested in Capital Assets, Net of Related Debt	\$ 14,672	\$ 11,047	\$ 7,464	\$ 3,890	\$ 1,224	\$ 7,936	\$ 10,091	\$ 8,965
Unrestricted	54,175	60,472	41,954	23,120	15,974	25,901	19,689	10,961
Total Business-Type Activities Net Assets	<u>\$ 68,847</u>	<u>\$ 71,519</u>	<u>\$ 49,418</u>	<u>\$ 27,010</u>	<u>\$ 17,198</u>	<u>\$ 33,836</u>	<u>\$ 29,780</u>	<u>\$ 19,926</u>
District-Wide:								
Invested in Capital Assets, Net of Related Debt	\$ 2,059,115	\$ 2,455,835	\$ 2,433,333	\$ 2,444,885	\$ 2,547,958	\$ 2,451,926	\$ 2,345,125	\$ 1,615,861
Restricted	619,396	815,104	667,661	589,231	427,795	364,118	462,173	447,825
Unrestricted/(Deficit)	<u>(107,911)</u>	<u>(286,400)</u>	<u>(290,240)</u>	<u>(165,859)</u>	<u>(265,097)</u>	<u>(244,391)</u>	<u>(448,654)</u>	<u>(333,118)</u>
Total District Net Assets	<u>\$ 2,570,600</u>	<u>\$ 2,984,539</u>	<u>\$ 2,810,754</u>	<u>\$ 2,868,258</u>	<u>\$ 2,710,657</u>	<u>\$ 2,571,652</u>	<u>\$ 2,358,644</u>	<u>\$ 1,730,568</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ended June 30, 2006.

Source: School District Financial Reports

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Expenses:								
Governmental Activities								
Instruction:								
Regular	\$ 4,721,294	\$ 5,075,003	\$ 5,523,313	\$ 5,642,912	\$ 6,222,538	\$ 6,378,346	\$ 6,173,160	\$ 6,733,502
Special Education	607,964	737,379	494,900	702,857	748,287	543,798	773,623	965,455
Other Special Instruction	610,582	682,679	662,228	721,682	734,325	80,343	64,464	91,742
Other Instruction						743,434	746,566	657,550
Support Services:								
Tuition	528,627	482,006	599,135	581,185	586,182	831,619	646,558	619,516
Student & Instruction Related Services	1,735,046	1,724,767	1,901,732	1,849,325	1,944,741	2,144,795	2,129,257	2,183,873
General and Business Administrative Services	735,739	791,918	860,316	924,617	990,594	400,399	484,221	375,878
School Administrative Services	418,081	476,410	444,246	495,081	513,914	581,778	518,301	583,784
Central Services						568,505	448,007	378,104
Administrative Information Technology							96,376	99,483
Plant Operations and Maintenance	1,109,694	977,084	1,146,522	1,160,858	1,309,124	1,305,772	1,341,679	1,173,170
Pupil Transportation	651,461	553,539	648,030	631,733	573,713	706,234	639,467	664,866
Capital Outlay								(10,534)
Total Governmental Activities Expenses	11,118,489	11,500,784	12,280,422	12,710,248	13,623,417	14,285,025	14,061,680	14,516,389
Business-Type Activities:								
Food Service	319,073	315,612	340,624	355,277	344,885	303,041	266,846	265,330
School Store	6,030	5,349	5,744	1,611	1,076			
Total Business-type Activities Expense	325,103	320,961	346,368	356,888	345,961	303,041	266,846	265,330
Total District Expenses	\$ 11,443,591	\$ 11,821,745	\$ 12,626,790	\$ 13,067,136	\$ 13,969,379	\$ 14,588,066	\$ 14,328,526	\$ 14,781,719

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Program Revenues								
Operating Grants and Contributions	\$ 1,510,281	\$ 1,659,581	\$ 969,932	\$ 1,863,290	\$ 992,027	\$ 2,099,165	\$ 1,792,009	\$ 2,019,810
Total Governmental Activities Program Revenues	1,510,281	1,659,581	969,932	1,863,290	992,027	2,099,165	1,792,009	2,019,810
Business-Type Activities:								
Charges for Services:								
Food Service	281,474	284,777	287,788	305,153	305,492	288,133	239,138	225,848
School Store	6,661	6,588	5,523					
Operating Grants and Contributions	32,431	31,092	29,534	26,965	29,288	25,849	23,289	29,551
Total Business-type Activities Program Revenues	320,565	322,458	322,845	332,118	334,780	313,982	262,427	255,399
Total District Program Revenues	<u>\$ 1,830,846</u>	<u>\$ 1,982,039</u>	<u>\$ 1,292,777</u>	<u>\$ 2,195,408</u>	<u>\$ 1,326,807</u>	<u>\$ 2,413,147</u>	<u>\$ 2,054,436</u>	<u>\$ 2,275,209</u>
Net (Expense)/Revenue								
Governmental Activities	\$ (9,608,207)	\$ (9,841,203)	\$ (11,310,490)	\$ (10,846,958)	\$ (12,631,390)	\$ (12,185,860)	\$ (12,269,671)	\$ (12,496,579)
Business-type Activities	(4,537)	1,497	(23,523)	(24,770)	(11,182)	10,941	(4,419)	(9,931)
Total District-wide Net Expense	<u>\$ (9,612,745)</u>	<u>\$ (9,839,706)</u>	<u>\$ (11,334,013)</u>	<u>\$ (10,871,728)</u>	<u>\$ (12,642,572)</u>	<u>\$ (12,174,919)</u>	<u>\$ (12,274,090)</u>	<u>\$ (12,506,510)</u>

