

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2016**

**Demarest, New Jersey**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Northern Valley Regional High School District**

**Demarest, New Jersey**

**For The Fiscal Year Ended June 30, 2016**

**Prepared by**

**Northern Valley Regional High School District  
Business Department**

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**INTRODUCTORY SECTION**



November 28, 2016

Honorable President and Members of the Board of Education

Northern Valley Regional High School District

Demarest, N.J. 07627

Dear Board Members:

The Comprehensive Annual Financial Report of the Northern Valley Regional High School District for the fiscal year ending June 30, 2016, is hereby submitted. Responsibility for both the accuracy of the data, completeness, and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in the report is accurate in all material respects. The report is designed to present an open review of the financial position and operational results of the District's various funds and account groups. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Northern Valley's MD&A can be found immediately following the "Independent Auditor's Report".

The comprehensive annual financial report is presented in five sections: (1) the introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. (2) The financial section includes the basic financial statements and schedules, as well as the auditor's report. (3) The supplementary schedules provide insight into the public school fiscal year. (4) The statistical section includes selected financial and demographic information, generally presented on a multiyear basis. (5) The single audit section of this report includes conformity with the provisions of the US Uniform Guidance and State of New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". The single audit section of this report includes the auditor's reports on the internal controls structure, compliance with applicable laws, regulations, findings and recommendations.



**1) REPORTING ENTITY AND ITS SERVICES:** The Northern Valley Regional High School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) in codification section 2100. The report includes funds of the District. The Northern Valley Regional High School District Board of Education and all its schools constitute the District's reporting entity.

The district is the Local Educational Agency responsible for twenty-one co-operative programs involving its constituent elementary schools. In addition to the constituent districts, it services the neighboring Alpine School District, which completes a Bergen County regional consortium that is recognized by the Department of Education. In cooperation with other Districts throughout Bergen County, the District's regional services are available on a tuition basis if the program size and space matches' student and professional staff needs. The overall program services students with disability on a local level and students from surrounding public schools. The program enhances the opportunity for shared professional services, curriculum development, and provides shared business and technology services for elementary districts.

The Northern Valley Regional School District is comprised of the municipalities of Closter, Demarest, and Haworth that are constituents of the high school in Demarest. Harrington Park, Northvale, Norwood, and Old Tappan are constituents of the high school at Old Tappan. The 17.3 square mile district has a population of 37,401 as per the 2010 census. The primary language spoken at home is: English 90.1% Korean 7.9%, Spanish 1.1%, Chinese .3%, Russian .4%, Hebrew .4%, Urda .2%, Gujarati .2%, and Other 3.9%. The districts mobility rate was .4% compared to the State target rate of 2%. All of the communities are considered upper middle class. The District's high schools house grades 9 through 12 with enrollments of 1,046 at Demarest High school and 1,251 at Old Tappan High School, based on the October 15, 2015 ASSA report. The Region III program leases two non-public school locations as well as classrooms at local district Public Schools to house 207 Special Education students from our sending Districts and surrounding towns.

The district's administrative building adjoins the high school at Demarest. The district is governed by an elected Board of Education, who serves three-year terms and is administrated by a Superintendent of Schools, School Business Administrator/Board Secretary, and other appropriate administrators and supervisors. The Board seats are proportionate to student enrollment by town. The current membership consists of Closter (2), Demarest (1), Haworth (1), Harrington Park (1), Northvale (1), Norwood (1), and Old Tappan (2).

The faculty consists of 289 teachers with 82.4% holding advanced degrees. This represents certified staff in the high schools and the regional programs. Often our staff members achieve recognition as outstanding educators.

The accomplishments of our students reflect their considerable talents and working relationship with the faculty and staff. The successes of our students extend far beyond

the classroom and are demonstrated by the many awards and scholarships that they have received. Five Northern Valley Regional High School students met the requirements for designation as Finalists in the National Scholarship Competition.

**2) ECONOMIC CONDITION AND OUTLOOK:** The Northern Valley Regional High School District is economically stable. Unemployment in Bergen County is 4.7% as of 2016 and the per capita income is \$59782 as of 2015. This is the latest information available on record. The district still remains the 4<sup>th</sup> highest amongst New Jersey counties and above state average. Bergen County, New Jersey is considered one of the wealthiest areas in the nation. The population of the area has remained stable since 1970. The population grew substantially between 1950 and 1970. School facilities were constructed to accommodate the educational needs. Additions were added to the school in 2004. State Aid to public school districts in New Jersey is based on the School Funding Reform Act.

