

**SCHOOL DISTRICT  
OF  
PASCACK VALLEY REGIONAL**

**Pascack Valley Regional High School District  
Montvale, New Jersey**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2012**

**Comprehensive Annual  
Financial Report**

**of the**

**Pascack Valley Regional High School District**

**Montvale, New Jersey**

**For the Fiscal Year Ended June 30, 2012**

**Prepared by**

**Pascack Valley Regional High School District  
Board of Education**

**INTRODUCTORY SECTION**

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**PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT**

**46 Akers Avenue  
Montvale, New Jersey 07645-2028**

**Mr. P. Erik Gundersen  
Superintendent of Schools**

**Yas Usami  
Business Administrator/Board Secretary**

November 11, 2012

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

Dear Board Members:

It is with pleasure that we submit the Comprehensive Annual Financial Report (CAFR) of the Pascack Valley Regional High School District for the fiscal year ended June 30, 2012. This CAFR includes the District’s basic financial statements prepared in accordance with pronouncements of the Governmental Accounting Standards Board. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, data presented in this report is accurate in all materials 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 as follows:

- The Introductory Section contains a Table of Contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District;
- The Financial Section begins with the Independent Auditors’ Report and includes the Management’s Discussion and Analysis and the Basic Financial Statements and Notes, providing an overview of the school District’s financial position and operating results and supplementary schedules providing detailed budgetary information;
- The Statistical Section includes selected financial and demographic information, financial trends, and the fiscal capacity of the School District, generally presented on a multi-year basis;

The Single Audit Section – The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996, as amended, the U.S. Office Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and New Jersey OMB’s Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Information related to this single audit, including the independent auditors’ reports on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the single audit section of this report.

## 1) REPORTING ENTITY AND ITS SERVICES

The Pascack Valley Regional High School District is an independent reporting entity within the criteria adopted by the GASB in codification section 2100. All funds of the District are included in this report. The Pascack Valley Regional Board of Education and all its schools constitute the District's reporting entity. The District is comprised of two high schools. Pascack Hills High School, which is located in Montvale, receives students from the towns of Montvale and Woodcliff Lake. Pascack Valley High School, located in Hillsdale, is the receiving school for students who reside in the towns of Hillsdale and River Vale.

The District continues to provide excellent educational opportunities for its students. Pascack Hills and Pascack Valley High Schools are outstanding secondary institutions, offering students rigorous, stimulating, and diverse academic programs, delivered by an experienced and dedicated faculty. Our students perform at an extraordinarily high level, while maintaining substantial involvement in interscholastic sports, clubs and activities and community service. Both schools have been consistently recognized as among the best high schools in New Jersey.

The Pascack Valley Regional High School District provides a full range of educational services appropriate for grade levels 9 through 12. These include regular, as well as, special education for handicapped youngsters. As of June 30, 2012 Pascack Hills High School reported a student enrollment of 807 and Pascack Valley High School had 1,244 students on roll. The District completed the 2011-2012 fiscal year with a total enrollment of 2,051 students, which represents a decrease of .19% from the previous year's enrollment. The following chart details the changes in the student enrollment of the District over the last ten years.

**Average Daily Enrollment**

<b>Fiscal Year</b>	<b>Student Enrollment</b>	<b>Percent Change</b>
2002-2003	1,550	3.75%
2003-2004	1,601	3.29%
2004-2005	1,691	5.62%
2005-2006	1,779	5.20%
2006-2007	1,836	3.20%
2007-2008	1,903	3.65%
2008-2009	1,868	-1.84%
2009-2010	1,872	0.21%
2010-2011	2,055	9.78%
2011-2012	2,051	-0.19%

**Source: District Records**

The administrative team for the Pascack Valley Regional High School District consists of a District Superintendent, a Director of Curriculum Instruction and Assessment, a School Business Administrator/Board Secretary, and seven District wide curriculum supervisors. Pascack Hills High School administration is comprised of a principal, assistant principal, and athletic director/assistant principal. A larger student population, Pascack Valley High School is led by a principal, two assistant principals, and an athletic director.

School districts in New Jersey are legally classified as Type I or Type II. Pascack Valley Regional High School District, a Type II district, is one of 68 regional school districts in the state with a nine member, elected board of education. Board members are elected at the annual school election for terms of three years. Meetings of the Pascack Valley Regional Board of Education are held on the first and third Monday of each month. During its meetings, the board determines District goals and priorities and conducts the business of the board of education. Board meetings are open to the public and begin at 7:30 P.M.

To maintain effective communications, the District produces community newsletters. The *Report* and *Pascack Regional Schools* are sent to all parents of children in the District. The *Report* is sent, as needed, to update the public on construction projects and other happenings in the District. Information about the budget is mailed in a special newsletter to all members of the community during the budget review process. Another monthly publication, *Bulletin*, summarizes the regular board meeting actions and is sent to all staff and is posted on the District's website.

### **PASCACK HILLS HIGH SCHOOL**

Pascack Hills High School is an outstanding institution, offering students a rigorous, stimulating, and diverse academic program delivered by an experienced and dedicated faculty. Our students perform at an extraordinarily high level while maintaining substantial involvement in interscholastic sports, clubs and activities, and community service. Pascack Hills High School has been consistently recognized as one of the best high schools in New Jersey.

Both high schools in the Pascack Valley Regional High School District are the first in New Jersey to provide wireless laptops to all students and teachers to be used in classrooms and at home. Now in the ninth year of implementation, the impact of this initiative on teaching and learning has been substantial, communication between school and home and among teachers is vastly enhanced, and students report that their organizational and study skills are greatly improved. We are using Web 2.0 resources as we continue to explore the vast possibilities of the global network.

The program of studies at Pascack Hills High School offers a challenging Honors and Advanced Placement Program, two Syracuse University Project Advance courses, specialized electives, and unique programs in humanities, molecular genetics, and video production. The performance of our students has been exceptional. Academic honors awarded to members of the Class of 2012 include 11 National Merit Commended students and 20 Advanced Placement Scholars, 16 Advanced Placement Scholars with Honors, 10 Advanced Placement Scholars with Distinction, and two National AP Scholars.

Pascack Hills High School students are also extensively involved in extracurricular activities. We are proud of how our students perform academically within the classroom, artistically on our stage, and athletically on our playing fields. We are extremely proud of the willingness of so many of our students to give of themselves to our community.

We owe much of our success to our parent community. Both directly and indirectly, our parents collaborate with school personnel and function as partners in motivating our students and applauding their achievements. An active Parent Faculty Association provides the formal link between home and school.

Pascack Hills High School works closely with the Pascack Valley Regional Curriculum Office, which coordinates the curriculum between the middle schools and the regional high schools. Regular committee meetings are held throughout the school year to ensure curriculum alignment with the sending districts.

Our students will live in a world of global challenge and opportunity. At Pascack Hills High School, a talented faculty, a resourceful community, and an ambitious student body converge to accept the challenge and engage that opportunity.

## **PASCACK VALLEY HIGH SCHOOL**

Pascack Valley High School is a school that focuses on academic excellence and challenges each of its students to meet high expectations. The student/teacher ratio enables the staff to work individually and in clusters with students to maintain high academic standards while meeting student needs. Academic excellence is the foundation of student life. During the 2011-2012 school year, we had one National Merit Scholarship Award Winner and two National Merit Semi-finalists. In addition, there were 11 National Merit Commended Students. We also had a National Hispanic Recognition Program Scholar. Nineteen students were named AP Scholars, 12 AP Scholar with Honors, 14 students achieved AP Scholar with Distinction status, and a National AP Scholar.

There is a broad array of courses that focus on the individual needs of students. Follow-up surveys and visitations by alumni provide consistent feedback, indicating the high level of academic preparation that they have received from their high school experience.

The Student Council is an exceptional group involved in the essence of student life at Pascack Valley. Dedicated to student issues and service to the community, it is truly a student government. Members of the executive council meet on a regular basis to be proactive in creating a positive atmosphere within the building along with reaching out to help the community. All students are encouraged to become engaged in student clubs and activities. This past year, each grade level committed themselves to supporting a charitable cause by raising funds and awareness throughout the school year. Getting involved in positive, focused activities enhances student life and their school experiences. Community service to our local community and the community-at-large is a major commitment by groups within the school. Student opportunities for development and growth are explored beyond the classroom in a variety of co-curricular activities and athletic programs. In 2011-2012, our District-wide Robotics team continued to gain national recognition garnering multiple regional championships and performing extremely well in the national competition.

The student support services include a Child Study Team and a skilled guidance staff. An Intervention and Referral Services Team specializes in early intervention of at-risk students, and the Student Assistance Coordinator provides services and strategies that focus on prevention and intervention. These carefully coordinated services provide on-going support for students and their families. These personnel are committed to servicing the needs of Pascack Valley students at an exceptional level. The staff at Pascack Valley High School is pleased to provide a supportive environment that expands student experiences and involvement as they develop toward their potential. Our new special education program, Park@PVR, meets the needs of some of our District's special education students who were not being educated in the District.

## **PARENT/FACULTY ORGANIZATIONS**

A very active parent association provides an extremely valuable source of support for our students. The PFA (Parent Faculty Association) at Pascack Hills High School and the PFO (Parent Faculty Organization) at the Pascack Valley High School work well with school personnel and act as partners in motivating our students and applauding their achievements.

## **CURRICULUM AND INSTRUCTION**

The office of Curriculum, Instruction, and Assessment has many areas of responsibility. This office is organized as follows: a Director, Supervisor of Mathematics and Art, Supervisor of Science and Technology Education, Supervisor of Special Education, Supervisor of Guidance, Supervisor of World Languages, Music and Family and Consumer Sciences, Supervisor of Social Studies and Physical and Health Education, Supervisor of English and Media Services, and Director of Instructional Technology. The stated mission of the office of Curriculum, Instruction, and Assessment is to prepare students to be knowledgeable and productive citizens in our society. To make this goal a reality, the office of Curriculum, Instruction, and Assessment works with the District's energetic, knowledgeable, and professional staff. Furthermore, the District has established innovative ways to articulate and communicate curriculum among the five districts of Hillsdale, Montvale, River Vale and Woodcliff so that students receive a quality K-12 education.

Another area of responsibility of the office of Curriculum, Instruction, and Assessment is to monitor the District curriculum, making certain that it is equivalent in both high schools, that it meets the needs of students as they enter the 21<sup>st</sup> century, and is aligned to state and national standards. The curriculum of the Pascack Valley Regional High School District is designed to provide students with a rigorous and meaningful educational experience. Students are provided with a firm grounding in the core content areas while independent and critical thinking skills, as well as oral and written expression, are emphasized. College Preparatory, Honors and Advanced Placement and college level courses challenge all students to meet high District expectations.

A goal of the District is to provide differentiated instruction that meets the wide range of student learning. Through staff development opportunities, this office encourages teachers to use a wide variety of instructional strategies and methods of assessment, thus providing students with multiple opportunities to learn and demonstrate understanding and mastery of the material. Teachers are supported and encouraged to infuse technology into instruction so that students learn and practice skills that will serve them in the future.

The Pascack Valley Regional High School District's Professional Development Committee in conjunction with the Office of Curriculum, Instruction, and Assessment continues to develop plans to provide teachers with multiple opportunities for professional development.

During the 2011-12 school year the Pascack Valley Regional High School District devoted two full days for professional development and five half-days. The first full day professional development day kicked off the year's focus on 21<sup>st</sup> Century Skills. Professional development activities included a full day dedicated to discussions and sharing among the five districts in the Pascack Valley, a full day where teachers at the two high school taught classes and learned from each other, while the remaining half days included different conferences, workshops, clinics, articulation meetings and professional development opportunities both within our District, at national and statewide conferences and at workshops offered by other school districts or professional development providers. Lastly, during the 2011-12 school year plans were developed for the launching of a Regional Curriculum Office that would provide curriculum coordination, professional development, and instructional coaching for the four sending districts. This office launched July 1, 2012.

### **DISTRICT TECHNOLOGY PLAN**

The state mandatory, Three-Year District Technology Plan was revised during the 2009-2010 academic year and approved by the Bergen County Coordinating Council. The implementation of a *1:1 eLearning Initiative*, which has at its core the issuance of a laptop computer to each teacher and student, continues to be the primary emphasis of the plan. To that end, two key components of the program include an extensive Professional Development program and the continued support for a Technology Steering Committee. The Technology Steering Committee is comprised of approximately 25 teachers, District administrators, parents and students whose role it is to help guide the District through the development and implementation of the District's Three-Year District Technology Plan. The work of this committee also provides direction and impact to the work of the District's Professional Development Committee. The District has assumed the responsibility of its Professional Development activities, sponsoring a wide variety of workshops. District instructional and supervisory staff acted as teachers of these workshops, ranging from software skill learning, to successful integration into instruction. Experts in curriculum delivery and technology integration from outside the District are engaged when appropriate to provide Professional Development opportunities for our District staff. The District supports virtually any teacher interested in additional PD opportunities outside of the District, including workshops and course work. The District Director of Instructional Technology serves as chair of the 5-district Technology Articulation Committee. The charge of this committee is to enhance the successful integration of technology throughout the K-12 curriculum. This multifaceted program continues to address the instructional goals of the District's Three-Year Technology Plan by focusing on the effective use of the technology tools to enhance student learning and achievement.

The continued growth of the use of staff email and of our website contributes to our efforts to enhance communication with our community. Website pages support each instructional and non-instructional area of the school, and each staff member is required to maintain a website that includes important course information and support materials. Staff email and phone contact information is also readily available on the site, along with our District Program of Studies, student expectations, summer reading requirements, Board of Education meeting agendas and minutes, as well as many other important District informational items. The Board of Education employs an approach called "*The Paperless Board Meeting*", whereby all trustees are issued a District tablet computer (iPad), and the traditional mailings are no longer mailed to their homes. Instead, BOE members log in on a secure web site to retrieve all documentation needed for the upcoming meeting. These tablet computers are used during the meetings as well for quick access to all pertinent agenda related materials.

Enhancing our ability to communicate with our District's parents is our student information system, *Genesis*. *Genesis* includes two robust portals called *Parent Access* and *Student Access*. These portals allow parents and students to login at any time to view student attendance, grading, scheduling, and discipline records. With a newly implemented open grade book through the portals, parents and students have access to current grades throughout the course of the year. The District continues to distribute report cards via this parent portal. Lastly, the *Parent* and *Student Access* portal includes a powerful email function allowing District and building administrators to email District parents directly with information on any building or District news and events.

In the event of a school closing or other emergency, the District also employs an Emergency Notification System, Global Connect, that can be activated to deliver calls to all District home phones and cell phones. Integrated with our Student Information System, Global Connect is constantly updated with the latest contact information for all personnel.

### **SPECIAL SERVICES**

The Special Services Department of Pascack Valley Regional High School District (PVRHSD) is committed to ensuring that each student with a disability receives a free and appropriate public education consisting of placement and services based on the student's unique needs. Our students are afforded full educational opportunities, and to the maximum extent possible, are placed in the least restrictive environment.

We believe that *all* students can learn. We are committed to providing services to students that will ensure personal and academic success.

This is accomplished through a comprehensive continuum of in-district placement options. Classified students can be mainstreamed with supplementary aids and services in general education classes. Also, inclusive education is provided through in-class support from a Special Education teacher in collaboratively taught classes with approximately 80 such classes offered District wide.

Students also benefit from Secondary Special classes (taught by general education content specialists with no more than 16 classified students per class), Resource Replacement classes (taught by content specialists who are also certified in Special Education with no more than 12 students per class) and Resource Pull-out Support (Study Skills) classes. The District offers nearly 150 collaborative and special education classes!

In addition to the aforementioned class offerings, PVRHSD has three Special Programs to meet the multiple needs of students with emotional disabilities, other health impairments, specific learning disabilities, multiple disabilities, and communication impairments. Two of the programs are for students contending with behavioral disabilities and provide therapeutic and behavioral services as well as adapted curriculum. A third program is provided to students with learning and language disabilities and offers modified curriculum, functional life skills development through a Life Skills class component, community based learning opportunities, and functional and vocational skill development through the District's Career Exploration and Internship Programs. The Careers program is offered to classified and non-classified students throughout the District and has a current enrollment of 37 students.

The Special Services Department is comprised of two Child Study Teams (two Psychologists, two Social Workers, and two Learning Consultants; the District is seeking to add a third Learning Consultant), along with 24 Special Education Teachers, 18 one-to-one and Instructional Assistants, a Speech and Language Therapist, Coordinator of Special Programs, School Psychologist for Special Programs and a District Behavioral Consultant.

As part of school wide Positive Behavior Supports, Special Services, Guidance and Administration (SGA) meet monthly to plan and provide assistance to any student encountering significant difficulties and who may be at-risk. Special Services is also represented on the District's Intervention and Referral Service Committee (I & R/S). This committee serves non-classified students and identifies learning, behavior and health difficulties, collects information on these difficulties, develops and implements action plans, and works with teachers to assist in achieving desired outcomes.

Pascack Valley Regional High School District addresses the needs of classified students attending a Non-Public School in Montvale, NJ through a contract with Bergen County Special Services (BCSS). The District Supervisor of Special Services meets annually with Non-Public School personnel and BCSS to assure appropriate and seamless provision of services.

The District also sponsors a separate public school program, Park Academy (coordinated by the Region II Office of Special Education), for middle school aged students with behavioral disabilities.

Pascack Valley Regional High School District also accepts tuition students, into the District's three special programs, from school districts that do not have in-district placement options; this affords classified students, throughout Bergen County, a public school experience with opportunities for inclusion to the maximum extent possible.

Pascack Valley Regional High School has 197 classified students; Pascack Hills High School has 136 classified students. There are an additional 36 students placed out-of-district in county and private facilities. The District has accepted 14 tuition students and services a total of 41 students in the District's special programs.

## **2) ECONOMIC CONDITION AND OUTLOOK**

The economic recovery from the "Great Recession" has been slow over the last few years for the nation and New Jersey. Economists are generally forecasting a slow recovery in the foreseeable future. This has led to a reduction in state revenue with fewer companies and consumers contributing to New Jersey's economy. Consequently, Governor Chris Christie withheld the remainder of state aid to schools in February 2010 and then reduced school aid by \$820 million in fiscal year 2011. Consequently, a New Jersey Superior Court Judge ruled the reduction unconstitutional and aid was restored in fiscal year 2012 and 2013. However, the District received far less in categorical aid than it was accustomed.

School districts and municipalities are continuing to work with a tax levy cap increase of 2%. The state took measures to alleviate this impact on school budgets by requiring employees to contribute toward health insurance. They must either contribute 1.5% of their salary or a percentage of their health insurance premium, whichever is higher. The District's two largest bargaining units and its non-bargaining unit will enter Year 2 of a four year phase-in for health insurance premium contributions in 2012-2013. This will result in a higher contribution than in 2011-2012 and will aid in offsetting increases to the state run School Employee Health Benefits Plan.

The implications for the Pascack Valley Regional High School District are that suburban districts will receive some state aid. However, the concern is over the disproportionate means utilized to calculate state aid. Thus, the amount will be significantly less than urban and rural districts, as well as significantly less than districts received in the past. The burden of funding school budgets will continue to rely heavily on community taxpayers.

### 3) MAJOR INITIATIVES

Our students continue to score significantly above the state and national average in all standardized measures of achievement. Our juniors, who took the State of New Jersey High School Proficiency Assessment during the academic year, achieved an overall passing rate of 96.7% (Language Arts Literacy), 93.4% (Mathematics). The SAT scores for the District for the Class of 2012 remain substantially above the state and national averages. The mean scores for Pascack Valley High School students were 524 (Critical Reading), 561 (Math) and 532 (Writing). Students attending Pascack Hills High School scored 549 (Critical Reading), 584 (Math) and 567 (Writing). Of the 489 graduates, approximately 97% of the students in the Pascack Valley Regional High School District attend post-secondary education. The District was honored to announce 31 Advanced Placement Scholars and two National Merit Finalists. The table shown below presents data on post secondary plans of recent graduates.

**Post Secondary Plans of Recent PVRHSD Graduates**

PVRHSD	2006	2007	2008	2009	2010	2011	2012
Total Graduates	418	421	442	453	490	497	489
% 4 Year College	86	83	87	86	87	90	90
% 2 Year College	9	15	10	11	9	9	7
% Other	5	2	3	3	4	1	3

**Source: District Records**

As in years past, a number of building maintenance projects was completed during the year. In general, the buildings are well maintained. A program of preventive maintenance is in place. The comprehensive maintenance plan (CMP), which is approved by the Board each year, identifies a number of priority facility projects. Funding for these projects is included in the annual budget.

The Pascack Valley Regional School District successfully passed a bond referendum in December of 2003 to address a number of facility needs. Several major projects have been completed, including new boilers at Pascack Valley High School and renovations to approximately 25 classrooms and the cafeteria at Pascack Hills. Asbestos abatement was performed at both Pascack Hills and Pascack Valley High Schools. Renovations to the Pascack Valley High School football field and running track were begun in May, 2005.

The District is very concerned about maintaining a safe and hazard free working environment for students and staff. Annual safety workshops were held for custodial and maintenance employees. This is part of the District's membership in North East Bergen Insurance Group in conjunction with Zurich Insurance Co. In addition, all of the required annual and semi-annual health reports, inspections and public press releases, such as AHERA., Right to Know, Medical Waste Disposal, Fire Inspections, Life Hazard Registry, Lab Safety Standards, have been updated, completed and filed promptly. Arrangements have been made for administering blood borne pathogen injections to new staff in accordance with District policy. All required health and safety certificates and employee notices are on file in each building.

#### **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. In addition, District administration must 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 and state financial 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 management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control including that portion related to major federal and state financial award programs, as well as to determine that the District has complied with applicable laws and 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 canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2012.

#### **6) ACCOUNTING SYSTEMS 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) 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.

## 8) 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 and contents, workers' compensation and fidelity bonds. A schedule of insurance coverage is found on Exhibit J-20.

The Board is a member of the Northeast Bergen County School Board Insurance Group, ("NESBIG"). The NESBIG is a risk-sharing public entity risk fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to its members. Additional information on the NESBIG is included in Note 12 to the Basic Financial Statements.

## 9) OTHER INFORMATION

Independent Audit State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board to perform the audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996, as amended, and the related Federal OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and specific, required supplementary information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

## 10) ACKNOWLEDGMENTS

We would like to express our appreciation to the members of the Pascack Valley Regional High School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our business office staff.

Respectfully submitted,

*P. Erik Gundersen*

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Mr. P. Erik Gundersen  
Superintendent

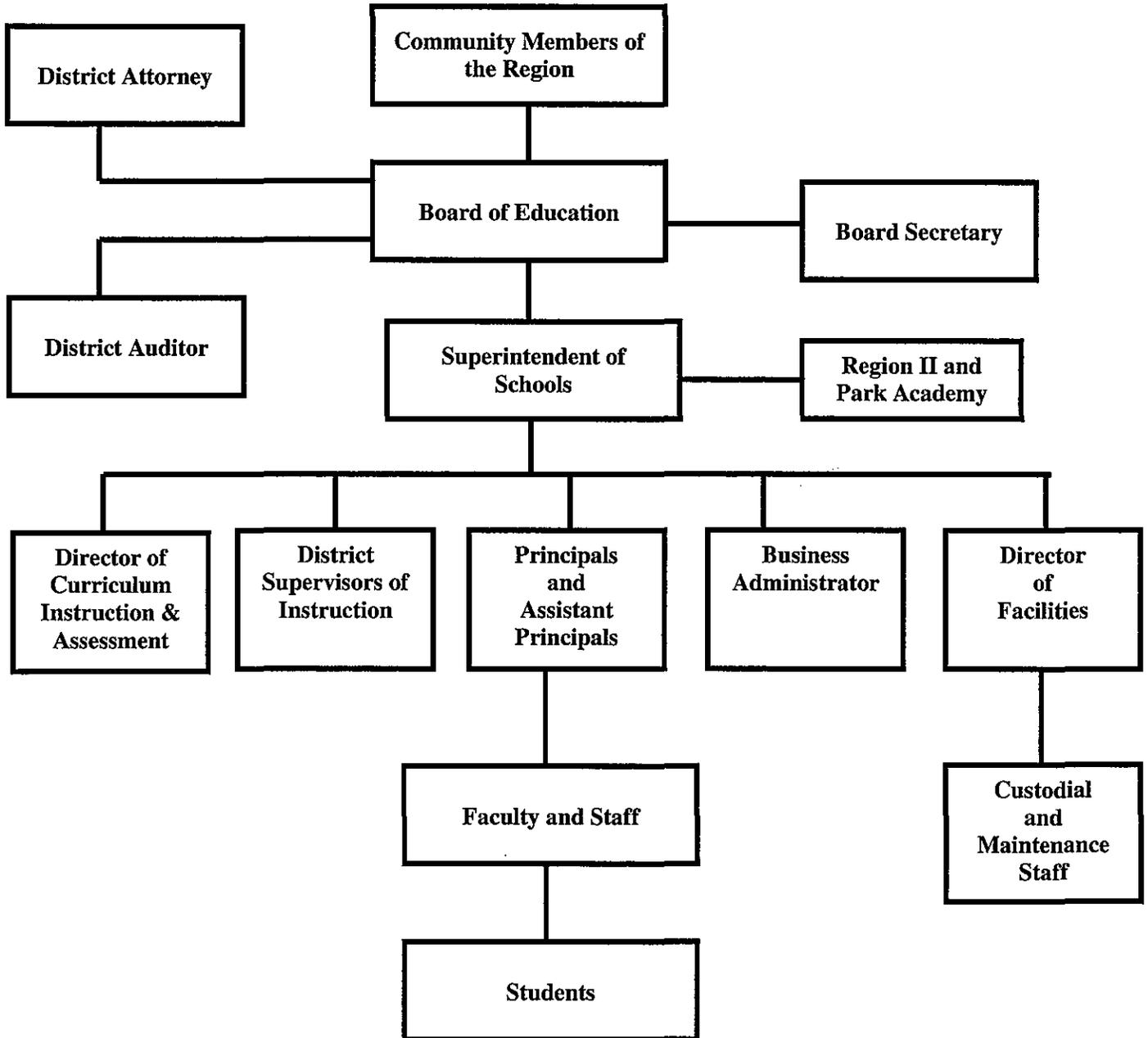
*Yas Usami*

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Yas Usami  
Business Administrator/Board Secretary

# PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT

## ORGANIZATIONAL CHART



**PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
MONTVALE, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2012**

<u>Members of the Board of Education</u>	<u>Term Expires</u>	<u>Sending District</u>
Mr. Jeffrey Steinfeld, President	2012	Hillsdale
Mrs. Beth Politi, Vice President	2014	Montvale
Mr. Herbert Ammerman	2012	River Vale
Mrs. Maura M. Ellis	2013	River Vale
Mr. James Hall	2013	Woodcliff Lake
Mr. Mark Kastan	2012	Montvale
Mr. Alfred J. Murphy, Jr.	2014	Hillsdale
Mr. Bertram Siegel	2014	Woodcliff Lake
Mrs. Nadine Timpanaro	2013	Hillsdale

**Other Officials**

Mr. P. Erik Gundersen, Superintendent

Mr. Yas Usami, Business Administrator/Board Secretary

Dr. Barry Bachenheimer, Director of Curriculum, Instruction and Assessment

Mrs. Deborah Carpino, Treasurer

Rodney T. Hara, Solicitor

**PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT**

**Consultants and Advisors**

**Architect**

Charles L. Koch AIA, PP, NCARP  
Environetics Group Architects, PC  
180 Sylvan Avenue  
Englewood Cliffs, NJ 07632

**Audit Firm**

Nisivoccia LLP  
Mount Arlington Corporate Center  
200 Valley Road, Suite 300  
Mount Arlington, New Jersey 07856-1320

and

Lawrence Business Park  
11 Lawrence Road  
Newton, NJ 07860

**Attorney**

Stephen R. Fogarty and Rodney T. Hara  
Fogarty and Hara Counselors at Law  
16-00 Route 208 South  
Fair Lawn, NJ 07410

**Official Depository**

Capital One  
553 Broadway  
Westwood, NJ 07675

**FINANCIAL SECTION**



Mount Arlington Corporate Center  
200 Valley Road, Suite 300  
Mt. Arlington, NJ 07856  
973-328-1825 | 973-328-0507 Fax  
Lawrence Business Center  
11 Lawrence Road  
Newton, NJ 07860  
973-383-6699 | 973-383-6555 Fax

### Independent Auditors' Report

The Honorable President and Members  
of the Board of Education  
Pascack Valley Regional High School District  
County of Bergen, 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 Pascack Valley Regional High School District in the County of Bergen as of and for the fiscal year ended June 30, 2012 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 Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 Pascack Valley Regional High School District in the County of Bergen as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

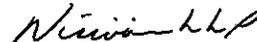
In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2012 on our consideration of the Board of Education of the Pascack Valley Regional High School District's internal control over financial reporting and our tests of its compliance with certain provisions 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  
Pascack Valley Regional High School District  
Page 2

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report, and Budgetary Comparison Information in Exhibits C-1 through C-3 and I-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of the Pascack Valley Regional High School District's financial statements. The accompanying supplementary information schedules such as the combining and individual nonmajor fund financial statements and the Schedules of Expenditures of Federal and State Awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information such as the combining and individual nonmajor fund financial statements and the schedules of expenditures of federal and state awards are fairly stated in all material respects in relation to the financial statements as a whole. The accompanying other information, such as the introductory and statistical sections, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Mount Arlington, New Jersey  
November 11, 2012

  
NISIVOCCIA LLP



Francis J. Jones, Jr.  
Licensed Public School Accountant #1154  
Certified Public Accountant

**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)**

**Pascack Valley Regional High School District  
Management's Discussion and Analysis  
Unaudited**

This section of Pascack Valley Regional High School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2012. 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 status improved by \$5,504,947 on a District-wide basis.
- Overall revenue was \$54.74 million.
- Actual revenue was \$481,253 higher than expected, primarily due to extraordinary special education aid, nonpublic transportation aid, tuition and other miscellaneous revenues.
- Overall expenditures were \$49.38 million.
- Net assets from the District's governmental activities increased \$5,365,925.
- Net assets from the District's business-type activities increased \$139,022.