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
General Revenues and Other Changes in Net Assets								
Governmental Activities:								
Property Taxes Levied for General Purposes, net	\$ 6,919,379	\$ 7,383,397	\$ 7,387,855	\$ 7,922,789	\$ 8,271,550	\$ 8,671,403	\$ 8,671,403	\$ 9,008,355
Federal and State Aid not Restricted	2,589,353	2,805,588	3,680,748	2,944,781	4,275,535	3,313,297	3,357,312	3,481,980
Investment Earnings	26,810	33,082	27,805	37,228	51,904	29,589	2,564	3,134
Miscellaneous Income	38,850	41,448	47,084	21,525	16,735	20,928	29,439	62,113
Other	272,800				(132,123)	(5,000)		(30,000)
Adjustment to Capital Assets				547				(647,225)
Disposition of Assets		(16,270)	(39,000)					
Total Governmental Activities	9,847,192	10,247,245	11,104,492	10,926,869	12,483,601	12,030,217	12,060,718	11,878,357
Business-Type Activities:								
Transfer In						5,000		
Investment Earnings	927	1,176	1,422	2,362	1,370	697	363	77
Total Business-Type Activities	927	1,176	1,422	2,362	1,370	5,697	363	77
Total District-Wide	\$ 9,848,119	\$ 10,248,420	\$ 11,105,914	\$ 10,929,231	\$ 12,484,971	\$ 12,035,914	\$ 12,061,081	\$ 11,878,434
Change in Net Assets:								
Governmental Activities	\$ 238,985	\$ 406,042	\$ (205,998)	\$ 79,911	\$ (147,789)	\$ (155,643)	\$ (208,953)	\$ (618,222)
Business-type Activities	(3,611)	2,672	(22,101)	(22,408)	(9,812)	16,638	(4,056)	(9,854)
Total District	\$ 235,374	\$ 408,714	\$ (228,099)	\$ 57,504	\$ (157,601)	\$ (139,005)	\$ (213,009)	\$ (628,076)

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ended June 30, 2006.

Source: School District Financial Reports

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
General Fund:								
Reserved	\$ 348,275	\$ 704,603	\$ 560,304	\$ 481,874	\$ 426,725	\$ 364,118	\$ 362,173	\$ 447,825
Unreserved:								
Designated for Subsequent Year's Expenditures							100,000	4,509
Undesignated/(Deficit)	454,836	150,018	43,394	54,089	66,479	40,253	(146,387)	(125,208)
Total General Fund	\$ 803,111	\$ 854,621	\$ 603,698	\$ 535,963	\$ 493,204	\$ 404,371	\$ 315,786	\$ 327,126
All Other Governmental Funds:								
Unreserved, Reported in:								
Capital Projects Fund	272,800	107,357	107,357	107,357	1,070			
Total All Other Governmental Funds	\$ 272,800	\$ 107,357	\$ 107,357	\$ 107,357	\$ 1,070	\$ - 0 -	\$ - 0 -	\$ - 0 -

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ended June 30, 2006.

Source: School District Financial Reports

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Revenues:								
Tax Levy	\$ 6,919,379	\$ 7,383,397	\$ 7,387,855	\$ 7,922,789	\$ 8,271,550	\$ 8,671,403	\$ 8,671,403	\$ 9,008,355
Interest Earnings	26,810	33,082	27,805	37,228	51,904	29,589	10,904	3,134
Miscellaneous	38,850	41,448	47,084	21,525	16,735	20,928	21,099	62,113
State Sources	3,962,213	4,306,093	4,474,624	4,621,004	5,082,696	5,221,687	4,977,256	4,506,565
Federal Sources	137,421	159,076	176,056		184,866	190,775	172,066	995,225
Total Revenue	11,084,674	11,923,096	12,113,424	12,602,545	13,607,751	14,134,382	13,852,728	14,575,392
Expenditures								
Instruction:								
Regular Instruction	3,500,545	3,710,272	4,071,285	4,149,398	4,402,983	4,705,979	4,640,008	4,871,775
Special Education Instruction	439,183	539,857	328,906	373,422	539,339	401,940	579,709	776,679
Other Special Instruction	510,806	539,427	545,502	574,446	581,809	59,394	64,464	67,220
Other Instruction						580,624	613,299	568,384
Support Services:								
Tuition	528,627	482,006	599,135	581,185	586,182	831,619	646,558	619,516
Student & Instruction Related Services	1,385,938	1,349,614	1,443,639	1,382,007	1,416,637	1,638,005	1,727,939	1,917,134
General Administrative Services	579,369	631,402	666,795	673,412	698,511	333,550	334,679	331,906
School Administrative Services	366,168	416,409	396,183	430,308	420,696	437,205	452,678	466,826
Central Services and Administrative Information Technology						432,994	428,521	405,863
Plant Operations and Maintenance	1,030,674	1,047,424	1,224,212	1,212,116	1,333,570	1,210,516	1,199,715	1,076,547
Student Transportation	644,015	528,112	621,483	623,853	615,410	674,726	671,899	703,561
Unallocated Benefits	1,940,753	2,247,364	2,394,738	2,603,271	2,983,911	2,881,261	2,554,312	2,694,129

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Expenditures								
Capital Outlay	\$ 207,926	\$ 516,462	\$ 38,169	\$ 33,864	\$ 275,129	\$ 31,473	\$ 27,533	\$ 97,460
Total Expenditures	11,134,004	12,008,350	12,330,046	12,637,281	13,854,177	14,219,285	13,941,314	14,597,000
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	(49,331)	(85,254)	(216,622)	(34,735)	(246,425)	(84,903)	(88,586)	(21,608)
Other Financing Sources/(Uses):								
Capital Leases (Non-Budgeted)					229,503			62,948
N.J. Economic Development Authority grants cancelled					(97,513)			
Transfers In	272,800	264,000						
Transfers Out	(28,000)	(291,000)	(34,300)	(33,000)	(34,609)	(5,000)		(30,000)
Total Other Financing Sources/(Uses)	244,800	(27,000)	(34,300)	(33,000)	97,380	(5,000)		32,948
Net Change in Fund Balances	\$ 195,469	\$ (112,254)	\$ (250,922)	\$ (67,735)	\$ (149,045)	\$ (89,903)	\$ (88,586)	\$ 11,340
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ended June 30, 2006.