The Act is an attempt to equalize educational expenditures per pupil between wealthy and poorer school districts. The last several years the Department of Education has abandoned the State Aid formulas, which support transportation aid, technology aid, special education aid, and bilingual aid due to the State financial debt. The State's inability to financially support public schools is a current topic of debate before the citizens. The District maintains a balance in their capital reserve account and set aside funds from the 2015-2016 year as a reserve to reduce subsequent tax levy. Uncertainty of state aid impacts the district's ability to plan future tax relief and facility upgrades.

The district received \$1,875,110 State Aid for the 2015-2016 school budget for the general fund. Northern Valley Regional High School District recognized the State's contribution on behalf for TPAF Pension and Social Security. These contributions are equivalent to approximately 11% of the adjusted budget, while the school district State Aid is 4% of the net school budget. The district also recognized that the State of NJ has not funded the pension contribution stated in the fiscal section of the audit. Future funding of New Jersey school districts is uncertain at this time based on the States concerns that property taxes are the highest in the country. The district notes that State Aid has remained virtually flat since 2013-2014 and are still not at the rates of 2009-2010 of \$1,893,524.

**3) MAJOR INITIATIVES:** The Northern Valley Regional High School District is continuously planning for the future. The Board and Administration review educational programs and facility needs as part of the district's annual resources review. The district developed a five year Long Range Facility Plan that was submitted to the State in October 2005. The report reflects the future needs of the district. The District has completed referendums in 2007 and 2009 to upgrade the mechanical system and secure the building envelope. The district amends the plan accordingly to reflect projects that have been completed during the school year.

**4) INTERNAL ACCOUNTING CONTROLS:** The administration of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that financial statements are prepared in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Specific accounting controls secure district assets by processes for receipt of revenue, disbursement of purchase orders and payroll. Receipts are recorded and reconciled. Purchasing controls include multiple signatures on purchasing requests and counter signatures on disbursements warrants. Additionally, new personnel go through a series of independent documentation before the payroll process begins. The administration provides controls that exceed minimum requirements in all of these areas.

As a recipient of federal and state awards, the District is responsible for providing an adequate internal control structure to ensure compliance to these programs. This internal control is subject to periodic evaluations by the District management. The single audit procedures are evaluated to assess the risk associated with the internal control structure, as it relates to compliance with federal and state award programs. The District process is adjusted accordingly to comply with any changes in the law and regulations.

**5) BUDGETARY CONTROLS:** The objective of budgetary control is to ensure compliance with legal provisions embodied in the annual budget approved by the voters of the District. The budget reflected a 2% increase in the tax levy. Annual appropriated budgets are adopted for the general fund, the special revenue funds and the debt service fund. Capital Project budgets are approved for building infrastructure improvements and are funded from Capital Reserve or Long Term Debt. The fund budget amounts, as amended for the fiscal year, are reflected in the financial section. Expenditures are recorded by department and location for internal purposes. This permits supervisors and administrators to monitor encumbrances so not to exceed budgetary allocations.

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

**7) DEBT ADMINISTRATION:** The voters of the District approved a building project totaling \$29,881,000 on September 25, 2001. The State of New Jersey, in accordance with the Educational Facilities and Capital Financing Act, has earmarked a \$6,546,180 grant to support the funding for the project. The District funded \$23,334,000 with a \$10,000,000 sale in December 2001 and a \$13,334,000 sale in February 2002. On

December 20, 2006, the district refunded the school bonds based on the balance of \$19,680,000.

On April 17, 2007 the voters approved a referendum for \$2,186,000 for renovations in Old Tappan and Demarest High Schools that included a new boiler, new biology labs, locker rooms and electrical upgrades. On June 29, 2007, the district funded the school bonds with a \$2,186,000 bond sale.

On April 21, 2009 the voters approved a referendum for improvements to roofs and exterior items such as windows and brick replacement for a total of \$3,816,888. The district funded the referendum with a bond sale of \$2,290,000.

The district total obligation in bonds as of June 30, 2016 is \$11,475,000 (see below).

On Tuesday, March 8, 2016 the voters approved a referendum for improvements at both Old Tappan and Demarest High School, including upgrades to auditoriums at both schools and the addition of physics, forensic and STEM classrooms. The total amount approved by the referendum was \$11,707,485. The District funded the projects with a bond sale on July 12, 2016.