**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 fiscal year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Pascack Valley Regional High School District  
Management's Discussion and Analysis  
Unaudited**

**Figure A-1  
Organization of the Board of Education of Pascack Valley Regional  
High School's Financial Report**

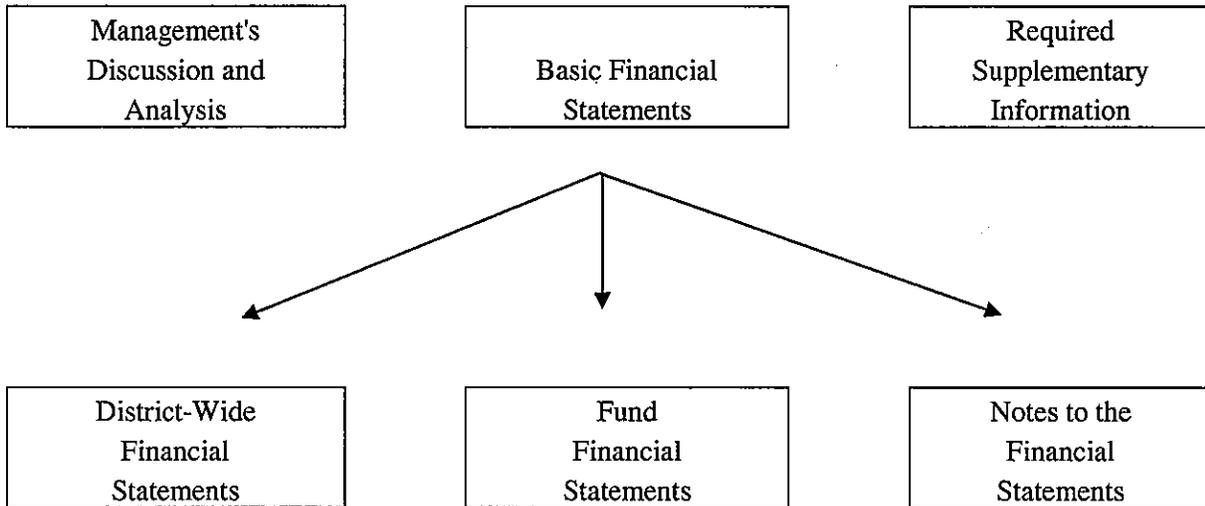


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

**Pascack Valley Regional High School District  
Management's Discussion and Analysis  
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, park academy, transportation and region II	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies.
Required Financial Statements	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of revenue, expenses, and changes in net assets</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net assets</li> <li>• Statement of changes in fiduciary net assets</li> </ul>
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

**Pascack Valley Regional High School District  
Management's Discussion and Analysis  
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 fiscal 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 program, park academy and regional programs shared with local school districts are 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 fiscal 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.

**Pascack Valley Regional High School District  
Management's Discussion and Analysis  
Unaudited**

- *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. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for other programs and activities. The District currently does not maintain any internal service funds.
- *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

Provide additional information essential to full understanding of district-wide and fund financial statements.

### Financial Analysis of the District as a Whole

*Net Assets.* The Statement of Net Assets provides one perspective of the District as a whole. Figure A-3 provides a summary of the District's net assets as of June 30, 2012 and 2011. The District's *combined* net assets were \$38,852,224 on June 30, 2012, \$5,504,947 or 16.53% more than they were the year before. The net assets of the business-type activities increased by \$139,022.

**Figure A-3  
Condensed Statement of Net Assets**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12
Current and							
Other Assets	\$ 8,814,257	\$ 7,027,329	\$ 341,840	\$ 148,778	\$ 9,156,097	\$ 7,176,107	27.59%
Capital Assets, Net	60,319,242	59,082,671	16,367	18,900	60,335,609	59,101,571	2.09%
Total Assets	<u>69,133,499</u>	<u>66,110,000</u>	<u>358,207</u>	<u>167,678</u>	<u>69,491,706</u>	<u>66,277,678</u>	4.85%
Long-Term Debt							
Outstanding	29,275,508	32,489,393			29,275,508	32,489,393	-9.89%
Other Liabilities	1,357,411	485,952	56,563	5,056	1,413,974	491,008	187.97%
Total Liabilities	<u>30,632,919</u>	<u>32,975,345</u>	<u>56,563</u>	<u>5,056</u>	<u>30,689,482</u>	<u>32,980,401</u>	-6.95%
Net Assets:							
Invested in Capital							
Assets, Net of							
Related Debt	31,826,247	27,392,740	16,367	18,900	31,842,614	27,411,640	16.16%
Restricted	4,511,565	2,040,357			4,511,565	2,040,357	121.12%
Unrestricted	<u>2,162,768</u>	<u>3,701,558</u>	<u>285,277</u>	<u>143,722</u>	<u>2,448,045</u>	<u>3,845,280</u>	-36.34%
Total Net Assets	<u>\$ 38,500,580</u>	<u>\$ 33,134,655</u>	<u>\$ 301,644</u>	<u>\$ 162,622</u>	<u>\$ 38,802,224</u>	<u>\$ 33,297,277</u>	16.53%

**Pascack Valley Regional High School District  
Management's Discussion and Analysis  
Unaudited**

*Changes in Net Assets.* Total revenue increased 2.45% to \$54,737,206. Property taxes increased approximately 1.72% in order to finance the debt service associated with the referendum and planned increases in expenses for instruction, and maintenance and operations. It is important to note here that depreciation of the District's capital assets is computed into the total. The depreciation factored into the District's governmental and business-type net assets for 2011/12 is \$1,239,951 and \$2,533, respectively. Capital assets and current assets increased as a result of capital projects and capital outlay spending during the fiscal year.

**Figure A-4  
Changes in Net Assets from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12
<b>Revenue:</b>							
Program Revenue:							
Charges for Services	\$ 322,372	\$ 295,888	\$ 6,047,661	\$ 6,099,945	\$ 6,370,033	\$ 6,395,833	-0.40%
Grants and Contributions:							
Operating	5,161,539	3,995,540			5,161,539	3,995,540	29.18%
Capital	195,059	816,410			195,059	816,410	-76.11%
General Revenue:							
Property Taxes	42,708,473	41,985,411			42,708,473	41,985,411	1.72%
Federal and State Aid Not Restricted		12,938				12,938	-100.00%
Other	301,303	218,609	799	1,172	302,102	219,781	37.46%
<b>Total Revenue</b>	<b>48,688,746</b>	<b>47,324,796</b>	<b>6,048,460</b>	<b>6,101,117</b>	<b>54,737,206</b>	<b>53,425,913</b>	<b>2.45%</b>
<b>Expenses:</b>							
Instruction	23,320,586	24,357,670			23,320,586	24,357,670	-4.26%
Pupil and Instruction Services	8,511,812	8,789,784			8,511,812	8,789,784	-3.16%
Administrative and Business	4,293,713	3,518,422			4,293,713	3,518,422	22.04%
Maintenance and Operations	4,195,624	3,703,306			4,195,624	3,703,306	13.29%
Transportation	1,643,515	1,663,499			1,643,515	1,663,499	-1.20%
Other	1,357,571	2,261,530	6,055,765	6,057,202	7,413,336	8,318,732	-10.88%
<b>Total Expenses</b>	<b>43,322,821</b>	<b>44,294,211</b>	<b>6,055,765</b>	<b>6,057,202</b>	<b>49,378,586</b>	<b>50,351,413</b>	<b>-1.93%</b>
Transfers	-0-	-0-	146,327	-0-	146,327	-0-	100.00%
<b>Increase in Net Assets</b>	<b>\$ 5,365,925</b>	<b>\$ 3,030,585</b>	<b>\$ 139,022</b>	<b>\$ 43,915</b>	<b>\$ 5,504,947</b>	<b>\$ 3,074,500</b>	<b>79.05%</b>

*Revenue Sources.* The District's total revenue for the 2011/12 school year was \$54,737,206 (See Figure A-5 on next page). Property taxes and state formula aid accounted for most of the District's revenue, \$43,500,273 of the total, or 78.02 percent. Another 8.34 percent came from state and federal aid for specific programs and the remainder from charges for services and miscellaneous sources.

**Pascack Valley Regional High School District  
Management's Discussion and Analysis  
Unaudited**

**Figure A-5  
Sources of Revenue for Fiscal Year 2012**

	<u>Amount</u>	<u>Percentage</u>
Sources of Income:		
State Formula Aid	\$ 791,800	1.45 %
Property Taxes	42,708,473	78.02 %
Federal and State Categorical Grants	4,564,798	8.34 %
Charges for Services	6,370,033	11.64 %
Other	302,102	0.55 %
	<u>\$ 54,737,206</u>	<u>100.00 %</u>

The total cost of all programs and services was \$49,378,586. The District's expenses are predominantly related to instructing, caring for pupil and instruction services and transporting students (67.8 percent) (See Figure A-6). The District's administrative and business activities accounted for 8.69 percent of total costs.

**Figure A-6  
Expenses for Fiscal Year 2012**

	<u>Amount</u>	<u>Percentage</u>
Expense Category:		
Instruction	\$ 23,320,586	47.23%
Pupil and Instruction Services	8,511,812	17.24%
Administrative and Business	4,293,713	8.69%
Maintenance and Operations	4,195,624	8.50%
Transportation	1,643,515	3.33%
Other	7,413,336	15.01%
	<u>\$ 49,378,586</u>	<u>100.00 %</u>

***Governmental Activities***

As discussed elsewhere in this commentary, the district-wide financial position of the District improved significantly from the prior fiscal year. However, 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 five years, a number of veteran teachers have retired and have been replaced by teachers with 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.

**Pascack Valley Regional High School District  
Management's Discussion and Analysis  
Unaudited**

**Governmental Activities (Cont'd)**

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

- Region II, a joint venture with other area school districts, provides all of the transportation routes to out-of-district special education schools.
- The District has in-district special education programs that saved on out-of-district tuition and transportation. In addition, out-of-district students pay tuition to attend these programs.
- Standard practice has been to maintain lower maintenance costs by seeking competitive proposals each fiscal year for these services.
- Participation in energy and telecommunication consortiums.
- Participation in a purchasing cooperative with over 300 school districts.
- Participation in the Northeast Bergen County School Board Insurance Group.

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 and instructional services, administration and business, maintenance and 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**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2011/12</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2010/11</u>
Instruction	\$ 23,320,586	\$ 24,357,670	\$ 18,948,362	\$20,797,239
Pupil and Instruction Services	8,511,812	8,789,784	7,956,962	8,247,914
Administrative and Business	4,293,713	3,518,422	3,990,162	3,373,330
Maintenance and Operations	4,195,624	3,703,306	3,776,436	2,886,896
Transportation	1,643,515	1,663,499	1,614,358	1,619,464
Other	1,357,571	2,261,530	1,357,571	2,261,530
	<u>\$ 43,322,821</u>	<u>\$ 44,294,211</u>	<u>\$ 37,643,851</u>	<u>\$ 39,186,373</u>

- The cost of all governmental activities this fiscal year was \$43,322,821.
- The federal and state governments subsidized certain programs with grants and contributions (\$5.36 million).
- Most of the District's costs were financed by District taxpayers.
- The remainder of the funding came from charges for services, miscellaneous revenue and investment earnings.

**Pascack Valley Regional High School District  
Management's Discussion and Analysis  
Unaudited**

***Business-Type Activities***

Net assets from the District's business-type activity increased by \$139,022 (Refer to Figure A-4). Factors contributing to these results included:

- Transfer in for Park Academy operations taken over from River Vale of \$146,327, offset by a net loss of \$7,305 for all of the business-type activities.

**Financial Analysis of the District's Funds**

Difficult economic times have had a direct impact upon the District's revenue sources. Interest from investments remained unfavorable. Ratables in the municipalities remain more or less stable, thus generating concern for the local tax levy in the future.

These factors are likely to continue for the near future. To maintain a stable financial position, the District must continue to practice sound fiscal management.

**General Fund Budgetary Highlights**

Over the course of the fiscal year, the District revised the annual operating budget several times. These budget amendments fall into two categories:

- Changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.
- The preparation of the 2011/2012 budget was difficult as a result of rising costs and a lower than normal fund balance position for the District. This resulted in the need for line item transfers during the fiscal year.

**Capital Asset and Debt Administration**

**Figure A-8  
Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12
Land	\$ 6,245,500	\$ 6,245,500			\$ 6,245,500	\$ 6,245,500	0.00%
Construction in Progress	46,155,931	44,000,791			46,155,931	44,000,791	4.90%
Land Improvements	1,635,558	1,798,525			1,635,558	1,798,525	-9.06%
Buildings and Building Improvements	1,177,352	1,328,808			1,177,352	1,328,808	-11.40%
Machinery and Equipment	5,104,901	5,709,047	\$ 16,367	\$ 18,900	5,121,268	5,727,947	-10.59%
Total Capital Assets (Net of Depreciation)	<u>\$ 60,319,242</u>	<u>\$ 59,082,671</u>	<u>\$ 16,367</u>	<u>\$ 18,900</u>	<u>\$ 60,335,609</u>	<u>\$ 59,101,571</u>	2.09%

During the 2011/12 school year the District continued work on various projects within the District that are being funded in part with Schools Development Authority grants.

**Pascack Valley Regional High School District  
Management's Discussion and Analysis  
Unaudited**

**Long-term Debt**

At fiscal year end, the District had \$25,483,000 of general obligation bonds outstanding – a decrease of \$965,000 from last year and \$3,009,995 in capital leases – a decrease of \$2,231,936 from last year. In addition, the District has \$782,513 in compensated absences payable – a net decrease of \$16,949.

**Figure A-9**

**Outstanding Long-Term Debt**

	Total School District		Total
	2011/12	2010/11	Percentage Change 2011/12
General Obligation Bonds (Financed with Property Taxes)	\$ 25,483,000	\$ 26,448,000	-3.65%
Other Long - Term Liabilities	3,792,508	6,041,393	-37.22%
	<u>\$ 29,275,508</u>	<u>\$ 32,489,393</u>	-9.89%

**Factors Bearing on the District's Future Revenue/Expenses**

The board and the administration have had discussions on how existing circumstances could affect the future financial health of the School District. The following examples may have an impact and affect the financial operation in the future:

- The current economic crisis in our state has generated concern in the educational community for public school funding.
- Governor Christopher Christie has and continues to initiate a number of fiscal reforms that directly impact public education.
- The completion of the District's 42 million dollar referendum project presents future challenges for financial planning to continue the expansion and renovation of both Pascack Hills and Pascack Valley High School to meet increasing enrollment and curriculum demands.

**The current economic crisis in our state has generated concern in the educational community for public school funding.**

Schools around the country were impacted by the worst recession in decades. The response was to impose such measures as larger class sizes, cuts of jobs and textbook budgets, reduced school bus service, and fewer resources for state education departments. In New Jersey, Governor Christie cut state aid payments to schools in order to help address the state's 2010 fiscal year budget deficit. In addition, state aid to schools in 2010-11 was cut by \$820 million and specifically, the District received no categorical state aid. In 2011-12, the District did receive categorical state aid; however, far less than it had in 2008-09.

The economic crisis, and the uncertainty that state legislation could impose greater constraints on public school districts, has had an effect on suburban public school districts recognized for providing innovative and cutting edge programs to their students to place a hold on expanding their academic offerings. Wealthy districts such as the sending districts of Hillsdale, Montvale, River Vale and Woodcliff Lake to the Pascack Valley Regional High School District, which are mostly residential, are concerned that if the state does not provide these districts their fair share of state aid, the schools will be unable to provide the programs that made them high achieving districts and to maintain the condition of the school facilities.

The discussion about the constant increases in local property taxes in the media has polarized many communities, and in the center of this discontent is the cost of education. The state legislatures have embraced this opportunity to shift the problems of inefficiency and accountability from state bureaucracy to the cost of funding public schools.

**Pascack Valley Regional High School District  
Management's Discussion and Analysis  
Unaudited**

**Completion of the District's 42 Million Dollar Referendum Project**

**Referendum Background**

On December 10, 2002 the Pascack Valley Regional Board of Education asked the voters to support their financial plan to address a number of major facilities improvements that were left unattended for more than 30 years. Unfortunately, this plan was rejected by the voters. There were two proposals on the ballot. Proposal 1 was to approve raising \$57,768,886.00 for major renovation and additions to the school facilities. Proposal 2, in the amount of \$9,919,152.00, was to be allocated for the relocation of the Superintendent's offices and improvement of the District's athletic fields.

The second referendum was held one year later. The project was scaled back and only one proposal was on the ballot. On December 9, 2003, the voters of the Pascack Valley Regional School District approved a school bond referendum in the amount of \$42,266,795.00. The local share of the project for which the Board issued bonds was \$30,723,000.00. The term of the issue was for 25 years. The repayment structure has payments that gradually increased in years one through three and then remain level for the rest of the term.

The facilities projects identified in the referendum approved on December 9, 2003 entered the final construction phase during the 2008-09 school year. The full impact of increasing the size and capacity of the new construction was addressed in planning the 2009-10 school budget. The budget included incremental increases in costs attributed to opening new additions to Pascack Hills High School (State Project Number 3960-040-03-1418) and Pascack Valley High School (State Project Number 3960-050-03-1417).

Pascack Hills High School, located in Montvale, gained an additional 25,841 square feet increasing the size of the building to 161,870 square feet. The five new science rooms, weight room, and gymnasium are currently serving an enrollment of 807 students.

Pascack Valley High School, located in Hillsdale, gained an additional 48,804 square feet, increasing the size of the building to 171,594 square feet. The six new science rooms, gymnasium, and auditorium serve an enrollment of 1,244 students.

**Referendum Financial Summary**

**Investment Income**

The two institutions that played a role managing the investment of the bond proceeds were MBIA Municipal Investors Service Corporation and Valley National Bank. Both were selected based on their responses to a request for proposal for this type of service. Investing public funds is highly restricted and MBIA is the leader among public entities. Since April 2004 through June 30, 2008 our investments earned \$1,965,426. The annual yield ranged from a low of 2.02 to a high of 4.87 percent and our average was 3.09 percent.

**State Share and Interim Financing**

The approved referendum of December 9, 2003 provided for the issuance of Temporary Notes equal to the state share of \$11,543,555. As construction progressed, demands for payment were drawn from the Local Share of \$30,723,240. However, during the financial planning for the last quarter of the project, the need to supplement construction funding arose since delays in receiving the District's state share were becoming more prevalent. Our bonding attorney from the firm of Wilentz, Goldman and Spitzer was consulted to begin the issuance process.

As of December 2006, the Board had received \$6,586,173 in state grant funds. The District could then borrow the balance of the grant, which was an amount not to exceed \$4,957,382. On January 22, 2007 the Pascack Valley Board of Education adopted a resolution authorizing the issuance of Temporary Notes in the amount of \$4,957,382. The bidding attracted four lending institutions. Bank of America was selected with a 3.76% per annum interest rate. The gross interest due at maturity was \$185,865.

**Pascack Valley Regional High School District  
Management's Discussion and Analysis  
Unaudited**

**State Share and Interim Financing (Cont'd)**

The note was paid on the maturity date of February 7, 2008. However, the project did not reach the state's milestone to receive an additional payment. Therefore, it became necessary to repeat the borrowing process. Again, Wilentz handled the legal portion. This time it was only necessary to borrow \$2,252,289 and RBC Capital Markets of Cincinnati, Ohio was the low bidder with an interest rate of 2.00% per annum. The interest on the note at the maturity date of February 5, 2009 was \$44,894.

In summary, the District paid a total of \$230,759 in order to maintain a positive construction cash flow.

The completion of the District's 42 million dollar referendum project presents future challenges for financial planning needed to continue the expansion and renovation regarding the local funding of both Pascack Hills and Pascack Valley High School to meet increasing enrollment, curriculum demands and necessary replacements. The current plan is to continue allocations in the Fund 12, General Fund Capital Outlay section of the school budget. This financial plan has allowed the District to identify projects to be included in the General Fund Capital Outlay section of the school budget without the need to include a special question for the voters to approve at the annual school election. Furthermore, by maintaining the line item at the previous level there is neutral effect on the tax base. Below is a listing of projects completed in the 2011-2012 school year and started in the 2010-2011 and 2011-2012 school years. The first eight projects have SDA grant funding which covers 40% of the cost; while the last three projects are locally funded.

**SUMMARY OF PROJECTS**

	<b>Project</b>	<b>Funding</b>	<b>Change Orders</b>	<b>Cost of Project</b>	<b>Notes</b>
1	PV Window Replacement	2010-11 Budget	\$ 3,747	\$ 219,262	Paid Work Completed
2	PV Elevator Replacement	2010-11 Budget	\$ 10,815	\$ 277,000	Paid Work Completed
3	PV Dance & Fitness Renovation	2010-11 Budget	\$ (2,245)	\$ 67,650	Paid Work Completed
4	PV Science Lab Renovation	2010-11 and 2011-12 Budgets	\$ (575)	\$ 607,056	Started in 2010- 2011
5	PV Life Skills Renovation	2010-11 and 2011-12 Budgets	\$ 19,901	\$ 486,291	Started in 2010- 2011
6	PV Math Wing Roof Replacement	2010-11 and 2011-12 Budgets	\$ 44,523	\$ 479,423	Started in 2010- 2011
7	PH Roof Replacement	2011-12 Budget	\$ 0	\$ 335,350	Started in 2011- 2012
8	PH Window Replacement	2011-12 Budget	\$ 0	\$ 275,681	Started in 2011- 2012
9	PH Security and Exterior Door Upgrade	2011-12 Budget	\$ 0	\$ 117,050	Started in 2011- 2012
10	PV Security and Exterior Door Upgrade	2011-12 Budget	\$ 0	\$ 161,950	Started in 2011- 2012
11	PV Classroom Additions and Renovations	2011-12 Budget	\$ 0	\$ 1,671,395	Started in 2011- 2012

**Pascack Valley Regional High School District  
Management's Discussion and Analysis  
Unaudited**

**Contracting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors 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 the Pascack Valley Regional Board of Education Office located at 46 Akers Avenue, Montvale, New Jersey.

**BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

Exhibit A-1

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

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 5,713,742	\$ 229,058	\$ 5,942,800
Interfund Receivables	15,473		15,473
Internal Balances	423,339	(423,339)	
Receivables from Federal Government	289,744		289,744
Receivables from State Government	460,053		460,053
Receivables from Other Governments	5,991	582,791	588,782
Other Receivables	5,914		5,914
Inventory		3,880	3,880
Restricted Assets:			
Capital Reserve Account - Cash	1,500,001		1,500,001
Maintenance Reserve Account - Cash	150,000		150,000
Emergency Reserve Account - Cash	250,000		250,000
Capital Assets, Net:			
Sites (Land) and Construction in Progress	52,401,431		52,401,431
Depreciable Land Improvements, Buildings and Building Improvements and Machinery and Equipment	7,917,811	16,367	7,934,178
Total Assets	<u>69,133,499</u>	<u>408,757</u>	<u>69,542,256</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	947,096	14,789	961,885
Accrued Interest Payable	386,968		386,968
Payable to State Government	23,347		23,347
Deferred Revenue		92,324	92,324
Noncurrent Liabilities:			
Due Within One Year	2,018,332		2,018,332
Due Beyond One Year	27,257,176		27,257,176
Total Liabilities	<u>30,632,919</u>	<u>107,113</u>	<u>30,740,032</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	31,826,247	16,367	31,842,614
Restricted for:			
Capital Projects	1,580,402		1,580,402
Debt Service	1		1
Other Purposes	2,931,162		2,931,162
Unrestricted	2,162,768	285,277	2,448,045
Total Net Assets	<u>\$ 38,500,580</u>	<u>\$ 301,644</u>	<u>\$ 38,802,224</u>

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

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

Functions/Programs	Expenses	Program Revenues			Net (Expenses)/Revenues and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 17,368,051		\$ 1,997,515		\$ (15,370,536)		\$ (15,370,536)
Special Education	3,621,058	\$ 322,372	1,884,311		(1,414,375)		(1,414,375)
Other Instruction	2,331,477		168,026		(2,163,451)		(2,163,451)
Support Services:							
Tuition	1,973,523				(1,973,523)		(1,973,523)
Student & Instruction Related Services	6,538,289		554,850		(5,983,439)		(5,983,439)
General Administrative Services	1,128,278		46,111		(1,082,167)		(1,082,167)
School Administrative Services	1,736,237		158,778		(1,577,459)		(1,577,459)
Central Services	688,662		61,050		(627,612)		(627,612)
Administration Information Technology	740,536		37,612		(702,924)		(702,924)
Plant Operations and Maintenance	4,195,624		224,129	\$ 195,059	(3,776,436)		(3,776,436)
Pupil Transportation	1,643,515		29,157		(1,614,358)		(1,614,358)
Interest on Long-Term Debt	1,036,136				(1,036,136)		(1,036,136)
Unallocated Depreciation	321,435				(321,435)		(321,435)
<b>Total Governmental Activities</b>	<b>43,322,821</b>	<b>322,372</b>	<b>5,161,539</b>	<b>195,059</b>	<b>(37,643,851)</b>		<b>(37,643,851)</b>

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

Functions/Programs	Expenses	Program Revenues			Net (Expenses)/Revenues and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Business-Type Activities:</b>							
Food Service	\$ 945,980	\$ 942,051				\$ (3,929)	\$ (3,929)
Park Academy	650,376	646,201				(4,175)	(4,175)
Region II Transportation	3,833,892	3,831,849				(2,043)	(2,043)
Region II Administration	471,231	473,274				2,043	2,043
Region II Summer School	29,192	29,192					
Transportation	125,094	125,094					
<b>Total Business-Type Activities</b>	<b>6,055,765</b>	<b>6,047,661</b>				<b>(8,104)</b>	<b>(8,104)</b>
<b>Total Primary Government</b>	<b>\$ 49,378,586</b>	<b>\$ 6,370,033</b>	<b>\$ 5,161,539</b>	<b>\$ 195,059</b>	<b>\$ (37,643,851)</b>	<b>(8,104)</b>	<b>(37,651,955)</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property Taxes, Levied for General Purposes, Net					40,699,097		40,699,097
Taxes Levied for Debt Service					2,009,376		2,009,376
Interest and Miscellaneous Income					301,303	799	302,102
Transfers						146,327	146,327
<b>Total General Revenues and Transfers</b>					<b>43,009,776</b>	<b>147,126</b>	<b>43,156,902</b>
<b>Change in Net Assets</b>					<b>5,365,925</b>	<b>139,022</b>	<b>5,504,947</b>
<b>Net Assets - Beginning</b>					<b>33,134,655</b>	<b>162,622</b>	<b>33,297,277</b>
<b>Net Assets - Ending</b>					<b>\$ 38,500,580</b>	<b>\$ 301,644</b>	<b>\$ 38,802,224</b>

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

**FUND FINANCIAL STATEMENTS**

Exhibit B-1

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 5,223,386		\$ 490,355	\$ 1	\$ 5,713,742
Interfund Receivable	662,901		812,868		1,475,769
Receivables from Federal Government	25,443	\$ 264,301			289,744
Receivables from State Government	338,790	353	120,910		460,053
Receivables from Other Governments	5,991				5,991
Other Receivables	4,970	944			5,914
Restricted Cash and Cash Equivalents	1,900,001				1,900,001
<b>Total Assets</b>	<b>\$ 8,161,482</b>	<b>\$ 265,598</b>	<b>\$ 1,424,133</b>	<b>\$ 1</b>	<b>\$ 9,851,214</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Interfund Payable	\$ 812,868	\$ 224,089			\$ 1,036,957
Payable to State Government		23,347			23,347
Accounts Payable	659,943	18,162	\$ 268,991		947,096
<b>Total Liabilities</b>	<b>1,472,811</b>	<b>265,598</b>	<b>268,991</b>		<b>2,007,400</b>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Excess Surplus	1,575,633				1,575,633
Excess Surplus - Designated for Subsequent Year's Expenditures	955,529				955,529
Capital Reserve Account	1,500,001				1,500,001
Maintenance Reserve Account	150,000				150,000
Emergency Reserve Account	250,000				250,000
Capital Projects Fund			80,401		80,401
Debt Service Fund				\$ 1	1
Committed - Capital Projects Fund			1,074,741		1,074,741
<b>Assigned:</b>					
Year-End Encumbrances	145,451				145,451
Designated for Subsequent Year's Expenditures	1,049,081				1,049,081
Unassigned - General Fund	1,062,976				1,062,976
<b>Total Fund Balances</b>	<b>6,688,671</b>		<b>1,155,142</b>	<b>1</b>	<b>7,843,814</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 8,161,482</b>	<b>\$ 265,598</b>	<b>\$ 1,424,133</b>	<b>\$ 1</b>	<b>\$ 9,851,214</b>

Amounts Reported for Governmental Activities in the Statement of Net assets (A-1) are Different Because:

Funds Balances - Governmental Funds (Above)	\$ 7,843,814
Capital Assets Used in Governmental Activities are not Financial Resources and therefore are not reported in the Funds. The cost of the assets is \$69,055,016 and the accumulated depreciation is \$8,735,774.	60,319,242
Interest on Long-Term Debt is not Accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(386,968)
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.	(29,275,508)
<b>Net Assets of Governmental Activities</b>	<b>\$ 38,500,580</b>

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

Exhibit B-2

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 40,699,097			\$ 2,009,376	\$ 42,708,473
Tuition Charges	322,372				322,372
Miscellaneous	299,468		\$ 1,835		301,303
Total - Local Sources	41,320,937		1,835	2,009,376	43,332,148
State Sources	4,109,181	\$ 199,939	195,059		4,504,179
Federal Sources	63,457	788,962			852,419
Total Revenues	45,493,575	988,901	196,894	2,009,376	48,688,746
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	13,898,863	434,331			14,333,194
Special Education Instruction	2,288,578	554,570			2,843,148
Other Instruction	1,860,630				1,860,630
Support Services and Undistributed Costs:					
Tuition	1,973,523				1,973,523
Student & Instruction Related Services	5,006,271				5,006,271
General Administrative Services	833,063				833,063
School Administrative Services	1,285,902				1,285,902
Central Services	517,068				517,068
Administration Information Technology	502,713				502,713
Plant Operations and Maintenance	3,220,196				3,220,196
Pupil Transportation	1,623,185				1,623,185
Unallocated Benefits	8,503,929				8,503,929
Debt Service:					
Principal				965,000	965,000
Interest and Other Charges				1,048,801	1,048,801
Capital Outlay	1,114,179		2,155,140		3,269,319
Total Expenditures	42,628,100	988,901	2,155,140	2,013,801	47,785,942
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	2,865,475		(1,958,246)	(4,425)	902,804
<b>OTHER FINANCING SOURCES/(USES)</b>					
Transfers In	1,835		1,690,210		1,692,045
Transfers Out	(1,690,210)		(1,835)		(1,692,045)
Total Other Financing Sources/(Uses)	(1,688,375)		1,688,375		
Net Change in Fund Balances	1,177,100		(269,871)	(4,425)	902,804
Fund Balance — July 1	5,511,571		1,425,013	4,426	6,941,010
Fund Balance — June 30	\$ 6,688,671	\$ -0-	\$ 1,155,142	\$ 1	\$ 7,843,814

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

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

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 902,804

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	\$ (1,239,951)	
Capital outlays	<u>2,476,522</u>	1,236,571

Repayment of debt service principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 965,000

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+). 12,665

Repayment of capital leases 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. 2,231,936

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 a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). 16,949

Change in Net Assets of Governmental Activities (A-2) \$ 5,365,925

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

Exhibit B-4

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
AS OF JUNE 30, 2012

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Non-Major Programs</u>	<u>Major Program Region II Transportation</u>	<u>Total Enterprise</u>
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 178,508		\$ 178,508
Accounts Receivable:			
Intergovernmental - Other	207,406	\$ 375,385	582,791
Inventories	3,880		3,880
<b>Total Current Assets</b>	<b>389,794</b>	<b>375,385</b>	<b>765,179</b>
Non-Current Assets:			
Capital Assets	194,257		194,257
Less: Accumulated Depreciation	(177,890)		(177,890)
<b>Total Non-Current Assets</b>	<b>16,367</b>		<b>16,367</b>
<b>Total Assets</b>	<b>406,161</b>	<b>375,385</b>	<b>781,546</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Interfund Payable - General Fund	47,954	375,385	423,339
Accounts Payable - Vendors	14,789		14,789
Deferred Revenue	41,774		41,774
<b>Total Current Liabilities</b>	<b>104,517</b>	<b>375,385</b>	<b>479,902</b>
<b>NET ASSETS</b>			
Investment in Capital Assets, Net of Related Debt	16,367		16,367
Unrestricted	285,277		285,277
<b>Total Net Assets</b>	<b>\$ 301,644</b>	<b>\$ -0-</b>	<b>\$ 301,644</b>

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

Exhibit B-5

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

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Non-Major Programs</u>	<u>Major Program Region II Transportation</u>	<u>Totals</u>
Operating Revenue:			
Charges for Services:			
Daily Sales - Non-Reimbursable Programs	\$ 896,680		\$ 896,680
Special Events	15,783		15,783
Free Lunch Subsidized	29,588		29,588
Miscellaneous	2,500		2,500
Charges and Fees	1,271,261	\$ 3,831,849	5,103,110
Total Operating Revenue	<u>2,215,812</u>	<u>3,831,849</u>	<u>6,047,661</u>
Operating Expenses:			
Cost of Sales	438,281		438,281
Salaries	1,074,766	114,535	1,189,301
Employee Benefits	233,943		233,943
Purchased Services	344,718	1,143,855	1,488,573
Contracted Services	69,423	2,575,502	2,644,925
Supplies and Materials	57,085		57,085
Depreciation Expense	2,533		2,533
Miscellaneous	1,124		1,124
Total Operating Expenses	<u>2,221,873</u>	<u>3,833,892</u>	<u>6,055,765</u>
Operating Loss	<u>(6,061)</u>	<u>(2,043)</u>	<u>(8,104)</u>
Non-Operating Revenue:			
Interest Revenue	799		799
Total Non-Operating Revenue	<u>799</u>		<u>799</u>
Net Loss Before Operating Transfers	<u>(5,262)</u>	<u>(2,043)</u>	<u>(7,305)</u>
Transfers	144,284	2,043	146,327
Change in Net Assets	139,022		139,022
Net Assets - Beginning of Year	<u>162,622</u>		<u>162,622</u>
Net Assets - End of Year	<u>\$ 301,644</u>	<u>\$ -0-</u>	<u>\$ 301,644</u>

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

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

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Non-Major Programs</u>	<u>Major Program Region II Transportation</u>	<u>Total Enterprise</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 2,087,010	\$ 3,831,849	\$ 5,918,859
Receipts from District	29,588		29,588
Payments to Employees	(722,934)	(114,535)	(837,469)
Payments for Employee Benefits	(205,101)		(205,101)
Payments for Services	(239,961)	(3,719,357)	(3,959,318)
Payments to Food Service Vendor	(879,549)		(879,549)
Payments to Suppliers	(74,148)		(74,148)
Net Cash Used for Operating Activities	<u>(5,095)</u>	<u>(2,043)</u>	<u>(7,138)</u>
Cash Flows from Investing Activities:			
Interest Revenue	799		799
Net Cash Provided by Investing Activities	<u>799</u>		<u>799</u>
Cash Flows from Noncapital Financing Activities:			
Equity Transfer	(2,043)	2,043	
Net Cash Provided by/(Used for) Noncapital Financing Activities	<u>(2,043)</u>	<u>2,043</u>	
Net Decrease in Cash and Cash Equivalents	(6,339)		(6,339)
Cash and Cash Equivalents, July 1	143,073		143,073
Cash and Cash Equivalents, June 30	<u>\$ 136,734</u>	<u>\$ -0-</u>	<u>\$ 136,734</u>
Reconciliation of Operating Loss to Net Cash			
Used for Operating Activities:			
Operating Loss	\$ (6,061)	\$ (2,043)	\$ (8,104)
Adjustment to Reconcile Operating Loss to Net Cash			
Used for Operating Activities:			
Depreciation	2,533		2,533
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	(48,664)	(107,371)	(156,035)
Decrease in Inventory	1,815		1,815
Increase in Interfund Payable	35,549	107,371	142,920
Increase in Accounts Payable	9,733		9,733
Net Cash Used for Operating Activities	<u>\$ (5,095)</u>	<u>\$ (2,043)</u>	<u>\$ (7,138)</u>

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

Exhibit B-7

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
AS OF JUNE 30, 2012

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Account Trust</u>	<u>Private Purpose Scholarship Trust</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 592,744	\$ 99,664	\$ 12,251	\$ 24,681
Investments	46,430			289,740
Interfund Receivable:				
Payroll Agency Fund		20,519		
<b>Total Assets</b>	<u>639,174</u>	<u>120,183</u>	<u>12,251</u>	<u>314,421</u>
<b>LIABILITIES:</b>				
Interfund Payable:				
General Fund	15,473			
Unemployment Compensation Trust Fund	20,519			
Accounts Payable	10,878	43,563	11,687	
Payroll Deductions and Withholdings	60,241			
Due to Student Groups	295,603			
Professional Development Costs	4,433			
E- Learning Costs	232,027			
<b>Total Liabilities</b>	<u>639,174</u>	<u>43,563</u>	<u>11,687</u>	
<b>NET ASSETS:</b>				
Held in Trust for:				
Unemployment Claims		76,620		
Flexible Spending Claims			564	
Restricted for Scholarships				314,421
<b>Total Net Assets</b>	<u>\$ -0-</u>	<u>\$ 76,620</u>	<u>\$ 564</u>	<u>\$ 314,421</u>

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

Exhibit B-8

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

	Unemployment Compensation Trust	Flexible Spending Account Trust	Private Purpose Scholarship Trust
	<u>Trust</u>	<u>Trust</u>	<u>Trust</u>
<b>ADDITIONS:</b>			
Contributions:			
Plan Member	\$ 24,008	\$ 31,408	
Employer	62,000		
Other			\$ 11,700
Total Contributions	<u>86,008</u>	<u>31,408</u>	<u>11,700</u>
Investment Earnings:			
Interest	235		1,798
Net Investment Earnings	<u>235</u>		<u>1,798</u>
Total Additions	<u>86,243</u>	<u>31,408</u>	<u>13,498</u>
<b>DEDUCTIONS:</b>			
Quarterly Contribution Reports	83,824		
Flexible Spending Claims		30,844	
Scholarships Awarded			17,100
Total Deductions	<u>83,824</u>	<u>30,844</u>	<u>17,100</u>
Change in Net Assets	2,419	564	(3,602)
Net Assets - Beginning of the Year	<u>74,201</u>		<u>318,023</u>
Net Assets - End of the Year	<u>\$ 76,620</u>	<u>\$ 564</u>	<u>\$ 314,421</u>

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

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of Pascack 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 significances) 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 two senior high schools located in the Boroughs of Hillsdale and Montvale and serving the senior high school needs of the Boroughs of Hillsdale, Montvale and Woodcliff Lake and the Township of River Vale. 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.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(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 and report all expendable financial resources not accounted for and reported 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 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 and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, 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 or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (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, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Continued)

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

B. Basis of Presentation: (Cont'd)

The District reports the following proprietary funds:

Enterprise (Food Service, Transportation and Administration of Region II) Fund: The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's cafeteria, transportation and administration of Region II operations. The food service, transportation and administration of Region II funds are 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 recipients 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 Agency Fund, Payroll Agency Fund, Professional Development Costs Agency Fund, E-Learning Agency Fund, Unemployment Compensation Insurance Trust Fund, and Private Purpose Scholarship 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.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

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.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

(Continued)

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

C. Measurement Focus and Basis of Accounting: (Cont'd)

Reports for the District's Enterprise 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.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget was submitted to the County office and was voted upon at the annual school election on the fourth Wednesday 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. 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 of 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 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	\$ 45,527,766	\$ 988,901
Difference - Budget to GAAP:		
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(34,191)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 45,493,575	\$ 988,901

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(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>\$ 42,628,100</u>	<u>\$ 988,901</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 42,628,100</u>	<u>\$ 988,901</u>

Explanation of Differences between Budgetary Fund Balance and GAAP Fund Balance:

	<u>Capital Projects Fund</u>	
	<u>Revenue</u>	<u>Fund Balance</u>
Committed Fund Balance		\$ 2,017,961
Restricted Fund Balance		80,401
Total Revenue/Fund Balance - Budgetary Basis	\$ (42,133)	2,098,362
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant Receivable/Revenue Recognized/(Not Recognized) on the GAAP Basis	<u>237,192</u>	<u>(943,220)</u>
Revenue/Fund Balance per Governmental Funds (GAAP Basis)	<u>\$ 195,059</u>	<u>\$ 1,155,142</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.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Continued)

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

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 sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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.

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 restricted, committed and/or assigned 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, 2012.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Continued)

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

K. Capital Assets:

During the fiscal 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:

	<u>Estimated Useful Life</u>
Buildings	40 years
Site Improvements	20 years
Machinery 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, 2012.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Continued)

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

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. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent fiscal years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

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 beyond one year.

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 \$6,688,671 General Fund fund balance at June 30, 2012 \$145,451 is assigned for encumbrances; \$1,500,001 is restricted in the capital reserve account; \$150,000 is restricted in the maintenance reserve account; \$250,000 is restricted in the emergency reserve account; \$1,049,081 is assigned and included as anticipated revenue for the year ending June 30, 2013; \$2,531,162 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7, as amended (\$955,529 is prior year excess surplus and is included as anticipated revenue for the year ending June 30, 2013 and the remaining \$1,575,633 is current year excess surplus and will be included as anticipated revenue for the year ending June 30, 2014); and \$1,062,976 is unassigned which is \$34,191 less on the GAAP basis than the calculated maximum unassigned fund balance (budgetary basis) due to the June state aid payments which are not recognized until the fiscal year ended June 30, 2013.

Capital Projects Fund: Of the \$1,155,142 Capital Projects Fund fund balance at June 30, 2012 \$80,401 is restricted for capital projects authorized by referendum and \$1,074,741 is committed for capital projects which are financed with SDA grants, capital outlay, or capital reserve funds which is \$943,220 less than the budgetary basis due to SDA Grants receivable which is not recognized on the GAAP basis.

Debt Service Fund: The Debt Service Fund fund balance of \$1 at June 30, 2012, is restricted for debt service.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), the designation for Restricted 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 restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District has excess surplus in the fiscal year ending June 30, 2012 as noted above.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Continued)

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

P. Fund Balance Appropriated: (Cont'd)

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$34,191 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event one or more state school aid payments are not made until the following school budget year, districts must record the June state aid payments 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 June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

Q. Fund Balance Restrictions, Commitments and Assignments:

The District implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, during the prior fiscal year. The objective of this standard is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions (as detailed in Note 1B). This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for excess surplus, capital reserve, maintenance reserve, emergency reserve and debt service.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources in the Capital Projects Fund at June 30, 2012.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2012.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Continued)

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

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 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. Revenue - Exchange and Nonexchange Transactions:

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

Nonexchange transactions, in which the 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 nonexchange transactions must also be available before it can be recognized.

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

T. 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 and charges for services for transportation and administration of Region II and Park Academy. Operating expenses are necessary costs incurred to provide the services that are the primary activity of the Enterprise Funds.

U. 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.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Continued)

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.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, 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 Board 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 formal cash management plan, the Board 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 Board limits its investments to those authorized in its formal cash management plan which are those permitted under state statute as detailed on the following page.

Deposits:

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

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

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit, and

In addition to the above collateral requirement, if 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, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(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.

As of June 30, 2012, cash and cash equivalents and investments of the District consisted of the following:

	Cash and		Reserve Accounts			Total
	Cash Equivalents	Investments	Capital	Maintenance	Emergency	
Checking Accounts	\$ 6,596,909		\$ 1,500,001	\$ 150,000	\$ 250,000	\$ 8,496,910
Savings Accounts	15,628					15,628
Certificates of Deposit	9,053	\$ 336,170				345,223
	<u>\$ 6,621,590</u>	<u>\$ 336,170</u>	<u>\$ 1,500,001</u>	<u>\$ 150,000</u>	<u>\$ 250,000</u>	<u>\$ 8,857,761</u>

During the period ended June 30, 2012, the District did not hold any investments other than certificates of deposit. The carrying amount of the Board's cash and cash equivalents and investments, at June 30, 2012, was \$8,857,761 and the bank balance was \$10,070,115.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Board resolution by inclusion of \$1 in September 2001 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 State 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 by N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning Balance, July 1, 2011	\$ 750,001
Deposit by Board Resolution - June 18, 2012	1,500,000
Withdrawal by Board Resolution - April 9, 2012	<u>(750,000)</u>
Ending Balance, June 30, 2012	<u><u>\$ 1,500,001</u></u>

The June 30, 2012 capital reserve account balance does not exceed the local support costs of uncompleted capital projects in the District's Long Range Facilities Plan ("LRFP"). The withdrawal from the capital reserve account was for use in a facilities project, consistent with the District's LRFP.

NOTE 5. EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by Board resolution on June 20, 2011 by inclusion of \$250,000 for the accumulation of funds for use as unanticipated general fund expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the General Fund annual budget.

The emergency reserve is restricted to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a through and efficient education. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution between June 1<sup>st</sup> and June 30<sup>th</sup> of any unanticipated revenue or unexpended line item appropriation or both. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent.

The activity of the emergency reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning Balance, July 1, 2011	<u>\$ 250,000</u>
Ending Balance, June 30, 2012	<u><u>\$ 250,000</u></u>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Continued)

NOTE 6. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$150,000 was established by Board resolution on June 27, 2012. These funds may be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan.

Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the District's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning Balance, July 1, 2011	\$ -0-
Deposit by Board Resolution - June 18, 2012	<u>150,000</u>
Ending Balance, June 30, 2012	<u><u>\$ 150,000</u></u>

NOTE 7. TRANSFERS TO CAPITAL OUTLAY

During the year ending June 30, 2012, the district transferred \$276,609 to the capital outlay accounts for equipment, which did not require County Superintendent approval and \$412,995 to the capital outlay accounts for facilities acquisition and construction services, which did require County Superintendent approval.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Continued)

NOTE 8. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2012 were as follows:

	<u>Restated Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 6,245,500			\$ 6,245,500
Construction in Progress	44,000,791	\$ 2,155,140		46,155,931
Total Capital Assets Not Being Depreciated	<u>50,246,291</u>	<u>2,155,140</u>		<u>52,401,431</u>
Capital Assets Being Depreciated:				
Land Improvements	3,265,740			3,265,740
Buildings and Building Improvements	6,339,065			6,339,065
Machinery and Equipment	6,729,847	321,382	\$ (2,449)	7,048,780
Total Capital Assets Being Depreciated	<u>16,334,652</u>	<u>321,382</u>	<u>(2,449)</u>	<u>16,653,585</u>
Governmental Activities Capital Assets	<u>66,580,943</u>	<u>2,476,522</u>	<u>(2,449)</u>	<u>69,055,016</u>
Less Accumulated Depreciation for:				
Land Improvements	(1,467,215)	(162,967)		(1,630,182)
Buildings and Building Improvements	(5,010,257)	(151,456)		(5,161,713)
Machinery and Equipment	(1,020,800)	(925,528)	2,449	(1,943,879)
	<u>(7,498,272)</u>	<u>(1,239,951)</u>	<u>2,449</u>	<u>(8,735,774)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 59,082,671</u>	<u>\$ 1,236,571</u>	<u>\$ - 0 -</u>	<u>\$ 60,319,242</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
<b>Business-Type Activities:</b>				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 194,257			\$ 194,257
Less Accumulated Depreciation	(175,357)	\$ (2,533)		(177,890)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 18,900</u>	<u>\$ (2,533)</u>	<u>\$ - 0 -</u>	<u>\$ 16,367</u>

The \$2,155,140 addition to construction in progress is the result of the District's various Capital Projects Fund expenditures.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 766,737
Administrative Information Technology	132,072
Plant Operations and Maintenance	19,707
Unallocated	321,435
	<u>\$ 1,239,951</u>

The District had various active construction projects as of June 30, 2012.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Continued)

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2012, the following changes occurred in liabilities reported in the District-wide financial statements:

	<u>Balance</u> <u>6/30/11</u>	<u>Added</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/12</u>
Serial Bonds Payable	\$ 26,448,000		\$ 965,000	\$ 25,483,000
Capital Leases Payable	5,241,931		2,231,936	3,009,995
Compensated Absences Payable	799,462	\$ 40,619	57,568	782,513
	<u>\$ 32,489,393</u>	<u>\$ 40,619</u>	<u>\$ 3,254,504</u>	<u>\$ 29,275,508</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. Bonds are financed through the debt service fund.

The District had bonds outstanding as of June 30, 2012 as follows:

<u>Final</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Amount</u>
08/15/2028	3.50%-4.25%	<u>\$ 25,483,000</u>

Principal and interest due on serial bonds outstanding are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 1,015,000	\$ 1,014,152	\$ 2,029,152
2014	1,060,000	976,514	2,036,514
2015	1,110,000	935,827	2,045,827
2016	1,160,000	891,814	2,051,814
2017	1,215,000	844,314	2,059,314
Thereafter:			
2018-2022	6,995,000	3,425,969	10,420,969
2023-2027	8,805,000	1,831,808	10,636,808
2028-2029	4,123,000	177,204	4,300,204
	<u>\$ 25,483,000</u>	<u>\$ 10,097,602</u>	<u>\$ 35,580,602</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2012, the Board had no bonds authorized but not issued.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Continued)

NOTE 9. LONG-TERM LIABILITIES (Cont'd)

C. Capital Leases Payable:

The following is a schedule of the future minimum lease payments under the District's four year capital lease, and the present value of the net minimum lease payments at June 30, 2012.