Source: School District Financial Reports

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Other</u> <u>Refunds</u>	<u>Rentals - Use</u> <u>of Facilities</u>	<u>Other</u>	<u>Total</u>
2001	\$ 61,721		\$ 16,558			\$ 78,279
2002	25,677		15,714			41,391
2003	26,810		38,850			65,660
2004	33,082		41,448			74,530
2005	27,805		47,084			74,889
2006	37,228		21,525			58,752
2007	51,904		16,735			68,639
2008	29,589		20,928			50,517
2009	10,904		21,099			32,003
2010	3,134	\$ 24,420	33,448	\$ 4,245		65,247

Source: School District Financial Reports

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
UNAUDITED

Byram Township

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities *	Net Valuation Taxable	Total Direct School Tax Rate ^b	Actual (County Equalized Value)
2000		\$ 495,620,800						\$ 495,620,800			\$ 495,620,800	\$ 0.72	\$ 548,661,799
2001		498,734,801						498,734,801			498,734,801	0.78	585,258,386
2002		504,220,674						504,220,674			504,220,674	0.80	640,833,069
2003		510,712,659						510,712,659			510,712,659	0.82	698,927,443
2004	\$ 12,746,700	451,844,500	\$ 5,483,130		\$ 40,960,700	\$ 1,877,900	\$ 643,600	513,556,530		\$ 1,069,561	514,626,091	0.83	705,189,073
2005	11,967,300	457,682,600	6,113,730		40,165,600	1,877,900	643,600	518,450,730		903,211	519,353,941	0.85	1,027,203,206
2006		525,799,287						525,799,287			525,799,287	0.90	1,040,524,010
2007		529,747,749						529,747,749			529,747,749	0.93	1,155,200,736
2008	12,114,800	464,612,100	7,462,100	\$ 284,330	43,587,500	1,139,000	643,600	529,843,430		681,320	530,524,750	0.95	1,174,693,765
2009	* 22,317,900	973,495,200	19,217,700	742,700	92,633,900	2,395,200	1,288,700	1,112,091,300	\$ 67,604,100	1,602,366	1,113,693,666	0.47	1,187,662,199

Netcong Borough

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities *	Net Valuation Taxable	Total Direct School Tax Rate ^b	Actual (County Equalized Value)
2000		\$ 166,665,972						\$ 166,665,972			\$ 166,665,972	\$ 0.65	\$ 165,500,037
2001		174,642,182						174,642,182			174,642,182	0.70	177,766,149
2002		177,090,337						177,090,337			177,090,337	0.73	186,324,354
2003		179,369,300						179,369,300			179,369,300	0.80	207,063,460
2004		178,223,589						178,223,589			178,223,589	0.80	237,999,980
2005		178,521,829						178,521,829			178,521,829	0.89	293,863,093
2006	*	346,935,562						346,935,562			346,935,562	0.45	296,693,704
2007		346,363,131						346,363,131			346,363,131	0.45	327,186,674
2008	\$ 6,520,600	240,262,300			\$ 44,059,600	\$ 20,396,900	\$ 27,085,700	338,325,100		\$ 3,132,783	341,457,883	0.45	330,607,298
2009	6,240,200	240,485,300			43,745,600	20,196,900	27,085,700	337,753,700	\$ 20,966,400	3,159,554	340,913,254	0.45	342,948,236

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
UNAUDITED

Stanhope Borough

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Actual (County Equalized Value)
2000		\$ 160,276,274						\$ 160,276,274			\$ 160,276,274	\$ 0.72	\$ 180,259,715
2001		161,974,632						161,974,632			161,974,632	0.77	190,860,303
2002		163,871,874						163,871,874			163,871,874	0.86	204,292,281
2003		164,524,991						164,524,991			164,524,991	0.93	231,221,758
2004		166,719,025						166,719,025			166,719,025	0.92	267,727,796
2005		168,931,999						168,931,999			168,931,999	0.87	357,150,104
2006	*	432,726,435						432,726,435			432,726,435	0.41	363,683,094
2007		432,571,360						432,571,360			432,571,360	0.45	410,232,962
2008	\$ 4,543,000	395,609,500		\$ 18,400	\$ 22,010,700	\$ 5,624,300	\$ 3,744,200	431,550,100		\$ 485,828	432,035,928	0.47	425,333,309
2009	4,699,100	396,061,600		18,100	23,357,300	5,624,300	3,744,200	433,504,600	\$ 50,133,200	498,534	434,003,134	0.48	442,899,919

* Revaluation became effective.

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.