<b>PURPOSE</b>	<b>DATE OF ISSUE</b>	<b>AMOUNT OF ISSUE</b>	<b>BALANCE JUNE 30, 2016</b>
<b><u>Refunding Bonds</u></b>	12/20/2006	\$16,865,000.00	\$9,065,000.00
<b><u>School Improvements;</u></b> new boiler, new biology labs, locker rooms and electrical upgrade.	6/29/2007	\$2,186,000.00	\$515,000.00
<b><u>School Improvements</u></b> improvements to roofs and exterior items; windows and brick replacement	8/4/2009	\$2,290,000.00	\$1,895,000.00
<b>DISTRICT TOTAL OBLIGATION AS OF JUNE 30, 2016</b>			<b>\$11,475,000.00</b>

The district's additions at both high schools allow students to enjoy facilities that are appropriate for today's educational program. The district will discuss a prudent fiscal strategy during the 2016-2017 school year to provide the constituent districts with a

favorable tax impact and maintain high quality facilities with reasonable longevity. The district borrowed funds from the Bergen County Improvement Authority to fund spread the cost of the improvement to the athletic fields over a five year period.

**8) CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements"; *Note 3 The District* has an approved policy authorizing the board secretary to invest current funds within the limitations of the State of New Jersey statutes. Excess funds are invested according to procedures on a continuous basis. This resulted in \$27,351 interest income for the 2015-2016 school year. This represents an increase in interest income from the previous year of \$12,163.

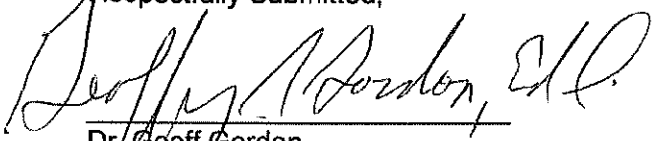
**9) RISK MANAGEMENT:** The Board of Education policy states that the appropriate insurance coverage is attained at the most reasonable cost. The Board carries several types of insurance including property and liability. Property insurance including all buildings and contents is limited to \$101,394,679 loss. All insurance claims are handled through the Board Secretary and the Board appointed risk manager. These insurance limits represent significant increases in coverage with a new insurance carrier, New Jersey School Board Association Insurance Group.

**10) OTHER INFORMATION:** State statutes require an annual audit by an independent certified public accountant or registered municipal accountant that is licensed as a public school accountant. The accounting firm of Lerch, Vinci & Higgins, LLP was approved by the Board of Education.

In Addition to meeting the requirements set forth in state statutes, the audit is designed to meet the requirements U.S. Uniform Guidance and State of New Jersey OMB Circular 15-08. The auditor's report on the basic financial statements, combined and individual fund statements and other schedules are included in the financial section of this report. The auditor's report related specifically to the Federal and State Grant funds and State Aide are included in the single audit section of this report.