<u>Year Ending</u> <u>June 30,</u>	<u>Amount</u>
2013	\$ 1,003,332
2014	1,003,332
2015	1,003,331
	<u>3,009,995</u>
Less: Amount Representing Interest	<u>-0-</u>
Present Value of Net Minimum Lease Payments	<u>\$ 3,009,995</u>

The current portion of capital lease payable at June 30, 2012 is \$1,003,332 and the long-term portion is \$2,006,663. The capital lease relates to the financing of technological equipment.

Capital leases are financed by the general fund.

D. Compensated Absences

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is \$-0- and is separated from the long-term liability balance of compensated absences of \$782,513.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2012, no liability existed for compensated absences in the proprietary funds. Compensated absences are financed by the related fund, in this case the general fund.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Continued)

NOTE 10. 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. However, if an employee is ineligible to enroll in the TPAF or PERS, the employee may be eligible to enroll in the Defined Contribution Retirement Program (DCRP). 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 noncontribution employers. The PERS is also considered a cost-sharing, multiple-employer plan.

Employees who are members of TPAF or PERS and retire at a specified age according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during the years of creditable service. Vesting occurs after 8 to 10 years of service. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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, NJ, 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. Effective with the first payroll to be paid on or after October 1, 2011 the employee contributions for PERS and TPAF went from 5.5% to 6.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in the TPAF and PERS. The actuarially determined employer contribution includes funding for cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute, the District is a noncontributing employer of the TPAF. Employee contributions for DCRP are based on a percentage of 5.50% of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

District contributions to PERS amounted to \$425,254, \$333,286 and \$269,976 for the fiscal years ended June 30, 2012, 2011 and 2010, respectively.

During the fiscal years ended June 30, 2012, 2011 and 2010, the State of New Jersey contributed \$576,752, \$-0- and \$-0-, respectively, to the TPAF for normal pension benefits on-behalf of the District.

Employee contributions to the DCRP for the fiscal years ended June 30, 2012 and 2011 were \$5,647 and \$1,186, respectively. Employer contributions to the DCRP for the fiscal years ended June 30, 2012 and 2011 were \$3,080 and \$647, respectively. For the fiscal year ended June 30, 2010, no employee or employer contributions to the DCRP were required.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Continued)

NOTE 11. POST-RETIREMENT BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 required the 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. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributed to P.L. 1992, c.126 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 \$144 million toward Chapter 126 benefits for 15,709 eligible retired members for Fiscal Year 2011.

The State's on-behalf Post-Retirement Medical Contributions to TPAF for the District amounted to \$1,159,422, \$1,150,603 and \$1,047,646 for 2012, 2011 and 2010, respectively.

NOTE 12. RISK MANAGEMENT

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

Property and Liability Insurance

The District is a member of the Northeast Bergen School Board Insurance Group and maintains commercial 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 employees through the State of New Jersey Health Benefits Plan.

New Jersey Unemployment Compensation Insurance

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

The following is a summary of District contributions; employee contributions, interest earnings, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two fiscal years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011-2012	\$ 62,000	\$ 235	\$ 24,008	\$ 83,824	\$ 76,620
2010-2011	-0-	808	30,163	94,077	74,201
2009-2010	-0-	1,030	50,214	48,179	137,307

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

The Pascack Valley Regional School District is a member of the Northeast Bergen County School Board Insurance Group, ("NESBIG"). This public entity risk management pool provides general liability, property and automobile coverage for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. NESBIG is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for NESBIG are elected.

As a member of NESBIG, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of NESBIG were to be exhausted, members would become responsible for their respective shares of the liabilities. NESBIG can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

The audit report for the fiscal year ended June 30, 2012 was not available as of the date of this report. Selected, summarized financial information for NESBIG as of June 30, 2011 is as follows:

	Northeast Bergen County School Board Insurance Group
Total Assets	\$ 20,698,901
Net Assets	\$ 12,451,154
Total Revenue	\$ 12,595,301
Total Expenses	\$ 9,871,887
Change in Net Assets for the Year Ended June 30, 2011	\$ 2,723,414
Net Assets Distribution to Participating Members	\$ 1,000,000

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

Burton Agency  
44 Bergen Street  
PO Box 270  
Westwood, NJ 07675  
(201) 664-0310

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Continued)

NOTE 13. COMMITMENTS AND CONTINGENCIES

Litigation

The Board is periodically involved in lawsuits arising in the normal course of business, including claims regarding special education, disputes over contract awards and performance, and employment matters. The Board does not believe that the ultimate outcome of these cases will have a material negative effect on the District's financial position.

Grant Programs

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

Encumbrances

At June 30, 2012, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds.

Governmental Funds		
General	Capital Projects	Total
\$ 145,451	\$ 1,018,063	\$ 1,163,514

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances existed at June 30, 2012:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 662,901	\$ 812,868
Special Revenue		224,089
Capital Projects Fund	812,868	
Proprietary Funds		423,339
Fiduciary Funds - Unemployment Compensation Trust	20,519	
Agency Fund - Payroll		35,992
	\$ 1,496,288	\$ 1,496,288

The general fund interfund receivable consists of monies loaned to the special revenue fund as the federal grant funds had not been received by year end creating a negative cash flow; monies loaned to the proprietary funds (Transportation and Park Academy) to meet short-term cash flow needs as the proprietary funds have outstanding receivables at year end; and monies due from the agency fund (payroll) for an interfund loan and interest earnings.

The capital projects fund interfund receivable consists of funds due from the general fund for the local share of capital projects.

The fiduciary funds -- unemployment compensation trust interfund receivable consists of employee unemployment compensation contributions due from the agency fund -- payroll.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Continued)

NOTE 15. DEFERRED COMPENSATION

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

Oldham Resource Group	AXA-Equitable
MetLife	The Legend Group
Enterprise	Variable Annuity Life Insurance Company

NOTE 16. TAX CALENDAR

Property taxes are levied by the District's constituent municipalities 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 municipalities and are remitted to the District on a predetermined mutually agreed-upon schedule.

NOTE 17. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2012:

	Governmental Activities			Business-Type Activities		
	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds	Proprietary Funds	Fiduciary Funds
Vendors	\$ 636,334		\$ 268,991	\$ 905,325	14,789	\$ 22,565
Salaries	23,609			23,609		
State of New Jersey		\$ 18,162		18,162		43,563
	<u>\$ 659,943</u>	<u>\$ 18,162</u>	<u>\$ 268,991</u>	<u>\$ 947,096</u>	<u>\$ 14,789</u>	<u>\$ 66,128</u>

NOTE 18. 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.

**BUDGETARY COMPARISON SCHEDULES  
(UNAUDITED)**

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 40,699,097		\$ 40,699,097	\$ 40,699,097	
Tuition	248,143		248,143	322,372	\$ 74,229
Miscellaneous	47,000	\$ 117,158	164,158	299,468	135,310
<b>Total - Local Sources</b>	<u>40,994,240</u>	<u>117,158</u>	<u>41,111,398</u>	<u>41,320,937</u>	<u>209,539</u>
State Sources:					
Categorical Special Education Aid	412,996	412,995	825,991	825,991	
Extraordinary Special Education Costs Aid				249,800	249,800
Nonpublic School Transportation Costs				21,914	21,914
TPAF Pension (Non-Budgeted)				576,752	576,752
TPAF Post Retirement Medical Benefits (On-Behalf - Nonbudgeted)				1,159,422	1,159,422
Reimbursed TPAF Social Security Contributions (Nonbudgeted)				1,309,493	1,309,493
<b>Total State Sources</b>	<u>412,996</u>	<u>412,995</u>	<u>825,991</u>	<u>4,143,372</u>	<u>3,317,381</u>
Federal Sources:					
Education Jobs Fund	61,529	1,928	63,457	63,457	
<b>Total Federal Sources</b>	<u>61,529</u>	<u>1,928</u>	<u>63,457</u>	<u>63,457</u>	
<b>TOTAL REVENUES</b>	<u>41,468,765</u>	<u>532,081</u>	<u>42,000,846</u>	<u>45,527,766</u>	<u>3,526,920</u>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 11,959,728	\$ (90,834)	\$ 11,868,894	\$ 11,649,142	\$ 219,752
Regular Programs - Home Instruction:					
Salaries of Teachers	147,000	(48,138)	98,862	66,363	32,499
Purchased Professional - Educational Services		20,000	20,000	16,469	3,531
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	108,447	(29,163)	79,284	79,284	
Other Purchased Services (400-500 series)	2,052,745	(208,471)	1,844,274	1,725,832	118,442
General Supplies	329,358	17,786	347,144	286,179	60,965
Textbooks	92,610	(21,807)	70,803	44,080	26,723
Other Objects	104,700	(53,027)	51,673	31,514	20,159
Total Regular Programs - Instruction	<u>14,794,588</u>	<u>(413,654)</u>	<u>14,380,934</u>	<u>13,898,863</u>	<u>482,071</u>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	121,746	(44,376)	77,370	77,370	
Other Salaries for Instruction		26,139	26,139	26,139	
General Supplies	800		800	800	
Textbooks	500		500	499	1
Total Learning and/or Language Disabilities	<u>123,046</u>	<u>(18,237)</u>	<u>104,809</u>	<u>104,808</u>	<u>1</u>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
<b>Special Education - Instruction: (Cont'd)</b>					
<b>Behavioral Disabilities:</b>					
Salaries of Teachers	\$ 153,176	\$ 35,833	\$ 189,009	\$ 189,009	
Other Salaries for Instruction	60,303	65,189	125,492	125,492	
Other Purchased Services (400-500 series)		2,988	2,988	2,988	
General Supplies	8,850	(1,877)	6,973	3,624	\$ 3,349
Textbooks	1,000	553	1,553	1,553	
<b>Total Behavioral Disabilities</b>	<u>223,329</u>	<u>102,686</u>	<u>326,015</u>	<u>322,666</u>	<u>3,349</u>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	1,631,024	(35,092)	1,595,932	1,594,765	1,167
Other Salaries for Instruction	148,481	84,360	232,841	231,064	1,777
General Supplies	2,800	(234)	2,566	1,428	1,138
Textbooks		1,324	1,324	1,324	
<b>Total Resource Room/Resource Center</b>	<u>1,782,305</u>	<u>50,358</u>	<u>1,832,663</u>	<u>1,828,581</u>	<u>4,082</u>
<b>Home Instruction:</b>					
Salaries of Teachers		22,277	22,277	22,277	
Purchased Professional - Educational Services		10,246	10,246	10,246	
<b>Total Home Instruction</b>		<u>32,523</u>	<u>32,523</u>	<u>32,523</u>	
<b>Total Special Education Instruction</b>	<u>2,128,680</u>	<u>167,330</u>	<u>2,296,010</u>	<u>2,288,578</u>	<u>7,432</u>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Basic Skills/Remedial - Instruction:					
Salaries of Teachers		\$ 31,627	\$ 31,627	\$ 31,627	
Total Basic Skills/Remedial - Instruction		31,627	31,627	31,627	
Bilingual Education - Instruction:					
Salaries of Teachers		16,364	16,364	14,728	\$ 1,636
Total Bilingual Education - Instruction		16,364	16,364	14,728	1,636
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	\$ 411,000	(11,000)	400,000	391,823	8,177
Purchased Services (300-500 series)	10,800	2,343	13,143	8,630	4,513
Supplies and Materials	54,706	(3,209)	51,497	39,982	11,515
Other Objects	10,000	11,866	21,866	21,093	773
Total School-Sponsored Cocurricular Activities - Instruction	486,506		486,506	461,528	24,978
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	952,709	(6,400)	946,309	883,280	63,029
Purchased Services (300-500 series)	327,334	(96,871)	230,463	229,415	1,048
Supplies and Materials	119,371	6,416	125,787	125,378	409
Other Objects	12,800	101,874	114,674	114,674	
Total School-Sponsored Cocurricular Athletics - Instruction	1,412,214	5,019	1,417,233	1,352,747	64,486
Total Instruction	18,821,988	(193,314)	18,628,674	18,048,071	580,603

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	\$ 152,034		\$ 152,034	\$ 131,978	\$ 20,056
Tuition to County Vocational Schools - Regular	592,100	\$ 7,573	599,673	599,673	
Tuition to County Vocational Schools - Special	116,600	(7,573)	109,027	80,800	28,227
Tuition to County Special Services Schools and Regional Day Schools	646,569		646,569	489,453	157,116
Tuition to Private Schools for the Disabled - Within the State	871,669	(95,952)	775,717	522,827	252,890
Tuition to Private Schools for the Disabled and Other LEAs - Special - Outside the State		75,355	75,355	47,948	27,407
Tuition - Other	93,766	20,597	114,363	100,844	13,519
Total Undistributed Expenditures - Instruction	<u>2,472,738</u>		<u>2,472,738</u>	<u>1,973,523</u>	<u>499,215</u>
Attendance and Social Work Services:					
Salaries	112,878		112,878	77,878	35,000
Total Attendance and Social Work Services	<u>112,878</u>		<u>112,878</u>	<u>77,878</u>	<u>35,000</u>
Health Services:					
Salaries	173,221	4,538	177,759	177,759	
Other Purchased Services (400-500 series)	31,000	7,829	38,829	38,702	127
Supplies and Materials	2,835	723	3,558	3,558	
Total Health Services	<u>207,056</u>	<u>13,090</u>	<u>220,146</u>	<u>220,019</u>	<u>127</u>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Speech, OT, PT and Related Services:					
Salaries	\$ 83,652	\$ (15,990)	\$ 67,662	\$ 65,798	\$ 1,864
Purchased Professional - Educational Services	97,920	(139)	97,781	28,125	69,656
Total Speech, OT, PT and Related Services	<u>181,572</u>	<u>(16,129)</u>	<u>165,443</u>	<u>93,923</u>	<u>71,520</u>
Other Support Services - Students - Extraordinary Services:					
Salaries	403,015	(86,195)	316,820	307,374	9,446
Purchased Professional - Educational Services	194,850	(7,340)	187,510	171,844	15,666
Total Other Support Services - Students - Extraordinary Services	<u>597,865</u>	<u>(93,535)</u>	<u>504,330</u>	<u>479,218</u>	<u>25,112</u>
Guidance:					
Salaries of Other Professional Staff	1,116,228	(54,281)	1,061,947	924,360	137,587
Salaries of Secretarial and Clerical Assistants	198,748	11,262	210,010	208,899	1,111
Other Purchased Services (400-500 series)	9,799	73	9,872	3,906	5,966
Supplies and Materials	16,600	930	17,530	17,098	432
Other Objects	14,138	(1,864)	12,274	6,926	5,348
Total Guidance	<u>1,355,513</u>	<u>(43,880)</u>	<u>1,311,633</u>	<u>1,161,189</u>	<u>150,444</u>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Child Study Teams:					
Salaries of Other Professional Staff	\$ 690,145	\$ 69,407	\$ 759,552	\$ 738,902	\$ 20,650
Salaries of Secretarial and Clerical Assistants	141,905	(994)	140,911	127,505	13,406
Purchased Professional - Educational Services	102,000	(9,909)	92,091	84,115	7,976
Supplies and Materials	17,935		17,935	13,674	4,261
Total Child Study Teams	<u>951,985</u>	<u>58,504</u>	<u>1,010,489</u>	<u>964,196</u>	<u>46,293</u>
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	1,364,655	(55,000)	1,309,655	1,269,276	40,379
Salaries of Secretarial and Clerical Assistants	40,242		40,242	23,866	16,376
Other Purchased Services (400-500 series)	4,000	26,982	30,982	30,982	
Other Objects	44,000	(29,142)	14,858	14,211	647
Total Improvement of Instructional Services	<u>1,452,897</u>	<u>(57,160)</u>	<u>1,395,737</u>	<u>1,338,335</u>	<u>57,402</u>
Educational Media Services/School Library:					
Salaries	249,158	951	250,109	250,109	
Purchased Professional and Technical Services	4,208		4,208	4,015	193
Other Purchased Services (400-500 series)	4,000	303	4,303	836	3,467
Supplies and Materials	69,304	(800)	68,504	62,696	5,808
Total Educational Media Services/School Library	<u>326,670</u>	<u>454</u>	<u>327,124</u>	<u>317,656</u>	<u>9,468</u>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	\$ 162,550	\$ (12,400)	\$ 150,150	\$ 138,958	\$ 11,192
Salaries of Secretarial and Clerical Assistants	53,064		53,064	53,006	58
Purchased Professional - Educational Services	96,600		96,600	71,457	25,143
Other Purchased Services (400-500 series)		58,381	58,381	26,284	32,097
Supplies and Materials	10,000	4,594	14,594	14,219	375
Other Objects	183,750	(62,011)	121,739	49,933	71,806
<b>Total Instructional Staff Training Services</b>	<b>505,964</b>	<b>(11,436)</b>	<b>494,528</b>	<b>353,857</b>	<b>140,671</b>
Support Services - General Administration:					
Salaries	386,126	145	386,271	386,255	16
Legal Services	75,000		75,000	64,373	10,627
Audit Fees	56,000		56,000	52,800	3,200
Architectural/Engineering Services	45,000		45,000	26,660	18,340
Other Purchased Professional Services	8,500		8,500		8,500
Communications/Telephone	120,000	12,900	132,900	87,617	45,283
BOE Other Purchased Services	35,000	(11,000)	24,000	4,682	19,318
Miscellaneous Purchased Services (400-500 series)	76,000	42,263	118,263	63,096	55,167
General Supplies	16,200	(8,631)	7,569	4,979	2,590
Miscellaneous Expenditures	199,000	(13,956)	185,044	122,038	63,006
BOE Membership Dues and Fees	23,000	199	23,199	20,563	2,636
<b>Total Support Services - General Administration</b>	<b>1,039,826</b>	<b>21,920</b>	<b>1,061,746</b>	<b>833,063</b>	<b>228,683</b>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
<b>Undistributed Expenditures:</b>					
<b>Support Services - School Administration:</b>					
Salaries of Principals/Assistant Principals	\$ 878,679	\$ 1,500	\$ 880,179	\$ 880,179	
Salaries of Secretarial and Clerical Assistants	362,445	16,867	379,312	368,556	\$ 10,756
Other Purchased Services (400-500 series)	30,100	7,392	37,492	27,470	10,022
Supplies and Materials	15,065	(439)	14,626	6,711	7,915
Other Objects	4,840	(1,790)	3,050	2,986	64
<b>Total Support Services - School Administration</b>	<u>1,291,129</u>	<u>23,530</u>	<u>1,314,659</u>	<u>1,285,902</u>	<u>28,757</u>
<b>Central Services:</b>					
Salaries	469,495	10,878	480,373	480,135	238
Purchased Professional Services	60,000	(43,079)	16,921		16,921
Purchased Technical Services	25,000	(4,892)	20,108	11,410	8,698
Miscellaneous Purchased Services (400-500 series)	37,000	(37,000)			
Supplies and Materials	12,500	172	12,672	11,194	1,478
Interest on Lease Purchase Agreements	25,000	(336)	24,664	10,473	14,191
Miscellaneous Expenditures	15,500	(11,644)	3,856	3,856	
<b>Total Central Services</b>	<u>644,495</u>	<u>(85,901)</u>	<u>558,594</u>	<u>517,068</u>	<u>41,526</u>
<b>Administration Information Technology:</b>					
Salaries	211,611	85,554	297,165	295,803	1,362
Other Purchased Services (400-500 series)	40,000	160,000	200,000	200,000	
Supplies and Materials	70,000	(63,090)	6,910	6,910	
<b>Total Administration Information Technology</b>	<u>321,611</u>	<u>182,464</u>	<u>504,075</u>	<u>502,713</u>	<u>1,362</u>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Required Maintenance for School Facilities:					
Salaries	\$ 349,976	\$ 3,219	\$ 353,195	\$ 345,773	\$ 7,422
Cleaning, Repair and Maintenance Services	367,500	(23,458)	344,042	216,886	127,156
General Supplies	86,150	(310)	85,840	83,468	2,372
Total Required Maintenance for School Facilities	<u>803,626</u>	<u>(20,549)</u>	<u>783,077</u>	<u>646,127</u>	<u>136,950</u>
Custodial Services:					
Salaries	1,428,598	(890)	1,427,708	1,364,659	63,049
Purchased Professional and Technical Services	35,000		35,000	16,731	18,269
Cleaning, Repair and Maintenance Services	56,500	(5,450)	51,050	50,615	435
Other Purchased Property Services	29,750	9,860	39,610	36,778	2,832
Insurance	232,300	(66,282)	166,018	350	165,668
Miscellaneous Purchased Services	173,300	(15,946)	157,354	145,635	11,719
General Supplies	86,970	(2,093)	84,877	78,077	6,800
Energy (Electricity)	721,500		721,500	601,767	119,733
Energy (Natural Gas)	284,000	(18,293)	265,707	111,331	154,376
Energy (Oil)	3,000	(3,000)			
Other Objects		4,414	4,414	4,049	365
Total Custodial Services	<u>3,050,918</u>	<u>(97,680)</u>	<u>2,953,238</u>	<u>2,409,992</u>	<u>543,246</u>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Care & Upkeep of Grounds:					
Salaries	\$ 52,430	\$ 34,822	\$ 87,252	\$ 52,256	\$ 34,996
Cleaning, Repair and Maintenance Services	79,950	(745)	79,205	75,563	3,642
General Supplies	20,200	85	20,285	15,710	4,575
Total Care & Upkeep of Grounds	<u>152,580</u>	<u>34,162</u>	<u>186,742</u>	<u>143,529</u>	<u>43,213</u>
Security:					
Purchased Professional and Technical Services		1,396	1,396	1,396	
Cleaning, Repair and Maintenance Services	10,700	8,452	19,152	19,152	
Total Security	<u>10,700</u>	<u>9,848</u>	<u>20,548</u>	<u>20,548</u>	
Student Transportation Services:					
Salaries for Pupil Transportation:					
Between Home and School - Regular	56,776	1,373	58,149	56,966	1,183
Cleaning, Repair and Maintenance Services		67	67		67
Contracted Services:					
Between Home and School - Vendors	580,000	(9,997)	570,003	530,752	39,251
Other Than Between Home and School - Vendors	350,428	9,554	359,982	330,644	29,338
Special Education Students - Joint Agreements	740,000	(147)	739,853	641,347	98,506
Aid in Lieu - Nonpublic Students	68,500		68,500	59,476	9,024
General Supplies	4,850	(4,850)			
Transportation Supplies		4,000	4,000	4,000	
Total Student Transportation Services	<u>1,800,554</u>	<u>4,000</u>	<u>1,800,554</u>	<u>1,623,185</u>	<u>177,369</u>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
<b>Undistributed Expenditures:</b>					
<b>Unallocated Benefits:</b>					
Social Security Contributions	\$ 499,500	\$ 12,357	\$ 511,857	\$ 511,857	
Other Retirement Contributions - PERS	507,000	10,403	517,403	450,868	\$ 66,535
Other Retirement Contributions - Regular	450	3,592	4,042	4,042	
Unemployment Compensation	62,000		62,000	62,000	
Workmen's Compensation	236,100	68,669	304,769	222,664	82,105
Health Benefits	4,227,000	22,038	4,249,038	4,036,567	212,471
Tuition Reimbursement	50,000	18,223	68,223	50,531	17,692
Other Employee Benefits	138,000	(17,193)	120,807	119,733	1,074
<b>Total Unallocated Benefits</b>	<u>5,720,050</u>	<u>118,089</u>	<u>5,838,139</u>	<u>5,458,262</u>	<u>379,877</u>
<b>On-Behalf Contributions:</b>					
TPAF Pension (Non-Budgeted)				576,752	(576,752)
TPAF Post Retirement Medical Benefits (On-Behalf - Nonbudgeted)				1,159,422	(1,159,422)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)				1,309,493	(1,309,493)
<b>Total On-Behalf Contributions</b>				<u>3,045,667</u>	<u>(3,045,667)</u>
<b>Total Personal Services - Employee Benefits</b>	<u>5,720,050</u>	<u>118,089</u>	<u>5,838,139</u>	<u>8,503,929</u>	<u>(2,665,790)</u>
<b>Total Undistributed Expenses</b>	<u>23,000,627</u>	<u>35,791</u>	<u>23,036,418</u>	<u>23,465,850</u>	<u>(429,432)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>41,822,615</u>	<u>(157,523)</u>	<u>41,665,092</u>	<u>41,513,921</u>	<u>151,171</u>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CAPITAL OUTLAY					
Equipment:					
Regular Programs - Instruction:					
Grades 9-12	\$ 33,100	\$ 110,238	\$ 143,338	\$ 142,895	\$ 443
School-Sponsored and Other Instructional Programs		9,400	9,400	9,400	
Undistributed Expenditures:					
Instruction		134,932	134,932	134,932	
Administrative Information Technology		7,689	7,689	7,689	
Custodial Services	14,750	14,350	29,100	25,785	3,315
Total Equipment	<u>47,850</u>	<u>276,609</u>	<u>324,459</u>	<u>320,701</u>	<u>3,758</u>
Facilities Acquisition and Construction Services:					
Legal Services	20,000	(9,000)	11,000	2,261	8,739
Architectural/Engineering Services	185,000	15,000	200,000	147,332	52,668
Construction Services	1,450,855	(543,215)	907,640	265,377	642,263
Lease Purchase Agreements - Principal	326,000		326,000	305,348	20,652
Other Objects	73,160	10,000	83,160	73,160	10,000
Total Facilities Acquisition and Construction Services	<u>2,055,015</u>	<u>(527,215)</u>	<u>1,527,800</u>	<u>793,478</u>	<u>734,322</u>
TOTAL CAPITAL OUTLAY	<u>2,102,865</u>	<u>(250,606)</u>	<u>1,852,259</u>	<u>1,114,179</u>	<u>738,080</u>
TOTAL EXPENDITURES	<u>43,925,480</u>	<u>(408,129)</u>	<u>43,517,351</u>	<u>42,628,100</u>	<u>889,251</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(2,456,715)	940,210	(1,516,505)	2,899,666	4,416,171

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources/(Uses):					
Operating Transfers In/(Out):					
Capital Projects Fund - Interest Earned				\$ 1,835	\$ 1,835
Transfer to Capital Projects Fund from Capital Reserve		\$ (750,000)	\$ (750,000)	(750,000)	
Transfer to Capital Projects Fund from Capital Outlay		(940,210)	(940,210)	(940,210)	
Total Other Financing Sources/(Uses)		(1,690,210)	(1,690,210)	(1,688,375)	1,835
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing (Uses)	\$ (2,456,715)	(750,000)	(3,206,715)	1,211,291	4,418,006
Fund Balance, July 1	5,511,571		5,511,571	5,511,571	
Fund Balance, June 30	\$ 3,054,856	\$ (750,000)	\$ 2,304,856	\$ 6,722,862	\$ 4,418,006
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus				\$ 1,575,633	
Reserve for Excess Surplus - Designated for Subsequent Year's Expenditures				955,529	
Capital Reserve				1,500,001	
Maintenance Reserve				150,000	
Emergency Reserve				250,000	
Assigned Fund Balance:					
Year-End Encumbrances				145,451	
Designated for Subsequent Year's Expenditures				1,049,081	
Unassigned Fund Balance				1,097,167	
Fund Balance per Governmental Funds (Budgetary)				6,722,862	
Reconciliation to Governmental Funds Statement (GAAP):					
June State Aid Payments not Recognized on GAAP Basis				(34,191)	
Fund Balance per Governmental Funds (GAAP)				\$ 6,688,671	

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
State Sources	\$ 166,878	\$ 33,061	\$ 199,939	\$ 199,939	
Federal Sources	735,060	53,902	788,962	788,962	
<b>Total Revenues</b>	<b>901,938</b>	<b>86,963</b>	<b>988,901</b>	<b>988,901</b>	
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries	132,200	(11,603)	120,597	120,597	
Purchased Professional/Technical Services	82,500	55,000	137,500	137,500	
Tuition	360,000	44,838	404,838	404,838	
Travel	6,000	1,904	7,904	7,904	
General Supplies	9,500	19,342	28,842	28,842	
Textbooks	18,814	103	18,917	18,917	
Other Objects		1,359	1,359	1,359	
<b>Total Instruction</b>	<b>609,014</b>	<b>110,943</b>	<b>719,957</b>	<b>719,957</b>	
<b>Support Services:</b>					
Personal Services - Employee Benefits	83,280	(65,404)	17,876	17,876	
Purchased Professional/Educational Services	186,483	28,170	214,653	214,653	
Other Purchased Professional and Technical Services	23,161	13,254	36,415	36,415	
<b>Total Support Services</b>	<b>292,924</b>	<b>(23,980)</b>	<b>268,944</b>	<b>268,944</b>	
<b>Total Expenditures</b>	<b>901,938</b>	<b>86,963</b>	<b>988,901</b>	<b>988,901</b>	
<b>Excess of Revenues Over Expenditures</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTES TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)

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	\$ 45,527,766	\$ 988,901
Difference - Budget to GAAP:		
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(34,191)</u>	
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	 <u>\$ 45,493,575</u>	 <u>\$ 988,901</u>
 Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	<u>\$ 42,628,100</u>	<u>\$ 988,901</u>
 Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 <u>\$ 42,628,100</u>	 <u>\$ 988,901</u>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTES TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)

Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget was submitted to the County office and was voted upon at the annual school election on the fourth Wednesday in April. Budgets are prepared using the modified accrual basis of accounting. The 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. 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 of 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 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.

**SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)**

**SPECIAL REVENUE FUND**

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

	<u>No Child Left Behind</u>		Chinese Foreign Language Assistance Program (FLAP)	IDEA, Part B Basic
	<u>Title I</u>	<u>Title II, Part A</u>		
REVENUE:				
Federal Sources	\$ 36,463	\$ 25,530	\$ 261,480	\$ 465,489
State Sources				
Total Revenue	<u>36,463</u>	<u>25,530</u>	<u>261,480</u>	<u>465,489</u>
EXPENDITURES:				
Instruction:				
Salaries	30,386	10,000	80,211	
Purchased Professional/Technical Services			137,500	
Tuition				404,838
Travel			7,904	
General Supplies		6,135	22,707	
Textbooks				
Other Objects			1,359	
Total Instruction	<u>30,386</u>	<u>16,135</u>	<u>249,681</u>	<u>404,838</u>
Support Services:				
Personal Services - Employee Benefits	6,077		11,799	
Purchased Professional/Educational Services				60,651
Other Purchased Professional and Technical Services		9,395		
Total Support Services	<u>6,077</u>	<u>9,395</u>	<u>11,799</u>	<u>60,651</u>
Facilities Acquisition and Construction Services:				
Non-Instructional Equipment				
Total Facilities Acquisition and Construction Services				
Total Expenditures	<u>\$ 36,463</u>	<u>\$ 25,530</u>	<u>\$ 261,480</u>	<u>\$ 465,489</u>

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

	<u>Nonpublic</u>		<u>Nonpublic Auxiliary Services (Chapter 192) Compensatory Education</u>
	<u>Textbook</u>	<u>Nursing</u>	
REVENUE:			
Federal Sources			
State Sources	\$ 19,861	\$ 27,020	\$ 64,921
Total Revenue	<u>19,861</u>	<u>27,020</u>	<u>64,921</u>
EXPENDITURES:			
Instruction:			
Salaries			
Purchased Professional/Technical Services			
Tuition			
Travel			
General Supplies			
Textbooks	19,861		
Other Objects			
Total Instruction	<u>19,861</u>		
Support Services:			
Personal Services - Employee Benefits			
Purchased Professional/Educational Services			64,921
Other Purchased Professional and Technical Services		27,020	
Total Support Services		<u>27,020</u>	<u>64,921</u>
Facilities Acquisition and Construction Services:			
Non-Instructional Equipment			
Total Facilities Acquisition and Construction Services			
Total Expenditures	<u>\$ 19,861</u>	<u>\$ 27,020</u>	<u>\$ 64,921</u>

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

	Nonpublic Handicapped Services (Chapter 193)		Totals June 30, 2012
	Supplementary Instruction	Examination and Classification	
REVENUE:			
Federal Sources			\$ 788,962
State Sources	\$ 46,218	\$ 42,863	200,883
Total Revenue	<u>46,218</u>	<u>42,863</u>	<u>989,845</u>
EXPENDITURES:			
Instruction:			
Salaries			120,597
Purchased Professional/Technical Services			137,500
Tuition			404,838
Travel			7,904
General Supplies			28,842
Textbooks			19,861
Other Objects			1,359
Total Instruction			<u>720,901</u>
Support Services:			
Personal Services - Employee Benefits			17,876
Purchased Professional/Educational Services	46,218	42,863	214,653
Other Purchased Professional and Technical Services			36,415
Total Support Services	<u>46,218</u>	<u>42,863</u>	<u>268,944</u>
Total Expenditures	<u>\$ 46,218</u>	<u>\$ 42,863</u>	<u>\$ 989,845</u>

**CAPITAL PROJECTS FUND**

Exhibit F-1

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS  
CAPITAL PROJECTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Revenue and Other Financing Sources:	
State Sources - SDA Grant	\$ (42,133)
Transfer from Capital Reserve	750,000
Transfer from Capital Outlay	940,210
Interest Revenue	1,835
	<hr/>
Total Revenue and Other Financing Sources	1,649,912
	<hr/>
Expenditures and Other Financing Uses:	
Legal Services	1,798
Purchased Professional and Technical Services	154,965
Construction Services	1,998,377
Operating Transfers Out:	
General Fund - Interest Earned	1,835
	<hr/>
Total Expenditures and Other Financing Uses	2,156,975
	<hr/>
Excess/(Deficiency) of Revenue and Other Financing Sources	
Over/(Under) Expenditures and Other Financing Uses	(507,063)
	<hr/>
Fund Balance - Beginning	2,605,425
	<hr/>
Fund Balance - Ending	\$ 2,098,362
	<hr/> <hr/>
Recapitulation:	
Committed Fund Balance	\$ 2,017,961
Restricted Fund Balance	80,401
	<hr/>
	2,098,362
	<hr/>
Reconciliation to Governmental Funds Statement (GAAP):	
SDA Grant Revenue Not Recognized on the GAAP Basis	(943,220)
	<hr/>
Fund Balance per Governmental Funds (GAAP)	\$ 1,155,142
	<hr/> <hr/>
Reconciliation of Revenue from Budgetary Basis to GAAP Basis:	
SDA Grant Revenue (Budgetary Basis)	\$ (42,133)
SDA Grants are recognized as revenue on the Budgetary Basis when awarded but are not recognized on the GAAP Basis until expended.	237,192
	<hr/>
SDA Grant Revenue (GAAP Basis)	\$ 195,059
	<hr/> <hr/>

Exhibit F-1a

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
CONSTRUCT AND EQUIP ADDITIONS AND RENOVATIONS TO BOTH HIGH SCHOOLS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 11,543,555		\$ 11,543,555	\$ 11,543,555
Bond Proceeds and Transfers	30,723,000		30,723,000	30,723,000
Transfer from Capital Outlay	240		240	240
<b>Total Revenue and Other Financing Sources</b>	<b>42,266,795</b>	<b>\$ -0-</b>	<b>42,266,795</b>	<b>42,266,795</b>
Expenditures:				
Legal Services	94,745		94,745	94,745
Purchased Professional and Technical Services	3,947,503		3,947,503	3,947,503
Land and Improvements	207,919		207,919	207,919
Construction Services	37,293,405		37,293,405	37,464,663
Equipment Purchases	203,996		203,996	113,139
Other Objects	438,826		438,826	438,826
<b>Total Expenditures</b>	<b>42,186,394</b>		<b>42,186,394</b>	<b>42,266,795</b>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 80,401	\$ -0-	\$ 80,401	\$ -0-

## Additional Project Information:

Project Number(s)	SP-3960-050-03-1417 & 1418
Grant Date	03/19/04
Bond Authorization Date	12/09/03
Bonds Authorized	\$ 30,723,000
Bonds Issued	\$ 30,723,000
Original Authorized Cost	\$ 40,746,409
Change Orders	\$ 1,520,386
Revised Authorized Cost	\$ 42,266,795
Change Order Percentage	3.73%
Percentage Completion	100.00%
Original Target Completion Date	08/01/06
Revised Target Completion Date	03/31/11

Exhibit F-1b

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
WINDOW REPLACEMENT AT PASCACK VALLEY HIGH SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 87,705		\$ 87,705	\$ 87,705
Transfer from Capital Outlay	131,557		131,557	131,557
<b>Total Revenue and Other Financing Sources</b>	<b>219,262</b>	<b>\$ -0-</b>	<b>219,262</b>	<b>219,262</b>
Expenditures:				
Legal Services				5,000
Purchased Professional and Technical Services	2,558	16,179	18,737	28,000
Construction Services	63,840	105,407	169,247	186,262
<b>Total Expenditures</b>	<b>66,398</b>	<b>121,586</b>	<b>187,984</b>	<b>219,262</b>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 152,864</u>	<u>\$ (121,586)</u>	<u>\$ 31,278</u>	<u>\$ -0-</u>

## Additional Project Information:

Project Number(s)	SP-3960-050-09-1004
Grant Date	05/27/10
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 219,262
Change Orders	
Revised Authorized Cost	\$ 219,262
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	12/3/10
Revised Target Completion Date	11/30/11

Exhibit F-1c

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
RENOVATION OF EXISTING PRE-K CLASSROOM AT PASCACK VALLEY HIGH SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 99,332	\$ (25,183)	\$ 74,149	\$ 99,332
Transfer from Capital Outlay	101,997	9,226	111,223	101,997
Total Revenue and Other Financing Sources	201,329	(15,957)	185,372	201,329
Expenditures:				
Purchased Professional and Technical Services	8,620	11,103	19,723	13,500
Construction Services	175,492	(9,843)	165,649	187,829
Total Expenditures	184,112	1,260	185,372	201,329
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 17,217	\$ (17,217)	\$ -0-	\$ -0-

## Additional Project Information:

Project Number(s)	SP-3960-050-09-1001
Grant Date	07/31/09
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 248,329
Change Orders	\$ (47,000)
Revised Authorized Cost	\$ 201,329
Change Order Percentage	-18.93%
Percentage Completion	100.00%
Original Target Completion Date	12/01/11
Revised Target Completion Date	05/30/11

Exhibit F-1d

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
RENOVATION TO PASCACK HILLS HIGH SCHOOL AUDITORIUM  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
<b>Revenue and Other Financing Sources:</b>				
State Sources - SDA Grant	\$ 614,336		\$ 614,336	\$ 614,336
Transfer from Capital Outlay	874,264	\$ (4,340)	869,924	874,264
<b>Total Revenue and Other Financing Sources</b>	<b>1,488,600</b>	<b>(4,340)</b>	<b>1,484,260</b>	<b>1,488,600</b>
<b>Expenditures:</b>				
Purchased Professional and Technical Services	68,457		68,457	69,800
Construction Services	1,415,803		1,415,803	1,418,800
<b>Total Expenditures</b>	<b>1,484,260</b>	<b>-0-</b>	<b>1,484,260</b>	<b>1,488,600</b>
<b>Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures</b>	<b>\$ 4,340</b>	<b>\$ (4,340)</b>	<b>\$ -0-</b>	<b>\$ -0-</b>
<b>Additional Project Information:</b>				
Project Number(s)	SP 3960-040-09-1003			
Grant Date	07/31/09			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 1,812,107			
Change Orders	\$ (323,507)			
Revised Authorized Cost	\$ 1,488,600			
Change Order Percentage	-17.85%			
Percentage Completion	100.00%			
Original Target Completion Date	12/01/11			
Revised Target Completion Date	03/31/11			

Exhibit F-1e

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
RENOVATION TO DANCE AND FITNESS ROOMS AT PASCACK VALLEY HIGH SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 27,060	\$ (13,570)	\$ 13,490	\$ 27,060
Transfer from Capital Outlay	40,590	(20,355)	20,235	40,590
<b>Total Revenue and Other Financing Sources</b>	<u>67,650</u>	<u>(33,925)</u>	<u>33,725</u>	<u>67,650</u>
Expenditures:				
Legal Services	825		825	1,000
Purchased Professional and Technical Services	3,635	675	4,310	10,375
Construction Services		28,590	28,590	55,000
Other Objects				1,275
<b>Total Expenditures</b>	<u>4,460</u>	<u>29,265</u>	<u>33,725</u>	<u>67,650</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 63,190</u>	<u>\$ (63,190)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

## Additional Project Information:

DOE Project Number(s)	3960-050-10-1010
SDA Project Number(s)	3960-050-10-G0NL
Grant Date	04/26/11
Original Authorized Cost	\$ 67,650
Change Orders	
Revised Authorized Cost	\$ 67,650
Change Order Percentage	0.00%
Percentage Completion	100.00%
Original Target Completion Date	11/04/11
Revised Target Completion Date	11/04/11

Exhibit F-1f

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
WINDOW REPLACEMENT AT PASCACK HILLS HIGH SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 110,272		\$ 110,272	\$ 110,272
Transfer from Capital Outlay	165,409	\$ 5,724	171,133	171,133
<b>Total Revenue and Other Financing Sources</b>	<b>275,681</b>	<b>5,724</b>	<b>281,405</b>	<b>281,405</b>
Expenditures:				
Legal Services		990	990	990
Purchased Professional and Technical Services		17,255	17,255	21,415
Construction Services		214,700	214,700	259,000
<b>Total Expenditures</b>		<b>232,945</b>	<b>232,945</b>	<b>281,405</b>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 275,681</u>	<u>\$ (227,221)</u>	<u>\$ 48,460</u>	<u>\$ -0-</u>

## Additional Project Information:

Project Number(s)	SP 3960-040-10-1009
Grant Date	04/26/11
Original Authorized Cost	\$ 275,681
Change Orders	\$ 5,724
Revised Authorized Cost	\$ 281,405
Change Order Percentage	2.08%
Percentage Completion	82.78%
Original Target Completion Date	07/31/12
Revised Target Completion Date	07/31/12

Exhibit F-1g

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
GYM ROOF REPLACEMENT AT PASCACK HILLS HIGH SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	134,140		\$ 134,140	\$ 134,140
Transfer from Capital Outlay	201,210		201,210	201,210
<b>Total Revenue and Other Financing Sources</b>	<b>335,350</b>	<b>\$ -0-</b>	<b>335,350</b>	<b>335,350</b>
Expenditures:				
Legal Services		808	808	5,000
Purchased Professional and Technical Services		17,525	17,525	30,850
Construction Services		161,115	161,115	270,000
Other Objects				29,500
<b>Total Expenditures</b>		<b>179,448</b>	<b>179,448</b>	<b>335,350</b>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 335,350</u>	<u>\$ (179,448)</u>	<u>\$ 155,902</u>	<u>\$ -0-</u>

## Additional Project Information:

DOE Project Number(s)	3960-040-10-1003
SDA Project Number(s)	3960-040-10-G0NF
Grant Date	04/26/11
Original Authorized Cost	\$ 335,350
Change Orders	
Revised Authorized Cost	\$ 335,350
Change Order Percentage	0.00%
Percentage Completion	53.51%
Original Target Completion Date	07/31/11
Revised Target Completion Date	07/31/11

Exhibit F-1h

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
CONSTRUCTION OF SCIENCE LAB AT PASCACK VALLEY HIGH SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 242,822		\$ 242,822	\$ 242,822
Transfer from Capital Outlay	364,234	\$ (35,266)	328,968	364,234
<b>Total Revenue and Other Financing Sources</b>	<b>607,056</b>	<b>(35,266)</b>	<b>571,790</b>	<b>607,056</b>
Expenditures:				
Legal Services	566		566	4,500
Purchased Professional and Technical Services	25,213	48,555	73,768	64,100
Construction Services		356,425	356,425	493,625
Other Objects				44,831
<b>Total Expenditures</b>	<b>25,779</b>	<b>404,980</b>	<b>430,759</b>	<b>607,056</b>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 581,277</u>	<u>\$ (440,246)</u>	<u>\$ 141,031</u>	<u>\$ -0-</u>

## Additional Project Information:

DOE Project Number(s)	3960-050-10-1006
SDA Project Number(s)	3960-050-10-G0NJ
Grant Date	04/26/11
Original Authorized Cost	\$ 607,056
Change Orders	
Revised Authorized Cost	\$ 607,056
Change Order Percentage	0.00%
Percentage Completion	100.00%
Original Target Completion Date	11/30/11
Revised Target Completion Date	11/30/11

Exhibit F-1i

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
ROOF REPLACEMENT AT PASCACK VALLEY HIGH SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 175,400		\$ 175,400	\$ 175,400
Transfer from Capital Outlay	209,890	\$ 94,133	304,023	304,023
<b>Total Revenue and Other Financing Sources</b>	<b>385,290</b>	<b>94,133</b>	<b>479,423</b>	<b>479,423</b>
Expenditures:				
Legal Services	368		368	368
Purchased Professional and Technical Services	11,723	13,727	25,450	25,450
Construction Services		453,605	453,605	453,605
<b>Total Expenditures</b>	<b>12,091</b>	<b>467,332</b>	<b>479,423</b>	<b>479,423</b>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 373,199</u>	<u>\$ (373,199)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

## Additional Project Information:

DOE Project Number(s)	3960-050-10-1004
SDA Project Number(s)	3960-050-10-G0NH
Grant Date	04/26/11
Original Authorized Cost	\$ 385,290
Change Orders	\$ 94,133
Revised Authorized Cost	\$ 479,423
Change Order Percentage	24.43%
Percentage Completion	100.00%
Original Target Completion Date	11/30/11
Revised Target Completion Date	11/30/11

Exhibit F-1j

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
RENOVATION OF LIFE SKILLS CLASSROOM AND UPGRADE OF LIFE SKILLS HVAC SYSTEM  
AT PASCACK VALLEY HIGH SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 192,881		\$ 192,881	\$ 192,881
Transfer from Capital Outlay	289,322	\$ 4,088	293,410	293,410
<b>Total Revenue and Other Financing Sources</b>	<b>482,203</b>	<b>4,088</b>	<b>486,291</b>	<b>486,291</b>
Expenditures:				
Legal Services	370		370	370
Purchased Professional and Technical Services	17,550	17,558	35,108	35,108
Construction Services		450,813	450,813	450,813
<b>Total Expenditures</b>	<b>17,920</b>	<b>468,371</b>	<b>486,291</b>	<b>486,291</b>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 464,283	\$ (464,283)	\$ -0-	\$ -0-

## Additional Project Information:

DOE Project Number(s)	3960-050-10-1008
SDA Project Number(s)	3960-050-10-G0NK
Grant Date	04/26/11
Original Authorized Cost	\$ 482,203
Change Orders	\$ 4,088
Revised Authorized Cost	\$ 486,291
Change Order Percentage	0.85%
Percentage Completion	100.00%
Original Target Completion Date	11/30/11
Revised Target Completion Date	11/30/11

Exhibit F-1k

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
UPGRADE OF EXISTING ELEVATOR AT PASCACK VALLEY HIGH SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
<b>Revenue and Other Financing Sources:</b>				
State Sources - SDA Grant	\$ 110,800	\$ (3,380)	\$ 107,420	\$ 110,800
Transfer from Capital Outlay	166,200		166,200	166,200
<b>Total Revenue and Other Financing Sources</b>	<b>277,000</b>	<b>(3,380)</b>	<b>273,620</b>	<b>277,000</b>
<b>Expenditures:</b>				
Legal Services	1,287		1,287	3,500
Purchased Professional and Technical Services	11,440	12,388	23,828	24,000
Construction Services	6,650	237,565	244,215	249,500
<b>Total Expenditures</b>	<b>19,377</b>	<b>249,953</b>	<b>269,330</b>	<b>277,000</b>
<b>Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures</b>	<b>\$ 257,623</b>	<b>\$ (253,333)</b>	<b>\$ 4,290</b>	<b>\$ -0-</b>
<b>Additional Project Information:</b>				
DOE Project Number(s)	3960-050-10-1005			
SDA Project Number(s)	3960-050-10-G0NI			
Grant Date	04/26/11			
Original Authorized Cost	\$ 277,000			
Change Orders				
Revised Authorized Cost	\$ 277,000			
Change Order Percentage	0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	11/30/11			
Revised Target Completion Date	11/30/11			

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
ADDITION AND RENOVATION TO PASCACK VALLEY HIGH SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 750,000	\$ 750,000	\$ 750,000
Transfer from Capital Outlay		699,000	699,000	871,100
Total Revenue and Other Financing Sources	\$ -0-	1,449,000	1,449,000	1,621,100
Expenditures:				
Construction Services				1,621,100
Total Expenditures				1,621,100
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 1,449,000	\$ 1,449,000	\$ -0-
Additional Project Information:				
DOE Project Number(s)		N/A		
SDA Project Number(s)		N/A		
Grant Date		N/A		
Original Authorized Cost		\$ 1,621,100		
Change Orders				
Revised Authorized Cost		\$ 1,621,100		
Change Order Percentage		0.00%		
Percentage Completion		0.00%		
Original Target Completion Date		01/01/13		
Revised Target Completion Date		03/31/13		

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
APPLIED TECH WING PARTIAL BUILDING DEMOLITION AT PASCACK VALLEY HIGH SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Outlay		\$ 188,000	\$ 188,000	\$ 188,000
Total Revenue and Other Financing Sources	\$ -0-	188,000	188,000	188,000
Expenditures:				
Construction Services				188,000
Total Expenditures				188,000
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 188,000	\$ 188,000	\$ -0-
Additional Project Information:				
DOE Project Number(s)	N/A			
SDA Project Number(s)	N/A			
Grant Date	N/A			
Original Authorized Cost	\$ 188,000			
Change Orders				
Revised Authorized Cost	\$ 188,000			
Change Order Percentage	0.00%			
Percentage Completion	0.00%			
Original Target Completion Date	08/31/12			
Revised Target Completion Date	10/31/12			

**PROPRIETARY FUNDS**

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

	Non-Major Programs				Major Program		
	Food Service	Region II Administration	Transportation	Park Academy	Total	Region II Transportation	Totals
<b>ASSETS</b>							
Current Assets:							
Cash and Cash Equivalents	\$ 152,034	\$ 26,474			\$ 178,508		\$ 178,508
Accounts Receivable:							
Intergovernmental - Other		17,300	\$ 12,405	\$ 177,701	207,406	\$ 375,385	582,791
Inventories	3,880				3,880		3,880
<b>Total Current Assets</b>	<b>155,914</b>	<b>43,774</b>	<b>12,405</b>	<b>177,701</b>	<b>389,794</b>	<b>375,385</b>	<b>765,179</b>
Non-Current Assets:							
Capital Assets	194,257				194,257		194,257
Less: Accumulated Depreciation	(177,890)				(177,890)		(177,890)
<b>Total Non-Current Assets</b>	<b>16,367</b>				<b>16,367</b>		<b>16,367</b>
<b>Total Assets</b>	<b>172,281</b>	<b>43,774</b>	<b>12,405</b>	<b>177,701</b>	<b>406,161</b>	<b>375,385</b>	<b>781,546</b>
<b>LIABILITIES</b>							
Current Liabilities:							
Interfund Payable - General Fund			12,405	35,549	47,954	375,385	423,339
Accounts Payable - Vendors	12,789	2,000			14,789		14,789
Deferred Revenue		41,774			41,774		41,774
<b>Total Current Liabilities</b>	<b>12,789</b>	<b>43,774</b>	<b>12,405</b>	<b>35,549</b>	<b>104,517</b>	<b>375,385</b>	<b>479,902</b>
<b>NET ASSETS</b>							
Investment in Capital Assets, Net of Related Debt	16,367				16,367		16,367
Unrestricted	143,125			142,152	285,277		285,277
<b>Total Net Assets</b>	<b>\$ 159,492</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 142,152</b>	<b>\$ 301,644</b>	<b>\$ -0-</b>	<b>\$ 301,644</b>

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

	Non-Major Programs						Major Program	
	Food Service	Region II		Transportation	Park Academy	Totals	Region II	Totals
		Summer School	Administration				Transportation	
Operating Revenue:								
Charges for Services:								
Daily Sales - Non-Reimbursable Programs	\$ 896,680					\$ 896,680		\$ 896,680
Special Events	15,783					15,783		15,783
Free Lunch Subsidized	29,588					29,588		29,588
Miscellaneous					\$ 2,500	2,500		2,500
Charges and Fees		\$ 29,192	\$ 473,274	\$ 125,094	643,701	1,271,261	\$ 3,831,849	5,103,110
<b>Total Operating Revenue</b>	<b>942,051</b>	<b>29,192</b>	<b>473,274</b>	<b>125,094</b>	<b>646,201</b>	<b>2,215,812</b>	<b>3,831,849</b>	<b>6,047,661</b>
Operating Expenses:								
Cost of Sales	438,281					438,281		438,281
Salaries	316,283	24,024	314,509		419,950	1,074,766	114,535	1,189,301
Employee Benefits	28,842	1,357	87,399		116,345	233,943		233,943
Purchased Services	121,630	3,500	62,856	57,671	99,061	344,718	1,143,855	1,488,573
Contracted Services			2,000	67,423		69,423	2,575,502	2,644,925
Supplies and Materials	38,411	311	3,343		15,020	57,085		57,085
Depreciation Expense	2,533					2,533		2,533
Miscellaneous			1,124			1,124		1,124
<b>Total Operating Expenses</b>	<b>945,980</b>	<b>29,192</b>	<b>471,231</b>	<b>125,094</b>	<b>650,376</b>	<b>2,221,873</b>	<b>3,833,892</b>	<b>6,055,765</b>
Operating Income/(Loss)	(3,929)		2,043		(4,175)	(6,061)	(2,043)	(8,104)
Non-Operating Revenue:								
Interest Revenue	799					799		799
<b>Total Non-Operating Revenue</b>	<b>799</b>					<b>799</b>		<b>799</b>
Net Income/(Loss) Before Operating Transfers	(3,130)		2,043		(4,175)	(5,262)	(2,043)	(7,305)
Transfers			(2,043)		146,327	144,284	2,043	146,327
Change in Net Assets	(3,130)				142,152	139,022		139,022
Net Assets - Beginning of Year	162,622					162,622		162,622
<b>Net Assets - End of Year</b>	<b>\$ 159,492</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 142,152</b>	<b>\$ 301,644</b>	<b>\$ -0-</b>	<b>\$ 301,644</b>