Reassessment occurs when ordered by the County Board of Taxation

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

^b Tax rates are per \$100

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(rate per \$100 of assessed value)

Byram Township

Year Ended December 31,	Direct Rate		Overlapping Rates			Total Direct and Overlapping Tax Rate	
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Municipality	County		Local School
2000	\$ 0.72		\$ 0.72	\$ 0.81	\$ 0.59	\$ 1.02	\$ 3.14
2001	0.78		0.78	0.84	0.68	1.08	3.38
2002	0.80		0.80	0.87	0.74	1.18	3.59
2003	0.82		0.82	0.90	0.75	1.45	3.92
2004	0.83		0.83	0.96	0.78	1.57	4.14
2005	0.85		0.85	1.02	0.83	1.64	4.34
2006	0.90		0.90	1.10	0.87	1.69	4.56
2007	0.93		0.93	1.16	0.89	1.76	4.74
2008	0.95		0.95	1.26	0.87	1.81	4.90
2009 *	0.47		0.47	0.64	0.41	0.90	2.42

Netcong Borough

Year Ended December 31,	Direct Rate		Overlapping Rates			Total Direct and Overlapping Tax Rate	
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Municipality	County		Local School
2000	\$ 0.65		\$ 0.65	\$ 0.72	\$ 0.30	\$ 1.23	\$ 2.90
2001	0.70		0.70	0.71	0.30	1.20	2.91
2002	0.73		0.73	0.73	0.32	1.24	3.02
2003	0.80		0.80	0.77	0.34	1.28	3.19
2004	0.80		0.80	0.83	0.38	1.30	3.31
2005	0.89		0.89	0.91	0.40	1.36	3.56
2006 *	0.45		0.45	0.51	0.21	0.75	1.92
2007	0.45		0.45	0.57	0.23	0.77	2.02
2008	0.45		0.45	0.63	0.23	0.77	2.08
2009	0.45		0.45	0.66	0.23	0.77	2.11

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(rate per \$100 of assessed value)

Stanhope Borough

Year Ended December 31,	Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Municipality	County	Local School	
2000	\$ 0.72		\$ 0.72	\$ 1.02	\$ 0.57	\$ 1.43	\$ 3.74
2001	0.77		0.77	1.04	0.66	1.46	3.93
2002	0.86		0.86	1.07	0.69	1.45	4.07
2003	0.93		0.93	1.22	0.74	1.68	4.57
2004	0.92		0.92	1.28	0.78	1.92	4.90
2005	0.87		0.87	1.35	0.85	1.97	5.04
2006 *	0.41		0.41	0.56	0.36	0.78	2.11
2007	0.45		0.45	0.61	0.39	0.80	2.25
2008	0.47		0.47	0.69	0.39	0.81	2.36
2009	0.48		0.48	0.69	0.39	0.83	2.39

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 prebudget year net budget by more than the spending growth limitation calculation.

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.

* Revaluation became effective.

Source: Municipal Tax Collector and School Business Administrator

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Byram Township

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Gordan Byram Assoc, LLC	\$ 22,696,700	1	2.04%			
Byram Land Development, LLC	5,323,700	2	0.48%			
Byram Self Storage, LLC	4,950,000	3	0.44%			
Tozzo Dominick C.O Lynnes Nissan	3,607,700	4	0.32%			
Panther Lake Camping Resort, Inc	2,939,200	5	0.26%			
206 Acorn Development Corp	2,575,200	6	0.23%		Not Available	
Lombardie, Joseph and Nancy	2,486,900	7	0.22%			
Esposito, Louis N JR.& Kathleen A	2,367,200	8	0.21%			
Lake Lackawanna	2,208,400	9	0.20%			
One Main Street Sparta, LLC	2,009,500	10	0.18%			
Total	\$ 52,974,500		4.59%	\$ - 0 -		0.00%

Netcong Borough

Taxpayer	2010			Taxpayer	2001		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value		Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Quirk Realty, LLC	\$ 21,500,000	1	6.31%	Netcong Heights	\$ 16,051,400	1	9.59%
Individual Taxpayer 1	8,500,000	2	2.49%	N.J Bell	5,118,483	2	3.06%
Semper Development	3,500,000	3	1.03%	P.E.C.D.(Shoprite)	1,459,600	3	0.87%
U S Mineral Wool Products	3,188,300	4	0.94%	U.S Mineral Wool	1,403,000	4	0.84%
Individual Taxpayer 2	3,167,000	5	0.93%	Quirk	1,081,400	5	0.65%
Verizon - NJ	3,083,706	6	0.90%	Marl Appraisal	939,100	6	0.56%
Netcong 201 LLC	2,761,500	7	0.81%	Dowel Associates	805,600	7	0.48%
Individual Taxpayer 3	2,513,100	8	0.74%	Dover Hnadbag	750,000	8	0.45%
Quirk Realty, LLC	2,427,300	9	0.71%	Sinagra	637,600	9	0.38%
Bell Atlantic-NJ	2,037,500	10	0.60%	Netcong Properties	600,000	10	0.36%
Total	\$ 52,678,406		15.45%		\$ 28,846,183		17.24%

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Paramount Self Storage, LLC	\$ 3,228,400	1	0.74%			
US Mineral Products Co	2,256,600	2	0.52%			
Individual Taxpayer 1	1,434,200	3	0.33%			
Individual Taxpayer 2	1,378,200	4	0.32%			
Netcong Development, LLC	1,367,400	5	0.32%		Not Available	
AHS Enterprises LLC	1,320,600	6	0.30%			
Aichem Heinrich & Elke	1,287,300	7	0.30%			
Heritage, Crossing, LLC	1,286,800	8	0.30%			
Individual Taxpayer 3	1,032,900	9	0.24%			
Lakeland Bank	925,800	10	0.21%			
Total	\$ 15,518,200		2.83%	\$ - 0 -		0.00%

Source: Municipal Tax Assessor

Exhibit J-9

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST EIGHT FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	\$ 6,919,379	\$ 6,919,379	100.00%	- 0 -
2004	7,383,397	7,383,397	100.00%	- 0 -
2005	7,387,855	7,387,855	100.00%	- 0 -
2006	7,922,789	7,922,789	100.00%	- 0 -
2007	8,271,550	8,271,550	100.00%	- 0 -
2008	8,671,403	8,671,403	100.00%	- 0 -
2009	8,671,403	8,671,403	100.00%	- 0 -
2010	9,008,355	9,008,355	100.00%	- 0 -

^a School taxes are collected by the Municipal Tax Collectors. 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.