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

Respectfully Submitted,



Dr. Geoff Gordon  
Interim Superintendent



Joanette Femia  
School Business Administrator/  
Board Secretary

Programs

Neil Moles

Valley

Occupational & Physical Therapy

G & T

Senior Service

Professional Development

Teens & Tots

Little Tots

Athletic

Access

Curriculum Development

Summer Pre K

Summer K-8

Psychiatric

Speech Evaluations

Learning Evaluations

Behavior Evaluations

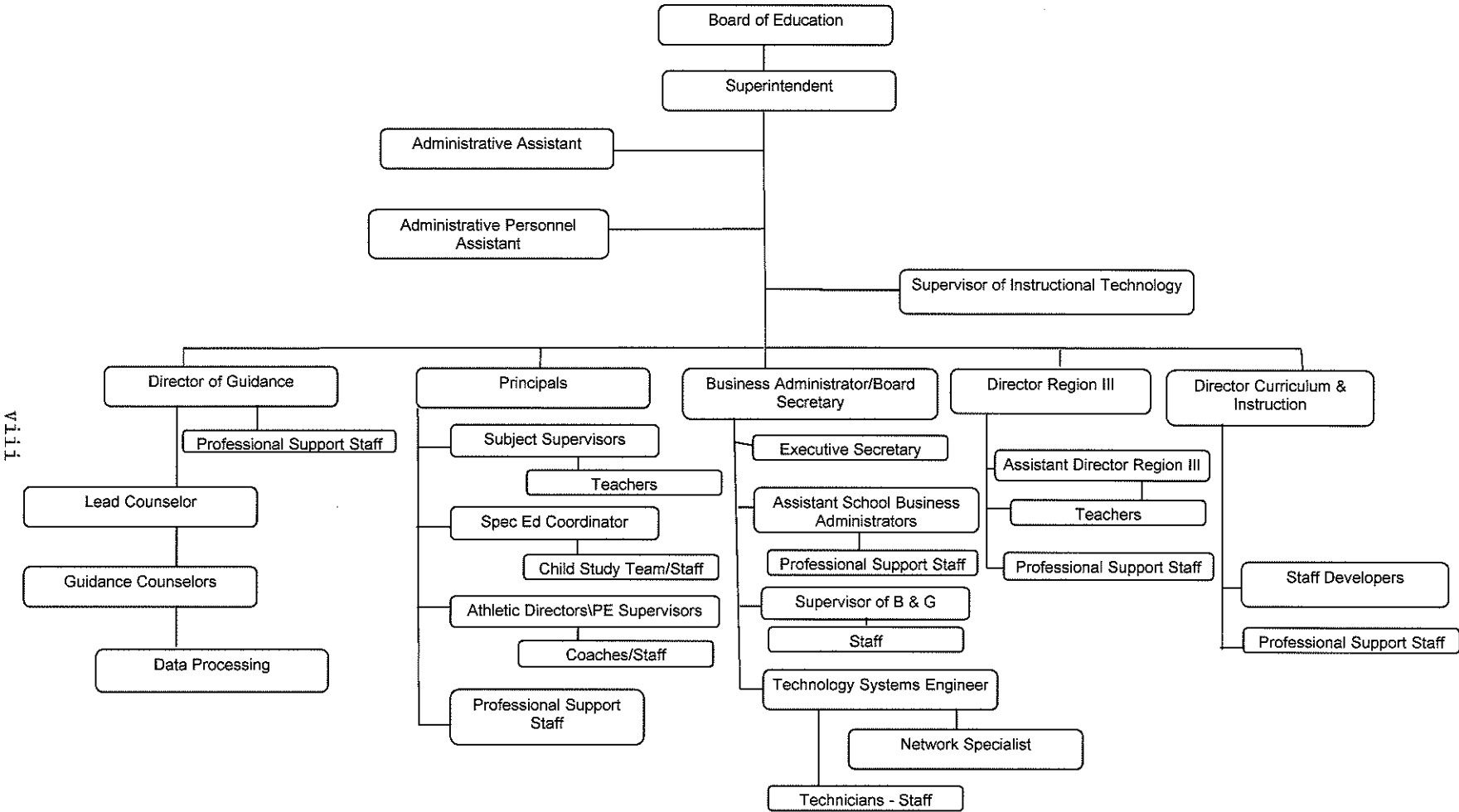
Social Skills – After School

Junction

TIP

SLICE

# NORTHERN VALLEY REGIONAL HIGH SCHOOL ORGANIZATIONAL CHART



T.T.T.

***NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT***

**ROSTER OF OFFICIALS**

**JUNE 30, 2016**

**Members of the Board of Education**

**Term Expires**

Mr. Louis DeLisio, President	2016
Mr. Joseph Argenziano, Vice President	2017
Mrs. Melissa Driscoll	2018
Mr. Dan Eller	2018
Mrs. Tiffany Kaplan	2017
Dr. George Kipel	2016
Mr. Peter Micera	2018
Mr. John Schettino	2017
Mr. Ghanshyam C. Vaghasia	2018

**Other Officials**

**Title**

Dr. Geoffrey Gordon	Interim Superintendent
Mrs. Joannette Femia	Business Administrator/Board Secretary
Mrs. Louise Napolitano	Assistant Business Administrator
Mr. James Santana	Principal, NVRHS at Demarest
Dr. Bruce Sabatini	Principal, NVRHS at Old Tappan



***NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT***

**Consultants and Advisors**

**Architect**

RSC Architects  
3 University Plaza  
Suite 600  
Hackensack, NJ 07601

**Attorney**

Cleary, Giacobee, Alfieri & Jacobs  
5 Ravine Drive  
Matawan, New Jersey 07747

**Auditor**

Lerch, Vinci & Higgins, LLP  
17-17 State Rt 208  
Fair Lawn, NJ 07410

**Official Depository**

Columbia Bank  
19-01 Route 208 North  
Fair Lawn, New Jersey 07410

Valley National Bank  
1460 Valley Road  
Wayne, New Jersey 07470

**FINANCIAL SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. NICOLOSI, CPA  
ROBERT AMPONSAH, CPA

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Trustees  
Northern Valley Regional High School District  
Demarest, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Northern Valley Regional High School District, as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in the 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Northern Valley Regional High School District as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Northern Valley Regional High School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Northern Valley Regional High School District.

The combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

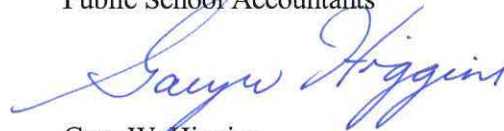
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated November 28, 2016 on our consideration of the Northern Valley Regional High School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Northern Valley Regional High School District's internal control over financial reporting and compliance.



LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Gary W. Higgins  
Public School Accountant  
PSA Number CS00814

Fair Lawn, New Jersey  
November 28, 2016

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**

The discussion and analysis of the Northern Valley Regional High School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the financial statements as well as the financial statements themselves to enhance their understanding of the District's financial performance.

**Financial Highlights**

- General revenues accounted for \$52,766,332 in revenue or 56 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$40,851,244 or 44 percent of total revenues of \$93,617,576.
- Total net position of governmental activities amounted to \$(15,633,648) as of June 30, 2016.
- The District had \$66,657,095 in expenses related to governmental activities; only \$15,306,852 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$52,703,448 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$58,000,860 in revenues and \$57,171,297 in expenditures and other financing uses. The General Fund's fund balance increased in the fiscal year ended June 30, 2016 by \$829,563 from the fiscal year ended June 30, 2015 balance of \$3,468,759 to \$4,298,322.

**Using the Comprehensive Annual Financial report (CAFR)**

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

The *Statement of Net position* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the district's most significant funds. In the case of the Northern Valley Regional High School District, the General Fund is by far the most significant fund.



**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**

**Reporting the District as a Whole**

One of the most important questions asked about the District is "How did we do financially during the fiscal year ended June 30, 2016?" The *Statement of Net position* and the *Statement of Activities*, which appear first in the District's financial statements, report information on the District as a whole and its activities in such a way as to answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- Governmental Activities – most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extra-curricular activities.
- Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods and services provided. The District's food service program is reported as a business-type activity.

**Reporting the School District's Most Significant Funds**

**Fund Financial Statements**

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. The District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund. The Enterprise Fund includes the following major funds: 1) Technical Services, 2) Regional Cooperative Program, 3) Regional Transportation, 4) Regional Special Education and other non-major programs.

**Governmental Funds**

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

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**

**Enterprise Fund**

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in statements for the District as a whole.

**Notes to the Financial Statements**

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

**The District as a Whole**

The *Statement of Net position* provides the perspectives of the District as a whole, showing assets and deferred outflows of resources and liabilities and deferred inflows of resources and the difference between them (net position). Net position may serve over time as a useful indicator of a government's financial position.

Table 1 provides a summary of the District's net position as of June 30, 2016 and 2015.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Assets</b>						
Current Assets	\$ 4,331,578	\$ 4,359,536	\$ 5,974,213	\$ 5,912,637	\$ 10,305,791	\$ 10,272,173
Capital Assets	8,819,161	8,254,609	95,402	88,085	8,914,563	8,342,694
<b>Total Assets</b>	<u>13,150,739</u>	<u>12,614,145</u>	<u>6,069,615</u>	<u>6,000,722</u>	<u>19,220,354</u>	<u>18,614,867</u>
<b>Deferred Outflows of Resources</b>	<u>3,299,770</u>	<u>424,839</u>	<u>2,199,844</u>	<u>283,226</u>	<u>5,499,614</u>	<u>708,065</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>16,450,509</u>	<u>13,038,984</u>	<u>8,269,459</u>	<u>6,283,948</u>	<u>24,719,968</u>	<u>19,322,932</u>
<b>Liabilities</b>						
Long-Term Liabilities	30,557,187	27,789,468	11,966,099	9,176,135	42,523,286	36,965,603
Other Liabilities	726,521	797,155	167,204	44,456	893,725	841,611
<b>Total Liabilities</b>	<u>31,283,708</u>	<u>28,586,623</u>	<u>12,133,303</u>	<u>9,220,591</u>	<u>43,417,011</u>	<u>37,807,214</u>
<b>Deferred Inflows of Resources</b>	<u>800,449</u>	<u>1,439,214</u>	<u>533,633</u>	<u>959,475</u>	<u>1,334,082</u>	<u>2,398,689</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>32,084,157</u>	<u>30,025,837</u>	<u>12,666,936</u>	<u>10,180,066</u>	<u>44,751,093</u>	<u>40,205,903</u>
<b>Net Position</b>						
Net Investment in Capital Assets	(2,655,839)	(4,835,391)	95,402	88,085	(2,560,437)	(4,747,306)
Restricted	2,299,137	2,576,665			2,299,137	2,576,665
Unrestricted	(15,276,946)	(14,728,127)	(4,492,879)	(3,984,203)	(19,769,825)	(18,712,330)
<b>Total Net Position</b>	<u>\$ (15,633,648)</u>	<u>\$ (16,986,853)</u>	<u>\$ (4,397,477)</u>	<u>\$ (3,896,118)</u>	<u>\$ (20,031,125)</u>	<u>\$ (20,882,971)</u>

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**

The District's combined net position were \$(20,031,125) and \$(20,882,971) on June 30, 2016 and 2015, respectively. This was an increase of \$851,846 or 11 percent from the fiscal year ended June 30, 2015.