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

	Non-Major Programs						Major Program	
	Food Service	Region II			Park Academy	Totals	Region II	
		Summer School	Administration	Transportation			Transportation	Totals
<b>Cash Flows from Operating Activities:</b>								
Receipts from Customers	\$ 912,473	\$ 29,192	\$ 455,974	\$ 125,094	\$ 614,827	\$ 2,137,560	\$ 3,831,849	\$ 5,969,409
Receipts from District	29,588					29,588		29,588
Payments to Employees		(24,024)	(314,509)		(384,401)	(722,934)	(114,535)	(837,469)
Payments for Employee Benefits		(1,357)	(87,399)		(116,345)	(205,101)		(205,101)
Payments for Services		(3,500)	(62,856)	(125,094)	(99,061)	(290,511)	(3,719,357)	(4,009,868)
Payments to Food Service Vendor	(879,549)					(879,549)		(879,549)
Payments to Suppliers	(54,350)	(311)	(4,467)		(15,020)	(74,148)		(74,148)
<b>Net Cash Provided by/(Used for) Operating Activities</b>	<b>8,162</b>		<b>(13,257)</b>			<b>(5,095)</b>	<b>(2,043)</b>	<b>(7,138)</b>
<b>Cash Flows from Investing Activities:</b>								
Interest Income	799					799		799
<b>Net Cash Provided by Investing Activities</b>	<b>799</b>					<b>799</b>		<b>799</b>
<b>Cash Flows from Noncapital Financing Activities:</b>								
Equity Transfer			(2,043)			(2,043)	2,043	
<b>Net Cash Provided by/(Used for) Noncapital Financing Activities</b>			<b>(2,043)</b>			<b>(2,043)</b>	<b>2,043</b>	
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>8,961</b>		<b>(15,300)</b>			<b>(6,339)</b>		<b>(6,339)</b>
<b>Cash and Cash Equivalents, July 1</b>	<b>143,073</b>					<b>143,073</b>		<b>143,073</b>
<b>Cash and Cash Equivalents, June 30</b>	<b>\$ 152,034</b>	<b>\$ -0-</b>	<b>\$ (15,300)</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 136,734</b>	<b>\$ -0-</b>	<b>\$ 136,734</b>
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:</b>								
Operating Income/(Loss)	\$ (3,929)	\$ -0-	\$ 2,043	\$ -0-	\$ (4,175)	\$ (6,061)	\$ (2,043)	\$ (8,104)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:								
Depreciation	2,533					2,533		2,533
Changes in Assets and Liabilities:								
(Increase)/Decrease in Accounts Receivable	10		(17,300)		(31,374)	(48,664)	(37,401)	(86,065)
Decrease in Inventory	1,815					1,815		1,815
Increase in Interfund Payable					35,549	35,549	37,401	72,950
Increase in Accounts Payable	7,733		2,000			9,733		9,733
<b>Net Cash Provided by/(Used for) Operating Activities</b>	<b>\$ 8,162</b>	<b>\$ -0-</b>	<b>\$ (13,257)</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ (5,095)</b>	<b>\$ (2,043)</b>	<b>\$ (7,138)</b>

**FIDUCIARY FUNDS**

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

	Agency				Unemployment Compensation Trust	Flexible Spending Account Trust	Private Purpose Scholarship Trust	
	Student Activity	Payroll	Professional Development	E-Learning				Total
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 249,173	\$ 96,233	\$ 4,433	\$ 242,905	\$ 592,744	\$ 99,664	\$ 12,251	\$ 24,681
Investments	46,430				46,430			289,740
Interfund Receivable: Payroll Agency Fund						20,519		
<b>Total Assets</b>	<b>295,603</b>	<b>96,233</b>	<b>4,433</b>	<b>242,905</b>	<b>639,174</b>	<b>120,183</b>	<b>12,251</b>	<b>314,421</b>
<b>LIABILITIES</b>								
Interfund Payable:								
General Fund		15,473			15,473			
Unemployment Compensation Trust Fund		20,519			20,519			
Accounts Payable				10,878	10,878	43,563	11,687	
Payroll Deductions and Withholdings		60,241			60,241			
Due to Student Groups	295,603				295,603			
Professional Development Costs			4,433		4,433			
E-Learning				232,027	232,027			
<b>Total Liabilities</b>	<b>295,603</b>	<b>96,233</b>	<b>4,433</b>	<b>242,905</b>	<b>639,174</b>	<b>43,563</b>	<b>11,687</b>	
<b>NET ASSETS</b>								
Held in Trust for:								
Unemployment Claims						76,620		
Flexible Spending Claims							564	
Restricted for Scholarships								314,421
<b>Total Net Assets</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 76,620</b>	<b>\$ 564</b>	<b>\$ 314,421</b>

Exhibit H-2

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

	Unemployment Compensation Trust	Flexible Spending Account Trust	Private Purpose Scholarship Trust
<b>ADDITIONS:</b>			
Contributions:			
Plan Member	\$ 24,008	\$ 31,408	
Employer	62,000		
Other			\$ 11,700
Total Contributions	<u>86,008</u>	<u>31,408</u>	<u>11,700</u>
Investment Earnings:			
Interest	235		1,798
Net Investment Earnings	<u>235</u>		<u>1,798</u>
Total Additions	<u>86,243</u>	<u>31,408</u>	<u>13,498</u>
<b>DEDUCTIONS:</b>			
Quarterly Contribution Reports	83,824		
Flexible Spending Claims		30,844	
Scholarships Awarded			17,100
Total Deductions	<u>83,824</u>	<u>30,844</u>	<u>17,100</u>
Change in Net Assets	2,419	564	(3,602)
Net Assets - Beginning of the Year	<u>74,201</u>		<u>318,023</u>
Net Assets - End of the Year	<u>\$ 76,620</u>	<u>\$ 564</u>	<u>\$ 314,421</u>

Exhibit H-3

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 245,545	\$ 1,220,726	\$ 1,217,098	\$ 249,173
Investments	46,108	322		46,430
<b>Total Assets</b>	<b>\$ 291,653</b>	<b>\$ 1,221,048</b>	<b>\$ 1,217,098</b>	<b>\$ 295,603</b>
<b>LIABILITIES:</b>				
Accounts Payable	\$ 16,359		\$ 16,359	
Due to Student Groups	275,294	\$ 1,221,048	1,200,739	\$ 295,603
<b>Total Liabilities</b>	<b>\$ 291,653</b>	<b>\$ 1,221,048</b>	<b>\$ 1,217,098</b>	<b>\$ 295,603</b>

Exhibit H-4

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2012</u>
High Schools:				
Pascack Hills Activities	\$ 114,838	\$ 602,158	\$ 585,149	\$ 131,847
Pascack Hills Athletics	13,002	96,800	107,631	2,171
Pascack Valley Activities	137,731	448,138	427,695	158,174
Pascack Valley Athletics	9,723	73,952	80,264	3,411
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total All Schools	<u>\$ 275,294</u>	<u>\$ 1,221,048</u>	<u>\$ 1,200,739</u>	<u>\$ 295,603</u>

Exhibit H-5

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 36,145	\$27,788,712	\$27,728,624	\$ 96,233
Total Assets	<u>\$ 36,145</u>	<u>\$27,788,712</u>	<u>\$27,728,624</u>	<u>\$ 96,233</u>
<b>LIABILITIES:</b>				
Interfund Payable:				
General Fund	\$ 17,184	\$ 1,806	\$ 3,517	\$ 15,473
Unemployment Compensation Trust Fund	8,266	24,008	11,755	20,519
Payroll Deductions and Withholdings	10,695	27,762,898	27,713,352	60,241
Total Liabilities	<u>\$ 36,145</u>	<u>\$27,788,712</u>	<u>\$27,728,624</u>	<u>\$ 96,233</u>

Exhibit H-6

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
PROFESSIONAL DEVELOPMENT COSTS AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	3,339	\$ 7,000	\$ 5,906	\$ 4,433
<b>Total Assets</b>	<u>\$ 3,339</u>	<u>\$ 7,000</u>	<u>\$ 5,906</u>	<u>\$ 4,433</u>
<b>LIABILITIES:</b>				
Professional Development Costs	\$ 3,339	\$ 7,000	\$ 5,906	\$ 4,433
<b>Total Liabilities</b>	<u>\$ 3,339</u>	<u>\$ 7,000</u>	<u>\$ 5,906</u>	<u>\$ 4,433</u>

Exhibit H-7

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
E-LEARNING AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 238,258	\$ 135,681	\$ 131,034	\$ 242,905
Total Assets	<u>\$ 238,258</u>	<u>\$ 135,681</u>	<u>\$ 131,034</u>	<u>\$ 242,905</u>
 <b>LIABILITIES:</b>				
Accounts Payable		\$ 10,878		\$ 10,878
E-Learning Costs	\$ 238,258	124,803	\$ 131,034	232,027
Total Liabilities	<u>\$ 238,258</u>	<u>\$ 135,681</u>	<u>\$ 131,034</u>	<u>\$ 242,905</u>

**LONG-TERM DEBT**

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance July 1, 2011	Retired/ Matured	Balance June 30, 2012
			Date	Amount				
Various School Improvements	04/01/04	\$ 30,723,000	08/15/12	\$ 1,015,000	3.500%			
			08/15/13	1,060,000	3.750%			
			08/15/14	1,110,000	3.750%			
			08/15/15	1,160,000	4.000%			
			08/15/16	1,215,000	4.000%			
			08/15/17	1,275,000	4.000%			
			08/15/18	1,335,000	4.000%			
			08/15/19	1,395,000	4.000%			
			08/15/20	1,460,000	4.000%			
			08/15/21	1,530,000	4.000%			
			08/15/22	1,605,000	4.000%			
			08/15/23	1,680,000	4.125%			
			08/15/24	1,755,000	4.125%			
			08/15/25	1,840,000	4.200%			
			08/15/26	1,925,000	4.250%			
			08/15/27	2,015,000	4.250%			
			08/15/28	2,108,000	4.250%			
						\$ 26,448,000	\$ 965,000	\$ 25,483,000

PASCACK 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 July 1, 2011</u>	<u>Retired/ Matured</u>	<u>Balance June 30, 2012</u>
Pascack Hills Synthetic Athletic Field & Lights Project	3.43%	\$ 1,387,248	\$ 305,348	\$ 305,348	
Laptop Computers	0.00%	4,936,583	4,936,583	1,926,588	\$ 3,009,995
			<u>\$ 5,241,931</u>	<u>\$ 2,231,936</u>	<u>\$ 3,009,995</u>

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

	<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	\$ 2,009,376		\$ 2,009,376	\$ 2,009,376	
Total Revenues	<u>2,009,376</u>		<u>2,009,376</u>	<u>2,009,376</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	1,048,802		1,048,802	1,048,801	\$ 1
Redemption of Principal	965,000		965,000	965,000	
Total Regular Debt Service	<u>2,013,802</u>		<u>2,013,802</u>	<u>2,013,801</u>	<u>1</u>
Total Expenditures	<u>2,013,802</u>		<u>2,013,802</u>	<u>2,013,801</u>	<u>1</u>
Deficit of Revenues Under Expenditures	(4,426)		(4,426)	(4,425)	
Fund Balance, July 1	<u>4,426</u>		<u>4,426</u>	<u>4,426</u>	
Fund Balance, June 30	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1</u>	<u>\$ -0-</u>
<u>Recapitulation of Fund Balance at June 30, 2012:</u>					
Restricted for Debt Service				<u>\$ 1</u>	

**STATISTICAL SECTION**  
**(UNAUDITED)**

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**

	<b><u>Exhibit</u></b>
<p><b>Financial Trends</b></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><b>Revenue Capacity</b></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><b>Debt Capacity</b></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><b>Demographic and Economic Information</b></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><b>Operating Information</b></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, 2005.

Exhibit J-1

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

	Fiscal Year Ending June 30,			
	2009	2010	2011	2012
<b>Governmental Activities:</b>				
Invested in Capital Assets, Net of Related Debt	\$ 23,942,595	\$ 26,719,872	\$ 27,392,740	\$ 31,826,247
Restricted	3,100,957	4,266,055	2,040,357	4,511,565
Unrestricted/(Deficit)	16,372	(881,857)	3,701,558	2,162,768
<b>Total governmental activities net assets</b>	<b>\$ 27,059,924</b>	<b>\$ 30,104,070</b>	<b>\$ 33,134,655</b>	<b>\$ 38,500,580</b>
<b>Business-type Activities:</b>				
Invested in Capital Assets, Net of Related Debt	\$ 20,349	\$ 18,546	\$ 18,900	\$ 16,367
Unrestricted	72,340	100,161	143,722	285,277
<b>Total business-type activities net assets</b>	<b>\$ 92,689</b>	<b>\$ 118,707</b>	<b>\$ 162,622</b>	<b>\$ 301,644</b>
<b>District-wide:</b>				
Invested in Capital Assets, Net of Related Debt	\$ 23,962,944	\$ 26,738,418	\$ 27,411,640	\$ 31,842,614
Restricted	3,100,957	4,266,055	2,040,357	4,511,565
Unrestricted/(Deficit)	88,712	(781,696)	3,845,280	2,448,045
<b>Total District Net Assets</b>	<b>\$ 27,152,613</b>	<b>\$ 30,222,777</b>	<b>\$ 33,297,277</b>	<b>\$ 38,802,224</b>
	Fiscal Year Ending June 30,			
	2005	2006	2007	2008
<b>Governmental Activities:</b>				
Invested in Capital Assets, Net of Related Debt	\$ 8,239,342	\$ 12,144,807	\$ 22,430,772	\$ 21,688,895
Restricted	1,480,236	2,371,210	2,176,188	3,546,865
Unrestricted/(Deficit)	(1,143,291)	160,540	(1,670,262)	(612,147)
<b>Total governmental activities net assets</b>	<b>\$ 8,576,287</b>	<b>\$ 14,676,557</b>	<b>\$ 22,936,698</b>	<b>\$ 24,623,613</b>
<b>Business-type Activities:</b>				
Invested in Capital Assets, Net of Related Debt	\$ 25,643	\$ 30,492	\$ 26,115	\$ 19,115
Unrestricted	43,412	73,894	70,987	56,249
<b>Total business-type activities net assets</b>	<b>\$ 69,055</b>	<b>\$ 104,386</b>	<b>\$ 97,102</b>	<b>\$ 75,364</b>
<b>District-wide:</b>				
Invested in Capital Assets, Net of Related Debt	\$ 8,264,985	\$ 12,175,299	\$ 22,456,887	\$ 21,708,010
Restricted	1,480,236	2,371,210	2,176,188	3,546,865
Unrestricted/(Deficit)	(1,099,879)	234,434	(1,599,275)	(555,898)
<b>Total District Net Assets</b>	<b>\$ 8,645,342</b>	<b>\$ 14,780,943</b>	<b>\$ 23,033,800</b>	<b>\$ 24,698,977</b>

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

Source: School District Financial Reports.

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

	Fiscal Year Ending June 30,							
	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>								
<b>Governmental Activities:</b>								
<b>Instruction:</b>								
Regular	\$ 13,511,511	\$ 14,775,535	\$ 16,391,932	\$ 18,049,771	\$ 17,799,822	\$ 18,662,942	\$ 18,522,299	\$ 17,368,051
Special Education	2,062,775	2,164,916	2,437,500	2,694,886	2,499,184	2,789,331	3,620,154	3,621,058
Other Special Instruction	53,460	69,177	76,015	1,598	635	2,242		
Other Instruction	1,404,889	1,555,972	1,711,986	1,702,518	1,776,634	1,909,687	2,215,217	2,331,477
<b>Support Services:</b>								
Tuition	1,901,587	2,161,121	2,220,111	2,256,889	2,363,094	2,413,892	2,063,727	1,973,523
Student & Instruction Related Services	5,683,856	5,732,855	6,757,750	6,647,232	6,357,319	6,301,186	6,726,057	6,538,289
General Administrative Services	798,884	800,806	848,572	940,215	891,731	914,052	835,620	1,128,278
School Administrative Services	1,296,537	1,343,221	1,349,464	1,402,397	1,513,852	1,734,721	1,683,322	1,736,237
Central Services	653,763	707,342	751,352	896,910	557,092	621,175	570,202	688,662
Administration Information Technology					354,603	359,340	429,278	740,536
Plant Operations and Maintenance	3,109,210	3,362,175	3,565,424	4,151,628	3,821,228	3,923,799	3,703,306	4,195,624
Pupil Transportation	1,175,213	1,241,841	1,466,377	1,584,187	1,624,356	1,813,479	1,663,499	1,643,515
Special Schools		2,000	700	1,000				
Interest on Temporary Note				185,865				
Interest on Long-term Debt	1,288,880	1,128,716	1,186,251	1,156,916	1,125,599	1,089,086	1,070,182	1,036,136
Capital Outlay				1,344,570	435,502	89,905	28,110	
Unallocated Depreciation						109,616	1,163,238	321,435
<b>Total Governmental Activities Expenses</b>	<b>32,940,565</b>	<b>35,045,677</b>	<b>38,763,434</b>	<b>43,016,582</b>	<b>41,120,651</b>	<b>42,734,453</b>	<b>44,294,211</b>	<b>43,322,821</b>
<b>Business-type Activities:</b>								
Food Service	693,713	729,394	807,418	815,718	820,000	861,055	891,012	945,980
Park Academy								650,376
Region II Transportation	3,990,009	4,360,781	5,185,953	5,614,784	5,958,156	5,891,856	4,439,850	3,833,892
Region II Administration	446,761	459,081	562,834	632,209	470,569	512,514	570,032	471,231
Region II Summer School	31,115	35,962	39,460	39,404	40,334	41,314	29,539	29,192
Transportation	144,863	160,984	157,134	155,527	162,987	137,333	126,769	125,094
<b>Total Business-type Activities Expenses</b>	<b>5,306,461</b>	<b>5,746,202</b>	<b>6,752,799</b>	<b>7,257,642</b>	<b>7,452,046</b>	<b>7,444,072</b>	<b>6,057,202</b>	<b>6,055,765</b>

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

	Fiscal Year Ending June 30,							
	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>								
Total District Expenses	\$38,247,026	\$40,791,879	\$45,516,233	\$50,274,224	\$48,572,697	\$50,178,525	\$50,351,413	\$49,378,586
<b>Program Revenues</b>								
Governmental Activities:								
Charges for Services:								
Instruction (Tuition)	99,000	120,745	124,758	127,005	153,035	121,063	295,888	322,372
Operating Grants and Contributions	4,197,773	4,624,636	5,833,456	5,994,221	4,891,308	4,741,047	3,995,540	5,161,539
Capital Grants and Contributions		4,242,310	7,019,793			612,872	816,410	195,059
Total Governmental Activities Program Revenues	4,296,773	8,987,691	12,978,007	6,121,226	5,044,343	5,474,982	5,107,838	5,678,970
<b>Program Revenues</b>								
Business-type Activities:								
Charges for Services:								
Food Service	690,886	740,291	796,341	796,298	835,609	887,330	933,755	942,051
Park Academy								646,201
Region II Transportation	3,990,009	4,360,781	5,185,953	5,614,784	5,958,156	5,891,856	4,435,596	3,831,849
Region II Administration	446,761	459,081	562,834	632,209	470,569	512,514	574,286	473,274
Region II Summer School	31,115	35,962	39,460	39,404	40,334	41,314	29,539	29,192
Transportation	144,863	160,984	157,134	155,527	163,896	136,424	126,769	125,094
Total Business-type Activities Revenues	5,303,634	5,757,099	6,741,722	7,238,222	7,468,564	7,469,438	6,099,945	6,047,661
Total District Program Revenues	9,600,407	14,744,790	19,719,729	13,359,448	12,512,907	12,944,420	11,207,783	11,726,631
<b>Net (Expense)/Revenue</b>								
Governmental Activities	(28,643,792)	(26,057,986)	(25,785,427)	(36,895,356)	(36,076,308)	(37,259,471)	(39,186,373)	(37,643,851)
Business-type Activities	(2,827)	10,897	(11,077)	(19,420)	16,518	25,366	42,743	(8,104)
Total District-wide Net (Expense)/Revenue	(28,646,619)	(26,047,089)	(25,796,504)	(36,914,776)	(36,059,790)	(37,234,105)	(39,143,630)	(37,651,955)

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

	Fiscal Year Ending June 30,							
	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Revenues and Other Changes in Net Assets</b>								
Governmental Activities:								
Property Taxes Levied for General Purposes, Net	\$26,411,388	\$29,443,931	\$31,336,279	\$35,979,512	\$36,442,436	\$37,896,490	\$39,995,215	\$40,699,097
Taxes Levied for Debt Service	1,058,062	1,508,189	1,793,563	1,896,127	1,988,652	1,993,464	1,990,196	2,009,376
Unrestricted Grants and Contributions	172,107	214,815	284,719	336,793	285,576	161,664	12,938	
Investment Earnings	801,779	925,254	499,032	286,672	82,974	51,356		21,787
Miscellaneous Income	52,884	66,067	131,975	83,167	8,707	217,222	218,609	279,516
Cancellation of Prior Year Accounts Payable						(16,579)		
Cancellation of SDA Grant Receivable					(295,726)			
<b>Total Governmental Activities</b>	<b>28,496,220</b>	<b>32,158,256</b>	<b>34,045,568</b>	<b>38,582,271</b>	<b>38,512,619</b>	<b>40,303,617</b>	<b>42,216,958</b>	<b>43,009,776</b>
Business-type Activities:								
Investment Earnings	909	2,263	3,793	2,886	807	652	1,172	799
Contributed Capital				(5,204)				
Settlement		22,171						
Transfers								146,327
<b>Total Business-type Activities</b>	<b>909</b>	<b>24,434</b>	<b>3,793</b>	<b>(2,318)</b>	<b>807</b>	<b>652</b>	<b>1,172</b>	<b>147,126</b>
<b>Total District-wide</b>	<b>28,497,129</b>	<b>32,182,690</b>	<b>34,049,361</b>	<b>38,579,953</b>	<b>38,513,426</b>	<b>40,304,269</b>	<b>42,218,130</b>	<b>43,156,902</b>
<b>Change in Net Assets</b>								
Governmental Activities	(147,572)	6,100,270	8,260,141	1,686,915	2,436,311	3,044,146	3,030,585	5,365,925
Business-type Activities	(1,918)	35,331	(7,284)	(21,738)	17,325	26,018	43,915	139,022
<b>Total District</b>	<b>\$ (149,490)</b>	<b>\$ 6,135,601</b>	<b>\$ 8,252,857</b>	<b>\$ 1,665,177</b>	<b>\$ 2,453,636</b>	<b>\$ 3,070,164</b>	<b>\$ 3,074,500</b>	<b>\$ 5,504,947</b>

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

Source: School District Financial Reports.

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

	Fiscal Year Ending June 30,							
	2005	2006	2007	2008	2009	2010	2011	2012
General Fund:								
Reserved/Restricted	\$ 1,480,235	\$ 1,744,527	\$ 2,176,188	\$ 3,557,729	\$ 3,539,914	\$ 3,628,582	\$ 1,955,530	\$ 4,431,163
Assigned							2,456,715	1,194,532
Unassigned							1,099,326	1,062,976
Unreserved	576,649	1,656,965	705,133	799,948	1,324,433	1,318,773		
Total General Fund	<u>\$ 2,056,884</u>	<u>\$ 3,401,492</u>	<u>\$ 2,881,321</u>	<u>\$ 4,357,677</u>	<u>\$ 4,864,347</u>	<u>\$ 4,947,355</u>	<u>\$ 5,511,571</u>	<u>\$ 6,688,671</u>
All Other Governmental Funds:								
Reserved/Restricted:								
Capital Projects Fund						\$ 22,251	\$ 80,401	\$ 80,401
Debt Service Fund							4,426	1
Committed:								
Capital Projects Fund							1,344,612	1,074,741
Unreserved/(Deficit), Reported in:								
Capital Projects Fund					\$ (455,638)	(194,002)		
Debt Service Fund	\$ 1	\$ 1		\$ (10,864)	16,681	21,107		
Designated for Subsequent Year Expenditures	23,897,188	13,239,119	\$ 1,713,691	(124,482)				
Total All Other Governmental Funds	<u>\$23,897,189</u>	<u>\$13,239,120</u>	<u>\$ 1,713,691</u>	<u>\$ (135,346)</u>	<u>\$ (438,957)</u>	<u>\$ (150,644)</u>	<u>\$ 1,429,439</u>	<u>\$ 1,155,143</u>
Total Governmental Funds:								
Reserved/Restricted	\$ 1,480,235	\$ 1,744,527	\$ 2,176,188	\$ 3,557,729	\$ 3,539,914	\$ 3,650,833	\$ 2,040,357	\$ 4,511,565
Committed							1,344,612	1,074,741
Assigned							2,456,715	1,194,532
Unassigned							1,099,326	1,062,976
Unreserved	24,473,838	14,896,085	2,418,824	664,602	885,476	1,145,878		
Total Governmental Funds	<u>\$25,954,073</u>	<u>\$16,640,612</u>	<u>\$ 4,595,012</u>	<u>\$ 4,222,331</u>	<u>\$ 4,425,390</u>	<u>\$ 4,796,711</u>	<u>\$ 6,941,010</u>	<u>\$ 7,843,814</u>

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

Source: School District Financial Reports.