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST SIX FISCAL YEARS
UNAUDITED
(dollars in thousands, except per capita)

Fiscal Year Ended June 30,	Governmental Activities		Bond	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases	Anticipation Notes (BANs)			
2005		\$ 434,487		\$ 434,487	0.06%	28
2006		248,478		248,478	0.03%	16
2007		231,098		231,098	0.03%	15
2008		179,926		179,926	0.02%	12
2009		137,870		137,870	0.02%	9
2010		142,556		142,556	0.02%	9

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.

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ended June 30, 2006.

Source: School District Financial Reports

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST SIX FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2005			\$ -	N/A	N/A
2006			-	N/A	N/A
2007			-	N/A	N/A
2008			-	N/A	N/A
2009			-	N/A	N/A
2010			-	N/A	N/A

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ended June 30, 2006.

Source: School District Financial Reports

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

a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
UNAUDITED
AS OF DECEMBER 31, 2009

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Township of Byram	\$ 2,843,508	100.00%	\$ 2,843,508
Borough of Netcong	554,550	100.00%	554,550
Borough of Stanhope	2,137,797	100.00%	2,137,797
Morris County County General Obligation Debt (All Constituent Municipalities) (1)	255,031,540	0.33%	841,604
Sussex County County General Obligation Debt (All Constituent Municipalities) (1)	77,111,415	7.54%	<u>5,814,201</u>
Subtotal, Overlapping Debt			12,191,660
Lenape Valley Regional School District Direct Debt			<u>142,556</u>
Total Direct and Overlapping Debt			<u>\$ 12,334,216</u>

- (1) Township of Byram/County of Sussex - 5.49%
 Borough of Netcong/County of Morris - .33%
 Borough of Stanhope/County of Sussex - 2.05%

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 that is borne by the residents and businesses of Byram, Netcong, and Stanhope. This process recognizes that, when considering the District's ability to issue and repay long-term, 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 unit.

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

Sources: Assessed value data used to estimate applicable percentages provided by the Morris and Sussex County Board of Taxation; debt outstanding data provided by each governmental unit.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Byram Township

Year	Population ^a	Personal Income ^b	Sussex County Per Capita		Unemployment Rate ^d
			Personal Income ^c		
2001	8,390	\$ 323,661,030	\$ 38,577		2.10%
2002	8,454	327,364,242	38,723		3.00%
2003	8,535	335,732,760	39,336		3.20%
2004	8,552	349,084,088	40,819		2.40%
2005	8,546	362,777,700	42,450		3.90%
2006	8,529	387,625,992	45,448		4.50%
2007	8,508	412,416,792	48,474		4.30%
2008	8,486	422,288,818	49,763		5.50%
2009	8,478	421,890,714	49,763 *		9.20%
2010	8,478 **	421,890,714	49,763 *		N/A

Netcong Borough

Year	Population ^a	Personal Income ^b	Morris County Per Capita		Unemployment Rate ^d
			Personal Income ^c		
2001	3,199	\$ 181,296,927	\$ 56,673		3.40%
2002	3,278	185,321,730	56,535		5.10%
2003	3,266	186,220,788	57,018		5.10%
2004	3,258	199,067,058	61,101		4.10%
2005	3,248	205,588,656	63,297		3.10%
2006	3,224	220,405,536	68,364		3.30%
2007	3,210	228,873,000	71,300		3.00%
2008	3,207	230,301,084	71,812		3.90%
2009	3,211	230,588,332	71,812 *		6.70%
2010	3,211 **	230,588,332	71,812 *		N/A

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Stanhope Borough

Year	Population ^a	Personal Income ^b	Sussex County Per Capita Personal Income ^c	Unemployment Rate ^d
2001	3,597	\$ 138,761,469	\$ 38,577	3.40%
2002	3,604	139,557,692	38,723	4.90%
2003	3,646	143,419,056	39,336	5.20%
2004	3,660	149,397,540	40,819	3.90%
2005	3,641	154,560,450	42,450	4.50%
2006	3,615	164,294,520	45,448	3.80%
2007	3,598	174,409,452	48,474	3.70%
2008	3,577	178,002,251	49,763	4.70%
2009	3,566	177,454,858	49,763 *	7.80%
2010	3,566 **	177,454,858	49,763 *	N/A

* - Latest Sussex/Morris County per capita personal income available (2008) was used for calculation purposes.