Table 2 shows changes in net position for the fiscal years ended June 30, 2016 and 2015.

**Change in Net Position**  
**For The Years Ended June 30, 2016 and 2015**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 436,515	\$ 529,840	\$ 22,334,386	\$ 21,518,160	\$ 22,770,901	\$ 22,048,000
Operating Grants and Contributions	14,760,738	7,567,533	3,210,006		17,970,744	7,567,533
Capital Grants and Contributions	109,599				109,599	-
<b>General Revenues</b>						
Property Taxes	51,926,950	50,096,424			51,926,950	50,096,424
State and Federal Aid	137,210	566,391			137,210	566,391
Other	688,436	536,591	13,736	6,240	702,172	542,831
<b>Total Revenues</b>	<b>68,059,448</b>	<b>59,296,779</b>	<b>25,558,128</b>	<b>21,524,400</b>	<b>93,617,576</b>	<b>80,821,179</b>
<b>Expenses</b>						
<b>Instruction</b>						
Regular	32,470,087	27,309,565			32,470,087	27,309,565
Special Education	7,590,218	7,207,732			7,590,218	7,207,732
Other Instruction	215,251	620,486			215,251	620,486
School Sponsored Activities, Athletics and Programs	3,194,204	1,955,290			3,194,204	1,955,290
<b>Support Services</b>						
Student and Instruction Related Services	8,754,056	7,706,166			8,754,056	7,706,166
General and Business Administration Services	2,267,347	1,955,669			2,267,347	1,955,669
School Administration Services	4,417,188	3,503,752			4,417,188	3,503,752
Plant Operations and Maintenance	5,591,664	4,957,168			5,591,664	4,957,168
Pupil Transportation	1,619,265	1,641,396			1,619,265	1,641,396
Interest on Long-Term Debt	537,815	612,133			537,815	612,133
Business-type Activities	-	-	26,108,635	21,201,104	26,108,635	21,201,104
<b>Total Expenses</b>	<b>66,657,095</b>	<b>57,469,357</b>	<b>26,108,635</b>	<b>21,201,104</b>	<b>92,765,730</b>	<b>78,670,461</b>
<b>Change in Net Position</b>	<b>1,402,353</b>	<b>1,827,422</b>	<b>(550,507)</b>	<b>323,296</b>	<b>851,846</b>	<b>2,150,718</b>
<b>Transfers</b>	<b>(49,148)</b>		<b>49,148</b>			
<b>Net Position, Beginning of Year</b>	<b>(16,986,853)</b>	<b>(26,950,205)</b>	<b>(3,896,118)</b>	<b>5,429,883</b>	<b>(20,882,971)</b>	<b>(21,520,322)</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>8,135,930</b>	<b>-</b>	<b>(9,649,297)</b>	<b>-</b>	<b>(1,513,367)</b>
<b>Net Position, End of Year</b>	<b>\$ (15,633,648)</b>	<b>\$ (16,986,853)</b>	<b>\$ (4,397,477)</b>	<b>\$ (3,896,118)</b>	<b>\$ (20,031,125)</b>	<b>\$ (20,882,971)</b>

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**

**Governmental Activities**

The District's total governmental activities revenues were \$68,059,448 and \$59,296,779 for the years ended June 30, 2016 and 2015, respectively. Property taxes made up 76 and 84 percent of revenues for governmental activities for the Northern Valley Regional High School District for fiscal years 2016 and 2015, respectively. Federal, state and local grants accounted for 22 and 14 percent of revenue for the fiscal years ended June 30, 2016 and 2015, respectively.