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

	Fiscal Year Ending June 30,							
	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>								
Tax Levy	\$27,469,450	\$30,952,120	\$ 33,129,842	\$37,875,639	\$38,431,088	\$39,889,954	\$41,985,411	\$42,708,473
Tuition Charges	99,000	120,745	124,758	127,005	153,035	121,063	295,888	322,372
Interest Earnings	801,779	925,254	499,032	286,672	82,974	51,356		21,787
Miscellaneous	74,704	68,067	132,675	83,167	8,707	217,222	218,609	279,516
State Sources	3,969,504	8,682,477	12,688,460	6,112,809	4,655,441	4,880,911	3,752,696	4,504,179
Federal Sources	378,556	397,284	448,808	218,205	521,443	634,672	1,072,192	852,419
<b>Total Revenues</b>	<b>32,792,993</b>	<b>41,145,947</b>	<b>47,023,575</b>	<b>44,703,497</b>	<b>43,852,688</b>	<b>45,795,178</b>	<b>47,324,796</b>	<b>48,688,746</b>
<b>Expenditures</b>								
<b>Instruction:</b>								
Regular Instruction	10,505,969	11,163,903	12,035,297	12,654,804	13,637,196	14,019,761	14,416,575	14,333,194
Special Education Instruction	1,552,181	1,547,319	1,700,183	1,768,953	1,838,882	2,003,618	2,869,948	2,843,148
Other Special Instruction	41,074	51,372	53,681	538	635			
Other Instruction	1,126,492	1,204,245	1,291,449	1,432,055	1,521,626	1,616,780	1,769,748	1,860,630
<b>Support Services:</b>								
Tuition	1,901,587	2,161,121	2,220,111	2,256,889	2,363,094	2,413,892	2,063,727	1,973,523
Student & Instruction Related Services	4,444,416	4,468,787	5,229,548	5,351,314	5,287,961	5,291,708	5,168,587	5,006,271
General Administrative Services	699,549	733,976	779,875	858,592	817,930	790,919	762,557	833,063
School Administrative Services	956,807	974,312	959,707	960,537	1,122,454	1,386,710	1,250,659	1,285,902
Central Services	510,273	575,863	652,992	771,051	476,297	498,832	478,820	517,068
Administration Information Technology					311,877	311,222	242,994	502,713
Plant Operations and Maintenance	2,400,452	2,831,335	2,928,055	3,378,853	3,367,788	3,439,687	3,472,257	3,220,196
Pupil Transportation	1,161,654	1,229,531	1,454,079	1,569,477	1,610,284	1,790,889	1,643,627	1,623,185
Unallocated Benefits	5,666,156	6,350,079	7,341,994	8,414,117	6,522,364	7,181,805	8,013,696	8,503,929

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

	Fiscal Year Ending June 30,							
	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenditures</b>								
Special Schools		\$ 2,000	\$ 700	\$ 1,000				
Capital Outlay	\$ 6,717,315	16,755,916	20,627,940	4,963,255	\$ 2,486,863	\$ 3,016,187	\$ 5,957,007	\$ 3,269,319
Debt Service:								
Principal		300,000	600,000	725,000	845,000	880,000	925,000	965,000
Interest and Other Charges	1,058,061	1,208,189	1,193,564	1,356,991	1,143,652	1,113,464	1,081,877	1,048,801
<b>Total Expenditures</b>	<u>38,741,986</u>	<u>51,557,948</u>	<u>59,069,175</u>	<u>46,463,426</u>	<u>43,353,903</u>	<u>45,755,474</u>	<u>50,117,079</u>	<u>47,785,942</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,948,993)</u>	<u>(10,412,001)</u>	<u>(12,045,600)</u>	<u>(1,759,929)</u>	498,785	39,704	<u>(2,792,283)</u>	902,804
<b>Other Financing Sources (Uses)</b>								
Cancellation of SDA Grant Receivable					(295,726)			
Cancellation of Accounts Payable						(16,579)		
Capital Leases		1,098,540		1,387,248		348,196	4,936,583	
Transfers In	893,454	834,678	355,120	175,000	27,545	1,462,626	1,701,088	1,692,045
Transfers Out	(893,454)	(834,678)	(355,120)	(175,000)	(27,545)	(1,462,626)	(1,701,088)	(1,692,045)
<b>Total Other Financing Sources (Uses)</b>	<u>-0-</u>	<u>1,098,540</u>	<u>-0-</u>	<u>1,387,248</u>	<u>(295,726)</u>	<u>331,617</u>	<u>4,936,583</u>	<u>-0-</u>
<b>Net Change in Fund Balances</b>	<u>\$ (5,948,993)</u>	<u>\$ (9,313,461)</u>	<u>\$ (12,045,600)</u>	<u>\$ (372,681)</u>	<u>\$ 203,059</u>	<u>\$ 371,321</u>	<u>\$ 2,144,300</u>	<u>\$ 902,804</u>
Debt Service as a Percentage of Noncapital Expenditures	3.42%	4.53%	4.89%	5.28%	5.12%	4.89%	4.76%	4.74%

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

Source: School District Financial Reports.

Exhibit J-5

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Rentals - Use</u> <u>of Facilities</u>	<u>Other</u>	<u>Total</u>
2003	\$ 13,890	\$ 110,254	\$ 4,338	\$ 118,426	\$ 246,908
2004	10,975	124,373	7,743	65,059	208,150
2005	42,214	99,000	750	52,134	194,098
2006	90,576	120,745	1,612	66,455	279,388
2007	143,912	124,758	4,734	127,941	401,345
2008	111,672	127,005	4,650	78,517	321,844
2009	66,293	153,035	4,200	4,507	228,035
2010	51,356	121,063	8,546	204,250	385,215
2011	52,344	295,888	6,632	155,400	510,264
2012	19,952	322,372	6,525	272,991	621,840

Source: Pascack Valley Regional High School District records.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST EIGHT YEARS  
UNAUDITED

BOROUGH OF HILLSDALE

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Add: Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2004	\$ 8,093,900	\$ 772,777,000	\$ 396,200	\$ 13,000	\$ 50,196,800	\$ 7,643,500	\$ 950,100	\$ 840,070,500	\$ 73,055,800	\$ 4,101,030	\$ 844,171,530	\$ 0.76	\$ 1,378,616,214
2005	7,840,800	776,463,400	396,200	12,400	50,529,000	7,490,000	950,100	843,681,900	73,055,800	3,716,487	847,398,387	0.88	1,536,045,340
2006	6,441,900	779,488,300	396,200	12,400	51,600,900	7,535,000	950,100	846,424,800	73,983,700	3,110,147	849,534,947	0.92	1,749,040,149
2007	* 12,213,500	1,819,107,700	1,865,800	13,100	108,183,300	14,315,500	1,995,300	1,957,694,200	151,132,300	6,745,700	1,964,439,900	0.46	1,955,372,182
2008	12,449,200	1,818,907,400	745,000	13,100	107,676,500	14,315,500	1,995,300	1,956,102,000	151,688,000	7,462,332	1,963,564,332	0.45	1,984,787,186
2009	12,081,100	1,821,722,900	745,000	13,100	109,531,700	14,315,500	1,995,300	1,960,404,600	152,331,200	7,084,084	1,967,488,684	0.46	2,058,164,361
2010	16,589,400	1,816,609,300	745,000	13,100	109,531,700	14,315,500	1,995,300	1,959,799,300	152,871,600	8,382,930	1,968,182,230	0.51	2,058,164,361
2011	15,864,900	1,816,573,400	745,000	13,100	108,901,100	13,747,600	1,995,300	1,957,840,400	153,960,400	8,579,677	1,966,420,077	0.53	1,952,438,002

BOROUGH OF MONTVALE

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Add: Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2004	\$ 13,113,200	\$ 687,410,000	\$ 832,300	\$ 55,800	\$ 380,038,300	\$ 8,217,600	\$ 7,000,000	\$ 1,096,667,200	\$ 72,210,500	\$ 1,848,336	\$ 1,098,515,536	\$ 0.62	\$ 1,591,347,569
2005	11,640,900	699,500,500	832,300	55,800	367,170,700	7,749,600	7,000,000	1,093,949,800	72,437,700	1,620,457	1,095,570,257	0.66	1,738,970,853
2006	* 32,617,600	1,605,160,800	2,246,000	50,100	594,743,900	13,075,000	14,553,000	2,262,446,400	110,482,100	2,491,607	2,264,938,007	0.35	1,941,870,285
2007	66,723,300	1,613,870,800	2,246,000	37,600	589,973,300	13,075,000	14,553,000	2,300,479,000	110,482,100	2,561,681	2,303,040,681	0.38	2,097,531,237
2008	51,808,600	1,641,992,200	2,246,000	37,600	603,707,200	13,075,000	18,753,000	2,331,619,600	110,077,700	2,959,566	2,334,579,166	0.41	2,164,252,522
2009	35,927,700	1,684,771,100	2,246,000	37,600	599,708,200	13,075,000	18,753,000	2,354,518,600	110,100,700	2,814,962	2,357,333,562	0.42	2,271,988,152
2010	30,721,300	1,699,843,800	2,246,000	37,600	589,788,400	13,075,000	18,753,000	2,354,465,100	110,026,100	3,948,799	2,358,413,899	0.44	2,271,988,152
2011	42,391,100	1,711,031,500	2,246,000	37,600	587,625,400	11,339,100	18,753,000	2,373,423,700	110,478,700	2,961,081	2,376,384,781	0.44	2,300,568,569

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

b - Tax rates are per \$100.

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.

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

\* Year in which revaluation became effective.

Source: Municipal Tax Assessors.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST EIGHT YEARS  
UNAUDITED

TOWNSHIP OF RIVER VALE

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Add: Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2004	\$ 17,591,750	\$ 918,378,267	\$ 714,000	\$ -0-	\$ 48,799,150	\$ -0-	\$ 4,834,400	\$ 990,317,567	\$ 29,631,200	\$ 766,890	\$ 991,084,457	\$ 0.77	\$ 1,551,895,108
2005	17,305,250	925,278,767	714,000	-0-	49,623,550	-0-	4,834,400	997,755,967	29,446,300	636,295	998,392,262	0.85	1,735,320,678
2006	16,638,050	930,721,467	714,000	-0-	49,179,450	-0-	4,834,400	1,002,087,367	30,339,000	578,531	1,002,665,898	0.90	1,944,683,768
2007	14,660,850	937,134,067	714,000	-0-	44,232,950	-0-	5,219,700	1,001,961,567	36,750,300	487,641	1,002,449,208	0.97	2,144,817,497
2008	* 27,018,600	1,958,207,600	1,791,500	-0-	103,944,500	-0-	13,034,700	2,103,996,900	91,265,600	1,409,778	2,105,406,678	0.47	2,357,792,210
2009	30,596,900	1,956,094,500	1,791,500	-0-	101,944,500	-0-	13,034,700	2,103,462,100	92,009,600	1,512,178	2,104,974,278	0.47	2,230,833,059
2010	30,632,200	1,963,018,600	1,791,500	-0-	104,445,700	-0-	13,034,700	2,112,922,700	92,396,700	220,618	2,113,143,318	0.47	2,230,833,059
2011	27,416,700	1,969,780,400	-0-	-0-	70,900,800	-0-	13,034,700	2,081,132,600	123,482,200	1,600,551	2,082,733,151	0.87	2,075,161,024

BOROUGH OF WOODCLIFF LAKE

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Add: Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2004	\$ 14,854,500	\$ 1,143,394,400	\$ 1,367,100	\$ 18,600	\$ 383,156,800	\$ -0-	\$ -0-	\$ 1,542,791,400	\$ 57,228,300	\$ 1,939,987	\$ 1,544,731,387	\$ 0.40	\$ 1,488,575,688
2005	13,457,100	1,157,148,000	1,367,100	18,600	378,733,100	-0-	-0-	1,550,723,900	57,228,300	1,794,624	1,552,518,524	0.46	1,639,917,476
2006	25,990,100	1,168,132,200	1,367,100	18,600	359,444,500	-0-	-0-	1,554,952,500	57,086,800	1,794,624	1,556,747,124	0.50	1,788,286,520
2007	20,990,400	1,205,649,800	930,800	5,600	374,512,000	-0-	-0-	1,602,088,600	57,086,800	1,357,095	1,603,445,695	0.55	2,170,444,682
2008	16,806,600	1,218,110,700	930,800	6,400	415,187,600	-0-	-0-	1,651,042,100	58,224,900	1,584,879	1,652,626,979	0.60	2,245,069,011
2009	16,008,200	1,226,381,100	930,800	6,400	460,623,700	-0-	-0-	1,703,950,200	55,563,000	1,648,608	1,705,598,808	0.61	2,269,801,638
2010	16,806,600	1,218,110,700	930,800	6,400	415,187,600	-0-	-0-	1,651,042,100	58,224,900	1,584,879	1,652,626,979	0.65	2,245,069,011
2011	14,696,900	1,233,145,100	930,800	6,400	454,682,800	-0-	-0-	1,703,462,000	57,760,400	1,723,119	1,705,185,119	0.68	2,183,926,392

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

b - Tax rates are per \$100.

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.

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

\* Year in which revaluation became effective.

Source: Municipal Tax Assessors.

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

**BOROUGH OF HILLSDALE**

Year Ended December 31,	Pascack Valley Regional High School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Borough of Hillsdale	Borough of Hillsdale		
					Public Schools	Bergen County	
2002	\$ 0.63		\$ 0.63	\$ 0.53	\$ 1.38	\$ 0.33	\$ 2.87
2003	0.65		0.65	0.55	1.50	0.32	3.02
2004	0.76		0.76	0.57	1.59	0.34	3.26
2005	0.85	\$ 0.03	0.88	0.67	1.63	0.34	3.52
2006	0.88	0.04	0.92	0.75	1.74	0.39	3.80
2007	* 0.43	0.02	0.46	0.35	0.79	0.18	1.78
2008	0.43	0.02	0.45	0.39	0.83	0.18	1.85
2009	0.44	0.02	0.46	0.40	0.86	0.20	1.93
2010	0.49	0.02	0.51	0.42	0.91	0.20	2.04
2011	0.48	0.05	0.53	0.43	0.95	0.20	2.11

**BOROUGH OF MONTVALE**

Year Ended December 31,	Pascack Valley Regional High School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Borough of Montvale	Borough of Montvale		
					Public Schools	Bergen County	
2002	\$ 0.57		\$ 0.57	\$ 0.63	\$ 0.91	\$ 0.32	\$ 2.43
2003	0.60		0.60	0.65	0.95	0.29	2.49
2004	0.62		0.62	0.69	0.98	0.30	2.59
2005	0.63	\$ 0.03	0.66	0.74	1.04	0.30	2.74
2006	* 0.33	0.02	0.35	0.36	0.53	0.15	1.40
2007	0.36	0.02	0.38	0.38	0.53	0.16	1.45
2008	0.39	0.02	0.41	0.39	0.55	0.16	1.51
2009	0.40	0.02	0.42	0.41	0.56	0.18	1.57
2010	0.42	0.02	0.44	0.43	0.57	0.18	1.63
2011	0.39	0.05	0.44	0.45	0.59	0.20	1.68

**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.

\* - Property revaluation became effective in this year.

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.

Source: Municipal Tax Collectors and School Business Administrator.

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

TOWNSHIP OF RIVER VALE

Year Ended December 31,	Pascack Valley Regional High School District			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Direct Rate		Total Direct	Township of River Vale		Bergen County	
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>		Township of River Vale	Public Schools		
2002	\$ 0.67		\$ 0.67	\$ 0.55	\$ 1.40	\$ 0.30	\$ 2.92
2003	0.67		0.67	0.55	1.40	0.30	2.92
2004	0.77		0.77	0.60	1.47	0.32	3.16
2005	0.82	\$ 0.03	0.85	0.66	1.52	0.33	3.36
2006	0.86	0.04	0.90	0.71	1.59	0.34	3.55
2007	0.92	0.05	0.97	0.78	1.71	0.39	3.85
2008	* 0.45	0.02	0.47	0.39	0.83	0.20	1.89
2009	0.45	0.02	0.47	0.41	0.86	0.20	1.95
2010	0.45	0.02	0.47	0.43	0.90	0.20	2.00
2011	0.82	0.05	0.87	0.70	0.87	0.23	2.67

BOROUGH OF WOODCLIFF LAKE

Year Ended December 31,	Pascack Valley Regional High School District			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Direct Rate		Total Direct	Borough of Woodcliff Lake Public Schools		Bergen County	
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>		Borough of Woodcliff Lake	Lake Public Schools		
2002	\$ 0.52		\$ 0.52	\$ 0.58	\$ 0.98	\$ 0.32	\$ 2.40
2003	* 0.34		0.34	0.35	0.61	0.18	1.48
2004	0.40		0.40	0.38	0.63	0.20	1.61
2005	0.44	\$ 0.02	0.46	0.42	0.67	0.20	1.75
2006	0.48	0.02	0.50	0.43	0.73	0.21	1.87
2007	0.52	0.03	0.55	0.44	0.74	0.24	1.97
2008	0.57	0.03	0.60	0.44	0.75	0.24	2.05
2009	0.58	0.03	0.61	0.45	0.75	0.26	2.08
2010	0.62	0.03	0.65	0.47	0.77	0.27	2.18
2011	0.63	0.05	0.68	0.50	0.80	0.26	2.24

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.

\* - Property revaluation became effective in this year.

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.

Source: Municipal Tax Collectors and School Business Administrator.

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

BOROUGH OF HILLSDALE

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Prima II LLC	\$ 10,677,700	1	0.54%			
Crossroads- Hillsdale Association	9,166,100	2	0.47%			
New Jersey Bell	8,428,811	3	0.43%	\$ 4,933,472	1	0.59%
Edgewood Country Club, Inc.	3,480,000	4	0.18%	1,239,400	8	0.15%
New Jersey Bell	3,365,700	5	0.17%	2,214,100	5	0.27%
Golden Orchard Assoc., LP	3,332,000	6	0.17%			
321 Broadway Assoc., LLC	3,170,100	7	0.16%			
Marsala Enterprises	2,710,100	8	0.14%	1,158,100	10	0.14%
Bank of America	2,547,400	9	0.13%			
USA Waste c/o Waste Management	2,278,400	10	0.12%	3,732,500	4	0.45%
G.P.B Real Estate				4,631,100	2	0.56%
Cuzson Assoc.				4,414,300	3	0.53%
R & L Investors				1,580,000	6	0.19%
Fleet Bank c/o CBRE				1,242,200	7	0.15%
Hiller & Skoglund				1,192,700	9	0.14%
<b>Total</b>	<b>\$ 49,156,311</b>		<b>2.51%</b>	<b>\$ 26,337,872</b>		<b>3.17%</b>

BOROUGH OF MONTVALE

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
KPMG Peat Marwick	\$ 50,000,000	1	2.10%	\$ 33,600,000	1	3.08%
Two Paragon Associates	29,900,000	2	1.26%	21,531,000	2	1.97%
CBRE	28,050,000	3	1.18%			
Grand Prix Montvale	23,000,000	4	0.97%			
Mercedes Benz	22,200,000	5	0.93%	19,583,300	3	1.79%
Hub Properties Trust	19,500,000	6	0.82%			
Benjamin Moore	19,000,000	7	0.80%			
Alson Realty Co. LP	18,753,000	8	0.79%			
Prim Montvale LLC	18,400,000	9	0.77%			
Western Union Financial c/o First Data	18,000,000	10	0.76%			
Axinn (7 Paragon)				16,500,000	4	1.51%
Toys R US				16,500,000	5	1.51%
VV New Jersey				14,940,600	6	1.37%
LCOR, Inc.				13,126,500	7	1.20%
One Paragon Drive Associates				11,500,000	8	1.05%
Mercedes Benz				10,831,200	9	0.99%
MSGW Paragon				10,500,000	10	0.96%
<b>Total</b>	<b>\$ 246,803,000</b>		<b>10.38%</b>	<b>\$ 168,612,600</b>		<b>15.43%</b>

Source: Municipal Tax Assessors.

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

TOWNSHIP OF RIVER VALE

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Edgewood Country Club, Inc.	\$ 25,235,400	1	1.21%	\$ 9,794,900	3	1.01%
United Water Company of New Jersey	9,620,000	2	0.46%	14,419,500	1	1.49%
River Vale Dev LLC	9,620,000	3	0.46%			
Gal-Ben Associates	7,672,000	4	0.37%	2,544,500	7	0.26%
Village on the Green	7,266,400	5	0.35%	2,627,500	6	0.27%
688 Westwood Ave LLC c/o V Luppino	5,548,200	6	0.27%			
Florentine Gardens	5,187,100	7	0.25%			
Lindvale Gardens	4,875,400	8	0.23%	2,478,000	8	0.26%
MWD River Vale One, LLC	3,222,800	9	0.15%			
Rudd - O'Connor LLC	2,514,600	10	0.12%			
FBD Enterprises USA Inc				10,989,200	2	1.14%
United Properties				6,355,300	4	0.66%
Pascack Valley Hospital				2,738,600	5	0.28%
Baldanza Construction Co.				2,436,900	9	0.25%
FlonEntina, Inc.				2,326,500	10	0.24%
<b>Total</b>	<b>\$ 80,761,900</b>		<b>3.87%</b>	<b>\$ 56,710,900</b>		<b>5.86%</b>

BOROUGH OF WOODCLIFF LAKE

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
BMW of North America	\$ 180,057,000	1	10.56%	\$ 26,500,000	3	2.88%
Mack- Cali- Chestnut Ridge Associates	51,788,000	2	3.04%	26,500,000	4	2.88%
300 Tice Reality Assoc LLC - Mack-Cali	48,645,000	3	2.85%	29,600,000	1	3.22%
WS Tice's Corner Market Place	41,650,500	4	2.44%			
Advance @ W.C.L., LLC	41,341,700	5	2.42%			
Deloitte & Touche LLP C/O M Poer & Co.	32,928,000	6	1.93%	25,000,000	5	2.72%
IPC NY Properties, LLC	16,813,500	7	0.99%	12,000,000	7	1.30%
Ridge Associates	15,838,500	8	0.93%	9,500,000	10	1.03%
400 Chestnut Reality- Mack Cali	15,610,000	9	0.92%			
The Great A&P	15,420,500	10	0.90%	10,000,000	9	1.09%
Ingersoll Rand				26,850,000	2	2.92%
Heller-Woodcliff Lake				20,200,000	6	2.20%
Mack Properties				11,440,000	8	1.24%
<b>Total</b>	<b>\$ 460,092,700</b>		<b>26.98%</b>	<b>\$ 197,590,000</b>		<b>21.48%</b>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS,  
LAST TEN FISCAL YEARS  
UNAUDITED

BOROUGH OF HILLSDALE

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	\$ 5,273,152	\$ 5,273,152	100.00%	-0-
2004	5,468,546	5,468,546	100.00%	-0-
2005	6,449,508	6,449,508	100.00%	-0-
2006	7,460,322	7,460,322	100.00%	-0-
2007	7,828,423	7,828,423	100.00%	-0-
2008	8,931,912	8,931,912	100.00%	-0-
2009	8,895,807	8,895,807	100.00%	-0-
2010	9,133,015	9,133,015	100.00%	-0-
2011	10,001,587	10,001,587	100.00%	-0-
2012	10,380,247	10,380,247	100.00%	-0-

BOROUGH OF MONTVALE

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	\$ 6,470,660	\$ 6,470,660	100.00%	-0-
2004	6,543,748	6,543,748	100.00%	-0-
2005	6,907,546	6,907,546	100.00%	-0-
2006	7,534,066	7,534,066	100.00%	-0-
2007	8,285,027	8,285,027	100.00%	-0-
2008	9,909,433	9,909,433	100.00%	-0-
2009	9,571,945	9,571,945	100.00%	-0-
2010	10,335,456	10,335,456	100.00%	-0-
2011	10,437,043	10,437,043	100.00%	-0-
2012	10,648,223	10,648,223	100.00%	-0-

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

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

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS,  
LAST TEN FISCAL YEARS  
UNAUDITED

TOWNSHIP OF RIVER VALE

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	\$ 5,803,984	\$ 5,803,984	100.00%	-0-
2004	6,616,496	6,616,496	100.00%	-0-
2005	7,604,849	7,604,849	100.00%	-0-
2006	8,459,185	8,459,185	100.00%	-0-
2007	9,065,118	9,065,118	100.00%	-0-
2008	9,413,686	9,413,686	100.00%	-0-
2009	9,766,440	9,766,440	100.00%	-0-
2010	9,933,482	9,933,482	100.00%	-0-
2011	9,930,100	9,930,100	100.00%	-0-
2012	10,116,618	10,116,618	100.00%	-0-

BOROUGH OF WOODCLIFF LAKE

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	\$ 5,032,606	\$ 5,032,606	100.00%	-0-
2004	5,501,356	5,501,356	100.00%	-0-
2005	6,507,547	6,507,547	100.00%	-0-
2006	7,498,547	7,498,547	100.00%	-0-
2007	7,951,274	7,951,274	100.00%	-0-
2008	9,620,607	9,620,607	100.00%	-0-
2009	10,196,896	10,196,896	100.00%	-0-
2010	10,488,001	10,488,001	100.00%	-0-
2011	11,616,681	11,616,681	100.00%	-0-
2012	11,563,385	11,563,385	100.00%	-0-

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

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

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST EIGHT FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2005	\$ 30,723,000	\$ -0-	\$ 323,067	\$ -0-	\$ -0-	\$31,046,067	1.70%	\$ 954.53
2006	30,423,000	-0-	1,325,119	-0-	-0-	31,748,119	1.61%	980.09
2007	29,823,000	-0-	1,021,550	-0-	-0-	30,844,550	1.44%	948.28
2008	23,574,609	-0-	1,908,391	2,251,000	-0-	27,734,000	2.21%	844.42
2009	28,253,000	-0-	1,349,428	-0-	-0-	29,602,428	1.42%	894.41
2010	27,373,000	-0-	1,015,428	-0-	-0-	28,388,428	1.29%	847.67
2011	26,448,000	-0-	5,241,931	-0-	-0-	31,689,931	1.44%	941.16
2012	25,483,000	-0-	3,009,995	-0-	-0-	28,492,995	1.29%	846.22

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.

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

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

Source: School District Financial Reports.

Exhibit J-11

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2005	\$ 30,723,000	\$ -0-	\$ 30,723,000	0.511%	\$ 944.60
2006	30,423,000	-0-	30,423,000	0.457%	939.18
2007	29,823,000	-0-	29,823,000	0.402%	916.87
2008	23,574,609	-0-	23,574,609	0.282%	717.78
2009	28,253,000	-0-	28,253,000	0.323%	853.64
2010	27,373,000	-0-	27,373,000	0.310%	817.35
2011	26,448,000	-0-	26,448,000	0.300%	785.48
2012	25,483,000	-0-	25,483,000	0.299%	756.82

**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.

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

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

Source: School District Financial Reports.