** - Latest population data available (2009) was used for calculation purposes.

N/A - Information not available

Source:

^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 municipality 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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
PRINCIPAL EMPLOYERS COUNTY OF SUSSEX
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

2010				2001			
Employer	Employees	Rank	Percentage of Total Employment	Employer	Employees	Rank	Percentage of Total Employment
Mountain Creek/Intrawest	1,387	1	N/A	Selective Insurance	954	1	N/A
Crystal Springs Golf and Spa Resort	1,153	2	N/A	Andover Subacute and Rehab Center	906	2	N/A
Newton Memorial Hospital	1,148	3	N/A	County of Sussex	815	3	N/A
County of Sussex	855	4	N/A	Mountain Creek Resort	800	4	N/A
Selective Insurance	800	5	N/A	Newton Memorial Hospital	757	5	N/A
Shop Rite (Ronetco Supermarkets Inc)	718	6	N/A	Ronetco Supermarkets	711	6	N/A
Vernon Township Board of Education	703	7	N/A	Vernon Township Bd. of Education	629	7	N/A
Andover Sub Acute & Rehab Center	700	8	N/A	F.O. Phoenix, Inc.	600	8	N/A
Sparta Board of Education	570	9	N/A	Hopatcong Board of Education	450	9	N/A
Hopatcong Board of Education	540	10	N/A	Walmart	380	10	N/A
Total	<u><u>8,574</u></u>				<u><u>7,002</u></u>		

Source: County Area Chamber of Commerce

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST SIX FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

<u>Function/Program:</u>	<u>Fiscal Year Ending June 30,</u>					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Instruction:	94.5	91	57	62	68	62
Regular	15	15	8	8	10	12
Special Education	11	11	7	7	7	1
Other						
Support Services:						
Student & Instruction Related Services	19	19	21	21	14	24
School Administrative Services	13	13	6	7	7	3
General and Business Administrative Services	5	5	8	7	7	6
Plant Operations and Maintenance	12.5	12.5	10	10	10	9
Pupil Transportation	2	2	4	5	5	3

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ended June 30, 2006.

Source: School District Financial Reports

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil^d</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Pupil/Teacher Ratio High School</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2001	747	\$ 10,226,657	\$ 13,690	7.22%	N/A	N/A	747	699	0.95%	93.57%
2002	802	10,435,986	13,012	-4.95%	N/A	N/A	802	748	7.36%	93.27%
2003	827	10,959,000	13,252	1.84%	80	10:1	827	771	3.12%	93.23%
2004	832	11,415,831	13,721	3.54%	81	10:1	832	767	0.60%	92.19%
2005	861	12,149,991	14,111	2.85%	86	10:1	861	807	3.49%	93.73%
2006	873	12,603,147	14,437	2.30%	89	10:1	873	846	1.39%	96.91%
2007	854	13,660,537	15,996	10.80%	91	10:1	854	805	-2.18%	94.26%
2008	859	14,187,813	16,517	3.26%	88	10:1	859	819	0.59%	95.34%
2009	860	13,913,781	16,179	-2.05%	88	10:1	860	836	0.12%	97.21%
2010	846	14,499,540	17,139	5.93%	80	10:1	846	804	-1.63%	95.04%

Sources: School District Records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

d The Cost per Pupil calculated above is the sum of the operating expenditures divided by enrollment. This cost per pupil may be different from other cost per pupil calculations.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST SIX FISCAL YEARS
UNAUDITED

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>District Building</u>						
<u>High School</u>						
Square Feet	146,637	146,637	146,637	146,637	146,637	146,637
Capacity (students)	900	900	900	900	900	900
Enrollment	861	873	854	859	860	846

Number of Schools at June 30, 2010
 High School = 1

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ended June 30, 2006

Source: School District Records

Note: Enrollment is based on the annual October district count.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

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

Facility	Project #(s)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<u>School Facilities:</u>											
Lenape Valley High School District	N/A	135,381	174,175	149,024	145,152	214,954	168,955	229,765	239,607	260,799	182,434
Total School Facilities		<u>135,381</u>	<u>174,175</u>	<u>149,024</u>	<u>145,152</u>	<u>214,954</u>	<u>168,955</u>	<u>229,765</u>	<u>239,607</u>	<u>260,799</u>	<u>182,434</u>
<u>Other Facilities:</u>											
	N/A										
Grand Total		<u>\$ 135,381</u>	<u>\$ 174,175</u>	<u>\$ 149,024</u>	<u>\$ 145,152</u>	<u>\$ 214,954</u>	<u>\$ 168,955</u>	<u>\$ 229,765</u>	<u>\$ 239,607</u>	<u>\$ 260,799</u>	<u>\$ 182,434</u>

N/A - Not Applicable

Source: District records

Exhibit J-20

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2010
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - School Alliance Insurance Fund:	\$250,000,000	\$1,000
Building & Personal Property		
Inland Marine - Auto Physical Damage		
General Liability including Auto, Employee Benefits		
Each Occurrence		
General Aggregate	\$50,000,000	
Product/Completed Ops		
Personal Injury		
Fire Damage	\$2,500,000	
Medical Expenses	\$10,000	
(excluding students taking part in athletics)		
Automobile Coverage		
Combined Single Limit		
Hired/Non-owned		
Environmental Impairment Liability	\$1,000,000	\$5,000
Fund Aggregate	\$25,000,000	
Crime Coverage	\$50,000	\$1,000
Blanket Dishonesty Bond	\$500,000	\$1,000
Boiler and Machinery	\$100,000,000	\$1,000
Excess Liability (AL/GL)	\$5,000,000	
School Board Legal	\$5,000,000	\$5,000
Excess SLPL	\$5,000,000	
Workers' Compensation	NJ Statutory	
Employer's Liability	\$5,000,000	
Supplemental Indemnity	NJ Statutory	
Bond for Assistant Superintendent for Business/Board Secretary	\$85,000	
Bond for Treasurer of School Moneys	\$225,000	
Student Accident - Bollinger	\$5,000,000	

Source: School District Records

SINGLE AUDIT SECTION



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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

The Honorable President and Members
 of the Board of Education
 Lenape Valley Regional High School District
 County of Sussex, New Jersey

We have audited the 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 Lenape Valley Regional High School District, in the County of Sussex (the "Board") as of, and for the fiscal year ended June 30, 2010, which collectively comprise the School District's basic financial statements and have issued our report thereon dated September 23, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey (the "Department"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board'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 providing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

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

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

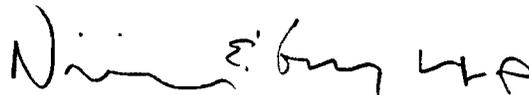
The Honorable President and Members
of the Board of Education
Lenape Valley Regional High School District
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board'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 those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. However, we noted a certain matter that we have reported in the Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance, a separate report dated September 23, 2010.

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

September 23, 2010
Mount Arlington, New Jersey



NISIVOCCIA & COMPANY LLP



David H. Evans
Licensed Public School Accountant #740
Certified Public Accountant



John D. Cassells
Licensed Public School Accountant #105



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Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey's OMB Circular NJOMB 04-04

The Honorable President and Members
of the Board of Education
Lenape Valley Regional High School District
County of Sussex, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Lenape Valley Regional High School District in the County of Sussex (the "Board") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of the Board's major federal and state programs for the fiscal year ended June 30, 2010. The Board's major federal and state programs are identified in the summary of auditors' 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's management. Our responsibility is to express an opinion on the Board'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; audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey (the "Department"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*, and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133, and New Jersey's OMB Circular NJOMB 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Board'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's compliance with those requirements.

In our opinion, the Board complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2010.

The Honorable President and Members
of the Board of Education
Lenape Valley Regional High School District
Page 2

Internal Control Over Compliance

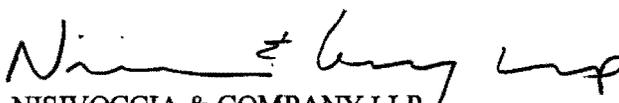
The management of the Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Board's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the *New Jersey State Aid/Grant Compliance Supplement*, but not for the purpose of expressing our opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

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

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

This report is intended solely for the information and use of management, the members of the Board of Education, and to meet the requirements for filing with the New Jersey State Department of Education, and other federal or 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.

September 23, 2010
Mount Arlington, New Jersey


NISIVOCCIA & COMPANY LLP


David H. Evans
Licensed Public School Accountant #740
Certified Public Accountant


John D. Cassells
Licensed Public School Accountant #105

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Federal Grantor/Pass Through Grantor Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance 6/30/2009		Cash Received	Budgetary Expenditures	Balance @ 6/30/2010	
					Deferred Revenue	Due to Grantor			(Accounts Receivable)	Deferred Revenue
U.S. Department of Education										
General Fund:										
ARRA - SFSF- ESF (Educ. State Grants)	84.394	N/A	7/1/09-6/30/10	\$ 599,096			\$ 599,096	\$ (599,096)		
ARRA - SFSF- GSF (Government Services)	84.397	N/A	7/1/09-6/30/10	23,192			23,192	(23,192)		
Total General Fund							622,288	(622,288)		
U.S. Department of Education										
Passed-through State Department of Education										
Special Revenue Fund:										
No Child Left Behind Consolidated Grant:										
Title I, Part A	84.010	NCLB199010	9/1/09-8/31/10	16,335			16,335	(15,679)		\$ 656
Title II A	84.367A	NCLB199010	9/1/09-8/31/10	12,797			6,678	(9,025)	\$ (2,347)	
Title IV	84.186A	NCLB199010	9/1/09-8/31/10	1,391			1,391	(1,391)		
Special Education Cluster:										
I.D.E.A. Part B, Basic	84.027	IDEA536010	9/1/09-8/31/10	161,652			122,816	(161,652)	(38,836)	
ARRA -I.D.E.A. Part B, Basic	84.391	ARRA536011	9/1/09-8/31/11	185,190			185,190	(185,190)		
Total Special Education Cluster							308,006	(346,842)	(38,836)	
Total Special Revenue Fund							332,410	(372,937)	(41,183)	656
U.S. Department of Agriculture Passed- Through State Department of Education:										
Child Nutrition Cluster:										
Food Distribution Program	10.555	N/A	7/1/09-6/30/10	7,591			7,591	(7,591)		
School Breakfast Program	10.553	N/A	7/1/08-6/30/09	592	\$ (74)		74			
School Breakfast Program	10.553	N/A	7/1/09-6/30/10	1,771			1,594	(1,771)	(177)	
National School Lunch Program	10.555	N/A	7/1/08-6/30/09	14,673	(574)		574			
National School Lunch Program	10.555	N/A	7/1/09-6/30/10	18,738			18,003	(18,738)	(735)	
Total Child Nutrition Cluster							27,836	(28,100)	(912)	
Total U.S. Department of Agriculture							27,836	(28,100)	(912)	
Total Federal Awards					\$ (648)	\$ -0-	\$ 982,534	\$ (1,023,325)	\$ (42,095)	\$ 656