Exhibit J-12

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2011  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Estimated</u> <u>Percentage</u> <u>Applicable <sup>a</sup></u>	<u>Estimated</u> <u>Share of</u> <u>Overlapping</u> <u>Debt</u>
Debt Repaid with Property Taxes:			
Borough of Hillsdale	\$ 4,905,394	100.00%	\$ 4,905,394
Borough of Montvale	12,661,848	100.00%	12,661,848
Township of River Vale	18,044,171	100.00%	18,044,171
Borough of Woodcliff Lake	6,529,651	100.00%	6,529,651
Bergen County General Obligation Debt	698,412,830	4.91%	<u>34,312,627</u>
Subtotal, Overlapping Debt			76,453,691
Pascack Valley Regional High School District Direct Debt			<u>25,483,000</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 101,936,691</u></u>

**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.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by residents and businesses of Hillsdale, Montvale, River Vale and Woodcliff Lake. 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 payment.

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

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

**Legal Debt Margin Calculation for Fiscal Year 2012**

Year Ended December 31,	Borough of Hillsdale	Borough of Montvale	Township of River Vale	Borough of Woodcliff Lake	Total Equalized Valuation Basis
2009	\$2,026,886,476	\$2,215,600,452	\$2,165,838,241	\$2,329,710,418	\$ 8,738,035,587
2010	1,941,548,742	2,270,677,114	2,100,210,107	2,190,570,679	8,503,006,642
2011	1,890,172,234	2,270,132,664	2,040,726,221	2,080,183,173	8,281,214,292
	<u>\$5,858,607,452</u>	<u>\$6,756,410,230</u>	<u>\$6,306,774,569</u>	<u>\$6,600,464,270</u>	<u>\$25,522,256,521</u>
	Average Equalized Valuation of Taxable Property				<u>\$ 8,507,418,840</u>
	Debt Limit (3% of Average Equalization Value)				\$ 255,222,565 *
	Net Bonded School Debt				<u>25,483,000</u>
	Legal Debt Margin				<u>\$ 229,739,565</u>

	Fiscal Year				
	2003	2004	2005	2006	2007
Debt Limit	\$ 149,833,322	\$ 163,591,899	\$ 179,592,020	\$ 199,147,970	\$ 221,901,137
Total Net Debt Applicable to Limit		<u>30,723,000</u>	<u>30,723,000</u>	<u>30,423,000</u>	<u>29,823,000</u>
Legal Debt Margin	<u>\$ 149,833,322</u>	<u>\$ 132,868,899</u>	<u>\$ 148,869,020</u>	<u>\$ 168,724,970</u>	<u>\$ 192,078,137</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	18.78%	18.78%	15.28%	13.44%

	Fiscal Year				
	2008	2009	2010	2011	2012
Debt Limit	\$ 240,998,907	\$ 254,361,354	\$ 260,150,923	\$ 259,420,592	\$ 255,222,565
Total Net Debt Applicable to Limit	<u>29,098,000</u>	<u>28,253,000</u>	<u>27,373,000</u>	<u>26,448,000</u>	<u>25,483,000</u>
Legal Debt Margin	<u>\$ 211,900,907</u>	<u>\$ 226,108,354</u>	<u>\$ 232,777,923</u>	<u>\$ 232,972,592</u>	<u>\$ 229,739,565</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	12.07%	11.11%	10.52%	10.20%	9.98%

\* - Limit set by NJSA 18A:24-19 for a 9 through 12 district; other % limits would be applicable for other districts.

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey,  
Department of Treasury, Division of Taxation.

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

BOROUGH OF HILLSDALE

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Bergen County Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2002	10,039	\$ 521,335,309	\$ 51,931	4.60%
2003	10,006	511,626,792	51,132	4.50%
2004	10,002	544,728,924	54,462	3.70%
2005	9,928	562,977,168	56,706	2.60%
2006	9,848	617,607,472	62,714	2.70%
2007	9,812	661,269,928	67,394	2.40%
2008	9,814	375,159,778	38,227	3.20%
2009	9,845	622,184,310	63,198	5.80%
2010	10,231	669,987,266	65,486	5.90%
2011	10,286	673,588,996	65,486 *	5.80%

BOROUGH OF MONTVALE

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Bergen County Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2002	7,228	\$ 375,357,268	\$ 51,931	3.70%
2003	7,220	369,173,040	51,132	3.70%
2004	7,220	393,215,640	54,462	3.00%
2005	7,186	407,489,316	56,706	2.60%
2006	7,154	448,655,956	62,714	2.80%
2007	7,259	489,213,046	67,394	2.50%
2008	7,523	287,581,721	38,227	3.20%
2009	7,636	482,579,928	63,198	5.80%
2010	7,853	514,261,558	65,486	6.00%
2011	7,896	517,077,456	65,486 *	5.90%

\* - Latest Bergen County per capita personal income available (2010) was used for calculation purposes.  
N/A- Not Available

Source:

- a - Population information provided by the US Department of Census - Population Division.
- b - Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.
- c - Per Capita Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.
- d - Unemployment data provided by the NJ Department of Labor and Workforce Development.

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

TOWNSHIP OF RIVER VALE

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Bergen County Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2002	9,692	\$ 503,315,252	\$ 51,931	4.20%
2003	9,681	495,008,892	51,132	4.10%
2004	9,691	527,791,242	54,462	3.40%
2005	9,619	545,455,014	56,706	2.10%
2006	9,561	599,608,554	62,714	2.30%
2007	9,580	645,634,520	67,394	2.00%
2008	9,593	366,711,611	38,227	2.70%
2009	9,655	610,176,690	63,198	4.80%
2010	9,670	633,249,620	65,486	4.90%
2011	9,723	636,720,378	65,486 *	4.90%

BOROUGH OF WOODCLIFF LAKE

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Bergen County Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2002	5,812	\$ 301,822,972	\$ 51,931	1.70%
2003	5,801	296,616,732	51,132	1.70%
2004	5,806	316,206,372	54,462	1.30%
2005	5,792	328,441,152	56,706	1.40%
2006	5,830	365,622,620	62,714	1.50%
2007	5,876	396,007,144	67,394	1.30%
2008	5,914	226,074,478	38,227	1.80%
2009	5,961	376,723,278	63,198	3.20%
2010	5,736	375,627,696	65,486	3.30%
2011	5,766	377,592,276	65,486 *	3.30%

\* - Latest Bergen County per capita personal income available (2010) was used for calculation purposes.  
N/A- Not Available

Source:

- a - Population information provided by the US Department of Census - Population Division.
- b - Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.
- c - Per Capita Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.
- d - Unemployment data provided by the NJ Department of Labor and Workforce Development.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS.  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

Information was not available as of the date of these financial statements.

Exhibit J-16

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

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Instruction:</b>								
Regular	122	125	128	128	129	130	136	139
Special Education	21	22	23	23	24	25	23	23
Other Special Instruction	16	18	19	19	19	19	17	20
Vocational								
Other Instruction	16	16	16	16	16	16	0	0
<b>Support Services:</b>								
Student & Instruction Related Services	37	37	37	37	37	37	45	47
General Administrative Services	7	7	7	7	7	7	4	4
School Administrative Services	11	11	11	11	11	11	13	14
Plant Operations and Maintenance	27	27	7	7	7	7	30	30
Pupil Transportation	1	1	27	27	27	27	1	1
Business and Other Support Services	7	7	1	1	1	1	13	14
<b>Total</b>	<u>265</u>	<u>271</u>	<u>276</u>	<u>276</u>	<u>278</u>	<u>280</u>	<u>282</u>	<u>292</u>

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

Source: District Personnel Records.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST EIGHT FISCAL YEARS  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>d</sup>	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Pascack Hills High School	Pascack Valley High School				
2005	1,789	\$ 30,966,610	\$ 17,309	3.56%	141	1:9	1:10	1,690.5	1,596.5	5.56%	94.44%
2006	1,849	33,293,843	18,006	4.03%	141	1:9	1:10	1,779.2	1,681.8	5.25%	94.53%
2007	1,859	36,647,671	19,714	9.48%	145	1:9	1:10	1,836.0	1,736.9	3.19%	94.60%
2008	1,858	39,418,180	21,215	7.62%	145	1:9	1:10	1,902.8	1,800.0	3.64%	94.60%
2009	1,952	38,878,388	19,917	-6.12%	145	1:9	1:10	1,868.0	1,791.9	-1.83%	95.93%
2010	2,052	40,745,823	19,857	-0.30%	145	1:9	1:10	1,872.4	1,797.6	0.24%	96.01%
2011	2,075	42,153,195	20,315	2.31%	159	1:12	1:14	2,054.8	1,965.6	9.74%	95.66%
2012	2,066	42,502,822	20,573	1.27%	162	1:12	1:13	2,051.1	1,977.4	-0.18%	96.41%

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 - Cost per pupil is calculated based upon enrollment and operating expenditures as presented and may not be the same as other (State) cost per pupil calculations.

Note: Enrollment based on annual October District count.

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

Source: Pascack Valley Regional High School District records.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST EIGHT FISCAL YEARS  
UNAUDITED

<u>District Building</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Pascack Valley High School (1962)								
Square Feet	171,594	171,594	171,594	171,594	171,594	171,594	171,594	171,594
* Capacity (students)	1,117	1,117	1,117	1,117	1,117	1,117	1,117	1,117
Enrollment	1,031	1,062	1,097	1,121	1,121	1,192	1,248	1,257
Pascack Hills High School (1954)								
Square Feet	161,870	161,870	161,870	161,870	161,870	161,870	161,870	161,870
* Capacity (students)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	660	693	724	781	781	810	827	809
Superintendent's Office Building								
Square Feet	877	877	877	877	877	877	877	877
Board of Education Offices								
Square Feet	1,253	1,253	1,253	1,253	1,253	1,253	1,253	1,253

Number of Schools at June 30, 2012:

    High School = 2

    Other = 2

\* Based on Functional Capacity in District's LRFP

Note: Year of original construction is shown in parentheses. Enrollment is based on the annual October District count.

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

Source: Pascack Valley Regional High School District Facilities Office.

Exhibit J-19

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

Undistributed Expenditures - Required Maintenance  
 For School Facilities - Account #11-000-261-XXX:

<u>School Facilities*</u>	<u>Project # (s)</u>	<u>Fiscal Year Ended June 30,</u>				
		<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Pascack Hills HS	N/A	\$ 259,704	\$ 307,522	\$ 279,207	\$ 297,751	\$ 319,182
Pascack Valley HS	N/A	255,335	247,623	273,353	266,027	326,945
<b>Total School Facilities</b>		<u>515,039</u>	<u>555,145</u>	<u>552,560</u>	<u>563,778</u>	<u>646,127</u>
<b>Grand Total</b>		<u>\$ 515,039</u>	<u>\$ 555,145</u>	<u>\$ 552,560</u>	<u>\$ 563,778</u>	<u>\$ 646,127</u>

<u>School Facilities*</u>	<u>Project # (s)</u>	<u>Fiscal Year Ended June 30,</u>				
		<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Pascack Hills HS	N/A	\$ 271,776	\$ 155,639	\$ 152,691	\$ 220,027	\$ 259,645
Pascack Valley HS	N/A	236,329	174,146	176,982	228,544	189,939
<b>Total School Facilities</b>		<u>508,105</u>	<u>329,785</u>	<u>329,673</u>	<u>448,571</u>	<u>449,584</u>
<b>Grand Total</b>		<u>\$ 508,105</u>	<u>\$ 329,785</u>	<u>\$ 329,673</u>	<u>\$ 448,571</u>	<u>\$ 449,584</u>

N/A - Not Applicable.

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

Source: Pascack Valley Regional High School District records.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2012  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy -		
Northeast Bergen County School Board - School Package		
Policy - Selective Insurance Company:		
Property - Blanket Building and Grounds:		
School Limit	\$ 90,269,392	\$ 5,000
Flood:		
Outside Zones A, V or B	5,000,000	50,000
Zones A or V	1,000,000	500,000
Earthquake	5,000,000	50,000
Boiler and Machinery - Selective Insurance Company:		
Property Damage	90,269,392	
General Liability - Selective Insurance Company:		
Per Occurrence	1,000,000	
Aggregate	2,000,000	
Commercial Automobile Liability - Selective Way Insurance Company:		
Combined Single Limit	1,000,000	
Comprehensive		1,000
Collision		1,000
Commercial Umbrella -		
Selective Insurance Company	9,000,000	10,000
Excess Umbrella -		
Fireman's Fund Insurance Company (Excess of \$9,000,000):		
Per Occurrence	50,000,000	
Aggregate	50,000,000	
Worker's Compensation - Star Insurance Company:		
Per Occurrence	1,000,000	
Policy Limit	1,000,000	
Aggregate	1,000,000	

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2012  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Environmental Legal Liability - ACE:		
Per Occurrence	\$ 1,000,000	\$ 15,000
Aggregate	3,000,000	
Group Aggregate	20,000,000	
Crime Coverage - Selective Insurance Company:		
Primary (Per Employee)	100,000	5,000
Blanket Employee Dishonesty	400,000	
Forgery and Alterations	50,000	1,000
Educators Legal Liability - American Insurance Company:		
Educators Legal Ded	1,000,000	35,000
Employment Practices Ded		35,000
Individual Bonds - Selective Insurance Company:		
School Business Administrator/Board Secretary	450,000	
Treasurer of School Monies	450,000	
Accidental Death and Dismemberment - Gerber Life Insurance:		
Principal Sum (AD&D)	100,000	
Student and Athletic Accident - Peoples Benefit Life Insurance Company:		
Accident Medical Expense Benefit:		
Athletics	5,000,000	
Student	5,000,000	
Voluntary	500,000	

**SINGLE AUDIT SECTION**



Mount Arlington Corporate Center  
 200 Valley Road, Suite 300  
 Mt. Arlington, NJ 07856  
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center  
 11 Lawrence Road  
 Newton, NJ 07860  
 973-383-6699 | 973-383-6555 Fax

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  
 Pascack Valley Regional High School District  
 County of Bergen, 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 Pascack Valley Regional High School District, in the County of Bergen (the "Board") as of, and for the fiscal year ended June 30, 2012, which collectively comprise the School District's basic financial statements and have issued our report thereon dated November 11, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Office of School 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 expressing 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.

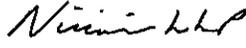
The Honorable President and Members  
of the Board of Education  
Pascack Valley Regional High School District  
Page 2

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 Office of School Finance, Department of Education, State of New Jersey. However, we noted a certain matter that we have reported to management in the *Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance*, a separate report dated November 11, 2012.

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.

Mount Arlington, New Jersey  
November 11, 2012

  
NISIVOCCIA LLP

  
Francis J. Jones, Jr.  
Licensed Public School Accountant #1154  
Certified Public Accountant



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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 OMB's Circular 04-04

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

Compliance

We have audited the compliance of the Board of Education of the Pascack Valley Regional High School District in the County of Bergen (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 its major federal and state programs for the fiscal year ended June 30, 2012. 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 Office of School 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 Non-profit Organizations*, and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133, and New Jersey OMB's Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or 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, 2012.

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

### Internal Control Over Compliance

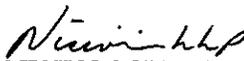
The management of the Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Board's internal control 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.

Mount Arlington, New Jersey  
November 11, 2012

  
NISIVOCIA LLP



Francis J. Jones, Jr.  
Licensed Public School Accountant #1154  
Certified Public Accountant

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

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2011			Refund of Prior Year Expenditures	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Balances	Balance at June 30, 2012		
			From	To		(Accounts Receivable)	Deferred Revenue	Due to Grantor						(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education -																
General Fund:																
Education Jobs Fund	84.410	N/A	8/1/10	9/30/12	\$ 63,457					\$ 38,014	\$ (63,457)		\$ (25,443)			
Total General Fund										38,014	(63,457)		(25,443)			
Special Revenue Fund:																
Passed-through State Department of																
Education:																
No Child Left Behind:																
Title I	84.010	NCLB-3960-12	9/1/11	8/31/12	36,463						(36,463)		(36,463)			
Title I	84.010	NCLB-3960-11	9/1/10	8/31/11	27,734	\$ (27,734)				27,734						
Title II - Part A	84.367	NCLB-3960-12	9/1/11	8/31/12	25,530						(25,530)		(25,530)			
Title II - Part A	84.367	NCLB-3960-11	9/1/10	8/31/11	27,984	(27,984)				27,984						
Title II - Part D	84.318	NCLB-3960-11	9/1/10	8/31/11	37	(37)				37						
Total No Child Left Behind						(55,755)				55,755	(61,993)		(61,993)			
Special Education Cluster:																
I.D.E.A. Part B, Basic Regular	84.027	IDEA-3960-12	9/1/11	8/31/12	465,489				\$ 13,467	249,714	(465,489)		(202,308)			
I.D.E.A. Part B, Basic Regular American Recovery and Reinvestment Act:	84.027	IDEA-3960-11	9/1/10	8/31/11	420,942	(76,816)			(13,467)	90,283						
I.D.E.A. Part B, Basic Regular	84.391	ARRA-3960-10	7/1/09	8/31/11	468,628	(99,924)		\$ 616		99,924		\$ (616)				
Total Special Education Cluster						(176,740)		616		439,921	(465,489)	(616)	(202,308)			
Chinese Foreign Language Assistance Program (FLAP)	84.293B	T293B070152	7/1/11	6/30/12	261,480					261,480	(261,480)					
Total Special Revenue Fund						(232,495)		616		757,156	(788,962)	(616)	(264,301)			
Total U.S. Department of Education						(232,495)		616		795,170	(852,419)	(616)	(289,744)			
TOTAL FEDERAL AWARDS						\$ (232,495)	\$ -0-	\$ -0-	\$ 616	\$ -0-	\$ 795,170	\$ (852,419)	\$ (616)	\$ (289,744)	\$ -0-	\$ -0-

N/A - Not Available/Applicable

**PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2011		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Prior Year Accounts Receivable Canceled	Repayment of Prior Years' Balances	Balance at June 30, 2012			MEMO	
		From	To		Budgetary (Accounts Receivable)	Due to Grantor						GAAP (Accounts Receivable)	Budgetary Deferred Revenue	Due to Grantor	(Budgetary Receivable)	Cumulative Total Expenditures
<b>State Department of Education:</b>																
<b>General Fund:</b>																
Categorical Special Education Aid	12-495-034-5120-089	7/1/11	6/30/12	\$ 825,991				\$ 791,800	\$ (825,991)						\$ (34,191)	\$ 825,991
Extraordinary Aid - Special Education	12-495-034-5120-473	7/1/11	6/30/12	249,800					(249,800)			\$ (249,800)			(249,800)	249,800
Nonpublic Transportation Aid	12-495-034-5120-014	7/1/11	6/30/12	21,914					(21,914)			(21,914)			(21,914)	21,914
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	7/1/11	6/30/12	1,309,493				1,242,417	(1,309,493)			(67,076)			(67,076)	1,309,493
Extraordinary Special Education Aid	11-495-034-5120-473	7/1/10	6/30/11	269,483	\$ (269,483)			269,483								
Nonpublic Transportation Aid	11-495-034-5120-014	7/1/10	6/30/11	17,522	(17,522)			17,522								
<b>Total General Fund State Aid</b>					<b>(287,005)</b>			<b>2,321,222</b>	<b>(2,407,198)</b>			<b>(338,790)</b>			<b>(372,981)</b>	<b>2,407,198</b>
<b>Special Revenue Fund:</b>																
<b>NJ Nonpublic Aid:</b>																
<b>Auxiliary Services (Chapter 192):</b>																
Compensatory Education	12-100-034-5120-067	7/1/11	6/30/12	80,306				80,306	(64,921)					\$ 15,385		64,921
Compensatory Education	11-100-034-5120-067	7/1/10	6/30/11	89,588		\$ 3,517					\$ (3,517)					
English as a Second Language	11-100-034-5120-067	7/1/10	6/30/11	2,561		2,561					(2,561)					
Home Instruction	11-100-034-5120-067	7/1/10	6/30/11	189	(189)			189								
<b>Handicapped Services (Chapter 193):</b>																
Examination and Classification	12-100-034-5120-066	7/1/11	6/30/12	49,761				49,761	(46,218)					3,543		46,218
Examination and Classification	11-100-034-5120-066	7/1/10	6/30/11	47,689			6,217				(6,217)					
Supplementary Instruction	12-100-034-5120-066	7/1/11	6/30/12	47,282				47,282	(42,863)					4,419		42,863
Supplementary Instruction	11-100-034-5120-066	7/1/10	6/30/11	1,565		1,565					(1,565)					
Corrective Speech	11-100-034-5120-066	7/1/10	6/30/11	40,995		5,420					(5,420)					
Textbook Aid (Chapter 194)	12-100-034-5120-064	7/1/11	6/30/12	18,917				18,917	(18,917)							18,917
Textbook Aid (Chapter 194)	11-100-034-5120-064	7/1/10	6/30/11	20,178		1,978					(1,978)					
Nursing Services (Chapter 226)	12-100-034-5120-070	7/1/11	6/30/12	27,020				27,020	(27,020)							27,020
Governor's Initiative Grant	09-100-034-5063-288	7/1/08	6/30/10	3,011	(353)							(353)		(353)		
<b>Total Special Revenue Fund</b>					<b>(542)</b>	<b>21,258</b>		<b>223,475</b>	<b>(199,939)</b>			<b>(21,258)</b>	<b>(353)</b>	<b>23,347</b>	<b>(353)</b>	<b>199,939</b>
<b>Total State Department of Education</b>					<b>(287,547)</b>	<b>21,258</b>		<b>2,544,697</b>	<b>(2,607,137)</b>			<b>(21,258)</b>	<b>(339,143)</b>	<b>23,347</b>	<b>(373,334)</b>	<b>2,607,137</b>
<b>NJ Schools Development Authority:</b>																
<b>Capital Projects Fund:</b>																
<b>Educational Facilities Construction &amp; Financing Act:</b>																
<b>Pascack Hills High School:</b>																
Auditorium Renovations	SP-3960-040-09-1003	7/1/09	6/30/11	614,336	(614,336)			614,336								
Window Replacement	SP-3960-040-10-1009	7/1/10	6/30/13	110,272	(110,272)										(110,272)	
Roof Replacement	SP-3960-040-10-1003	7/1/10	6/30/13	134,140	(134,140)										(134,140)	
<b>Pascack Valley High School:</b>																
Window Replacement	SP-3960-050-09-1004	7/1/09	6/30/13	87,705	(87,705)										(87,705)	
Pre-K Classroom	SP-3960-050-09-1001	7/1/09	6/30/12	99,332	(99,331)			74,149	(74,149)	\$ 25,183						74,149
Dance & Fitness Rooms	SP-3960-050-10-1010	7/1/10	6/30/12	27,060	(27,060)					(13,490)	13,570	(13,490)			(13,490)	13,490
Science Lab Renovations	SP-3960-050-10-1006	7/1/10	6/30/13	242,822	(242,822)										(242,822)	
Roof Replacement	SP-3960-050-10-1004	7/1/10	6/30/13	175,400	(175,400)										(175,400)	
Life Skills Room	SP-3960-050-10-1008	7/1/10	6/30/13	192,881	(192,881)										(192,881)	
Elevator Upgrade	SP-3960-050-10-1005	7/1/10	6/30/12	110,800	(110,800)				(107,420)	3,380		(107,420)			(107,420)	107,420
<b>Total Capital Projects Fund</b>					<b>(1,794,747)</b>			<b>688,485</b>	<b>(195,059)</b>	<b>42,133</b>		<b>(120,910)</b>			<b>(1,064,130)</b>	<b>195,059</b>
<b>Total NJ Schools Development Authority</b>					<b>(1,794,747)</b>			<b>688,485</b>	<b>(195,059)</b>	<b>42,133</b>		<b>(120,910)</b>			<b>(1,064,130)</b>	<b>195,059</b>
<b>TOTAL STATE AWARDS</b>					<b>\$ (2,082,294)</b>	<b>\$ 21,258</b>	<b>\$ -0-</b>	<b>\$ 3,233,182</b>	<b>\$ (2,802,196)</b>	<b>\$ 42,133</b>	<b>\$ (21,258)</b>	<b>\$ (460,053)</b>	<b>\$ -0-</b>	<b>\$ 23,347</b>	<b>\$ (1,437,464)</b>	<b>\$ 2,802,196</b>

N/A - Not Available/Applicable

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Pascack Valley Regional High School District under programs of the federal and state governments for the fiscal year ended June 30, 2012. The information in these schedules are presented in accordance with the Federal Office of Management and Budget (OMB), *Audits of States and Local Governments and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net assets or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following the cost principles contained in federal OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

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 fiscal 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 two state aid payments in the current budget year, which is mandated pursuant to P.L. 2003, C.97 (A3521). For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent fiscal 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 \$(34,191) for the general fund, \$-0- for the special revenue fund and \$237,192 for the capital projects fund. See Exhibits C-3 and F-1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general, special revenue and capital projects funds, respectively. Additionally, the schedule of state awards does not include the on-behalf TPAF Post-Retirement Medical Benefit and Pension Contributions revenue of \$576,752 and \$1,159,422, 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	\$ 63,457	\$ 4,109,181	\$ 4,172,638
Special Revenue Fund	788,962	199,939	988,901
Capital Projects Fund		195,059	195,059
Total Financial Assistance	<u>\$ 852,419</u>	<u>\$ 4,504,179</u>	<u>\$ 5,356,598</u>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(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 employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2012.

NOTE 6. NJ SCHOOLS DEVELOPMENT AUTHORITY (NJSDA) GRANTS

The District has been awarded grants in the amount of \$13,338,303 from the New Jersey Schools Development Authority (NJSDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2012, \$12,352,950 has been expended, \$12,157,891 has been drawn down and unexpended balances totaling \$42,133 have been canceled. The District will realize the grant revenue in the Capital Projects Fund on a GAAP basis as it is expended and submitted for reimbursement.

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

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 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 Federal OMB Circular A-133, *Audits of States, Local Governments and Non-profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.
- The District's major programs for the current fiscal year consisted of the following federal and state awards:

	<u>C.F.D.A. Number/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
Special Education Cluster:				
I.D.E.A. Part B, Basic Regular	84.027	9/1/11-8/31/12	\$ 465,489	\$ 465,489
<u>State:</u>				
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	7/1/11-6/30/12	1,309,493	1,309,493

- The threshold for distinguishing Type A and Type B federal and state programs was \$300,000.
- The District qualified as a "low-risk" auditee under the provisions of section 530 of the federal Circular.

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.

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 NJ OMB 04-04.

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

Status of Prior Year Findings:

The District had no prior year audit findings.