N/A - Not Applicable

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance	Cash Received	Budgetary Expenditures	Balance	Memo	
				6/30/2009			6/30/2010	GAAP (Accounts Receivable)	Budgetary (Accounts Receivable)
NJ Department of Education:									
Reimbursed TPAF Social Security Contributions									
	07-495-034-5095-002	07/01/06-6/30/07	\$ 457,627	\$ (164)			\$ (164)	\$ (164)	\$ 457,627
	09-495-034-5120-089	07/01/08-6/30/09	430,126	(42,601)	\$ 42,601				
	09-495-034-5120-078	07/01/08-6/30/09	3,513,267	(344,713)	344,713				
	09-495-034-5120-084	07/01/08-6/30/09	56,751	(5,621)	5,621				
	09-495-034-5120-014	07/01/08-6/30/09	304,408	(30,150)	30,150				
	09-495-034-5120-473	07/01/08-6/30/09	17,153	(17,153)	17,153				
	09-495-034-5120-014	07/01/08-6/30/09	2,536	(2,536)	2,536				
Reimbursed TPAF Social Security Contributions									
	10-495-034-5095-002	07/01/09-6/30/10	527,977		501,840	\$ (527,977)	(26,137)	(26,137)	527,977
	10-495-034-5120-089	07/01/09-6/30/10	444,290		389,842	(444,290)		(54,448)	444,290
	10-495-034-5120-078	07/01/09-6/30/10	2,778,063		2,437,611	(2,778,063)		(340,452)	2,778,063
	10-495-034-5120-084	07/01/09-6/30/10	39,229		34,422	(39,229)		(4,807)	39,229
	10-495-034-5120-014	07/01/09-6/30/10	240,700		211,202	(240,700)		(29,498)	240,700
	10-495-034-5120-473	07/01/09-6/30/10	37,325			(37,325)	(37,325)	(37,325)	37,325
	10-495-034-5120-014	07/01/09-6/30/10	2,854			(2,854)	(2,854)	(2,854)	2,854
Total General Fund State Aid				(442,938)	4,017,691	(4,070,438)	(66,480)	(495,685)	4,528,065
Total NJ Department of Education				(442,938)	4,017,691	(4,070,438)	(66,480)	(495,685)	4,528,065
State Department of Agriculture									
Enterprise Funds:									
	09-100-010-3360-096	07/01/08-6/30/09	87	(9)	9				
	10-100-010-3360-096	07/01/09-6/30/10	157		142	(157)	(15)	(15)	87
	09-100-010-3350-023	07/01/08-6/30/09	1,232	(48)	48				
	10-100-010-3350-023	07/01/09-6/30/10	1,294		1,246	(1,294)	(48)	(48)	1,232
Total Enterprise Fund				(56)	1,445	(1,451)	(63)	(63)	1,319
Total State Awards				\$ (442,994)	\$ 4,019,136	\$ (4,071,889)	\$ (66,543)	\$ (495,748)	\$ 4,529,384

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal and state awards include federal and state awards activity of the Board of Education, Lenape Valley Regional High School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included on the schedules of expenditures of federal and state awards.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal and state awards are presented using the budgetary basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of Federal OMB Circular A-133, *Audits of State and Local Governments, and Non-Profit Organizations* and New Jersey OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payments for the prior year and for the current budget year, which is mandated pursuant to P.L. 2003, C.97. For GAAP purposes, the current year payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year and the final payment for the prior year is recognized in the current 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 revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$6,120) for the General Fund, \$0- for the Special Revenue Fund. See Exhibits C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue and Capital Projects Funds. Additionally, the schedule of expenditures of state awards does not include the on-behalf TPAF Non-Contributory Insurance and Post Retirement Contributions revenue of \$22,357 and \$419,890 respectively. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 622,288	\$ 4,506,565	\$ 5,128,853
Special Revenue Fund	372,937		372,937
Food Service Fund	<u>28,100</u>	<u>1,451</u>	<u>29,551</u>
Total Awards	<u>\$ 1,023,325</u>	<u>\$ 4,508,016</u>	<u>\$ 5,531,341</u>

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

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

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2010. Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

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

Summary of Auditors' Results:

- An unqualified report was issued on the District's financial statements.
- The audit did not disclose any material weaknesses or significant deficiencies in the internal controls of the District.
- The audit did not disclose any noncompliance which is material in relation to the financial statements of the District.
- The audit did not disclose any material weaknesses or significant deficiencies in the internal controls of the District's major federal and state programs.
- An unqualified report was issued on the District's compliance for major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*.
- The District's major federal and state programs for the current fiscal year consisted of the following state awards:

	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
ARRA - SFSF-				
ESF (Educ. State Grants)	N/A	7/1/09-6/30/10	\$ 599,096	\$ 599,096
GSF (Government Services)	N/A	7/1/09-6/30/10	23,192	23,192
I.D.E.A. Part B, Basic	IDEA-5360-10	9/1/09-8/31/10	161,652	161,652
ARRA -I.D.E.A. Part B, Basic	ARRA-5360-11	9/1/09-8/31/10	185,190	185,190
<u>State:</u>				
Categorical Special Education Aid	10-495-034-5120-089	7/1/09-6/30/10	444,290	444,290
Equalization Aid	10-495-034-5120-078	7/1/09-6/30/10	2,778,063	2,778,063
Categorical Security Aid	10-495-034-5120-084	7/1/09-6/30/10	39,229	39,229
Categorical Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	240,700	240,700

- The threshold for distinguishing Type A and Type B federal and state programs was \$300,000.
- The District qualified as a "low-risk" auditee for state programs under the provisions of section 530 of the Circular. However, the District did not qualify as a "low-risk" auditee for federal programs under the provisions of section 530 of the federal Circular.

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

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any finding or questioned costs for federal awards as defined in section 510(a) of the federal circular and New Jersey's OMB Circular NJOMB 04-04.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any finding or questioned costs for state awards as defined in section 510(a) of the federal circular and New Jersey's OMB Circular NJOMB 04-04.

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

Status of Prior Year Findings:

There were no prior year findings.