The total cost of all programs and services was \$66,657,095 and \$57,469,357 for the fiscal years ended June 30, 2016 and 2015, respectively. Instruction comprises 65 and 65 percent of governmental program expenses for the years ended June 30, 2016 and 2015. Support services expenses make up 34 and 34 percent of governmental expenses for the years ended June 30, 2016 and 2015. The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Instruction				
Regular	\$ 32,470,087	\$ 27,309,565	\$ 23,274,629	\$ 23,799,691
Special Education	7,590,218	7,207,732	5,069,514	5,335,653
Other Instruction	215,251	620,486	5,864	561,036
School Sponsored Activities, Athletics and Programs	3,194,204	1,955,290	2,328,228	1,767,950
Support Services				
Student and Instruction Related Services	8,754,056	7,706,166	7,369,811	6,758,442
General and Business Administration Services	2,267,347	1,955,669	2,267,347	1,840,409
School Administration Services	4,417,188	3,503,752	3,525,661	3,138,996
Plant Operations and Maintenance	5,591,664	4,957,168	5,445,411	4,638,091
Pupil Transportation	1,619,265	1,641,396	1,525,963	1,531,716
Interest on Long-Term Debt	537,815	612,133	537,815	-
<b>Total</b>	<b><u>\$ 66,657,095</u></b>	<b><u>\$ 57,469,357</u></b>	<b><u>\$ 51,350,243</u></b>	<b><u>\$ 49,371,984</u></b>

**Business-Type Activities**

The District's total business-type activities revenues and operating transfers of \$25,607,276 and \$21,524,400 and expenses of \$26,108,635 and \$21,201,104 in fiscal years ended June 30, 2016 and 2015, respectively. Of the revenues, \$22,334,386 and \$21,518,160 was charges for services; \$3,210,006 and \$0 was from State reimbursements for the years ended June 30, 2016 and 2015, respectively.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$61,285,224 and \$58,811,897 and expenditures and other financing uses were \$61,274,268 and \$58,448,048 for the fiscal years ended June 30, 2016 and 2015, respectively. The net change in the governmental funds - fund balances for the year was an increase of \$10,956.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal years ending June 30, 2016 and 2015.

<u>Revenue</u>	<u>Years Ended</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
	<u>2016</u>	<u>2015</u>		
Local Sources	\$ 53,096,883	\$ 51,242,813	\$ 1,854,070	3.62%
State Sources	7,367,594	6,809,259	558,335	8.20%
Federal Sources	820,747	759,805	60,942	8.02%
Total Governmental Fund Revenues	<u>\$ 61,285,224</u>	<u>\$ 58,811,877</u>	<u>\$ 2,473,347</u>	4.21%

The following schedule represents a summary of the governmental funds expenditures for the fiscal years ending June 30, 2016 and 2015.

	<u>Years Ended</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
	<u>2016</u>	<u>2015</u>		
Current Expense				
Instruction	\$ 37,492,247	\$ 24,702,226	\$ 12,790,021	51.78%
Support Services	20,290,200	31,372,909	(11,082,709)	-35.33%
Capital Outlay	1,258,138	190,616	1,067,522	560.04%
Debt Service				
Principal	1,615,000	1,540,000	75,000	4.87%
Interest	569,535	642,297	(72,762)	-11.33%
Total Expenditures	<u>\$ 61,225,120</u>	<u>\$ 58,448,048</u>	<u>\$ 2,777,072</u>	4.75%

\*Prior to the 2015/2016, the District did not allocate unallocated budgetary expenditures by function for GAAP financial statement presentation which explains the significant fluctuations in expenditures by functional category.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**

**General Fund Budgeting Highlights**

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

During the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to prevent over-expenditures in specific line item accounts.

**Capital Assets**

At the end of fiscal years 2016 and 2015, the District had \$8,819,161 and \$8,254,609 invested in land, buildings, furniture and equipment and vehicles and construction in progress for governmental activities net of accumulated depreciation, respectively. Overall capital assets for governmental activities increased \$564,552 from the fiscal year ended June 30, 2015 to fiscal year ended June 30, 2016. Table A-4 shows capital assets and the related depreciation for governmental activities at June 30, 2016 and 2015.

**Table A-4**  
**Capital Assets**  
**as of June 30, 2016 and 2015**

	<u>2016</u>	<u>Total</u> <u>2015</u>
Land	\$ 2,299,500	\$ 2,299,500
Land Improvements	6,455,900	6,455,900
Construction in Progress	1,197,508	
Buildings and Building Improvements	16,643,984	16,643,984
Machinery and Equipment	<u>2,230,152</u>	<u>2,169,522</u>
	28,827,044	27,568,906
Less Accumulated Depreciation	<u>20,007,883</u>	<u>19,314,297</u>
<b>Total Net Position</b>	<b><u>\$ 8,819,161</u></b>	<b><u>\$ 8,254,609</u></b>

Additional information about the District's capital assets can be found in Note 3 of this report.

***NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016***

**Long-Term Liabilities**

At June 30, 2016 and 2015, the District had \$42,523,286 and \$36,965,603 of long-term liabilities. Of this amount, \$1,718,715 and \$1,358,304 is for compensated absences; and \$11,475,000 and \$13,090,000 of bonds payable, and \$22,517,299 and \$29,329,571 for net pension liability, respectively.

Additional information about the District's Long-Term Debt can be found in Note 3 of this report.

**For the Future**

Northern Valley Regional High School District demonstrated strengths in developing and implementing budgets was a major factor in the successes of the 2015-2016 school year. The process is broad based and includes the staff, administration and Board of Education. All effort in the development of a budget are directed at achieving district goals. As we look forward, the administration and staff are prepared to face the new economic realities of no increases in state aid and 2% caps on tax increases. In these difficult times improvement of student achievement will always be our paramount consideration.

**Contacting the District's Financial Management**

This financial report is designed to provide the citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Joannette Femia, Business Administrator/Board Secretary at Northern Valley Regional High School District, 162 Knickerbocker Road, Demarest, New Jersey 07627.

**FINANCIAL STATEMENTS**



**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2016**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,596,609	\$ 4,096,872	\$ 7,693,481
Receivables, net			
Receivables from Other Governments	599,818	22,556	622,374
Other	3,550	1,871,254	1,874,804
Internal Balance	22,556	(22,556)	-
Due from Other Funds	109,045		109,045
Inventory		6,087	6,087
Capital Assets			
Not Being Depreciated	3,497,008		3,497,008
Being Depreciated, net	<u>5,322,153</u>	<u>95,402</u>	<u>5,417,555</u>
Total Assets	<u>13,150,739</u>	<u>6,069,615</u>	<u>19,220,354</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>3,299,770</u>	<u>2,199,844</u>	<u>5,499,614</u>
Total Deferred Outflow of Resources	<u>3,299,770</u>	<u>2,199,844</u>	<u>5,499,614</u>
Total Assets and Deferred Outflow of Resources	<u>16,450,509</u>	<u>8,269,459</u>	<u>24,719,968</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Liabilities	67,741	141,488	209,229
Intergovernmental Payable	15,196		15,196
Accrued Interest Payable	208,113		208,113
Unearned Revenue	435,471	25,716	461,187
Noncurrent Liabilities			
Due Within One Year	1,700,000		1,700,000
Due Beyond One Year	<u>28,857,187</u>	<u>11,966,099</u>	<u>40,823,286</u>
Total Liabilities	<u>31,283,708</u>	<u>12,133,303</u>	<u>43,417,011</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>800,449</u>	<u>533,633</u>	<u>1,334,082</u>
Total Liabilities and Deferred Inflows of Resources	<u>32,084,157</u>	<u>12,666,936</u>	<u>44,751,093</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	(2,655,839)	95,402	(2,560,437)
Restricted for:			
Capital Projects	2,298,617		2,298,617
Other Purposes	520		520
Unrestricted	<u>(15,276,946)</u>	<u>(4,492,879)</u>	<u>(19,769,825)</u>
Total Net Position	<u>\$ (15,633,648)</u>	<u>\$ (4,397,477)</u>	<u>\$ (20,031,125)</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
Instruction							
Regular	\$ 32,470,087	\$ 436,515	\$ 8,758,943		\$ (23,274,629)		\$ (23,274,629)
Special Education	7,590,218		2,520,704		(5,069,514)		(5,069,514)
Other Instruction	215,251		209,387		(5,864)		(5,864)
School Sponsored Activities and Athletics	3,194,204		865,976		(2,328,228)		(2,328,228)
Support Services							
Student and Instruction Related Services	8,754,056		1,384,245		(7,369,811)		(7,369,811)
School Administration Services	4,417,188		891,527		(3,525,661)		(3,525,661)
General Administration Services	1,301,361				(1,301,361)		(1,301,361)
Plant Operations and Maintenance	5,591,664		36,654	\$ 109,599	(5,445,411)		(5,445,411)
Pupil Transportation	1,619,265		93,302		(1,525,963)		(1,525,963)
Business and Other Support Services	965,986				(965,986)		(965,986)
Interest on Long-Term Debt and Other Charges	537,815	-	-	-	(537,815)	-	(537,815)
<b>Total Governmental Activities</b>	<b>66,657,095</b>	<b>436,515</b>	<b>14,760,738</b>	<b>109,599</b>	<b>(51,350,243)</b>	<b>-</b>	<b>(51,350,243)</b>
Business-Type Activities:							
Technical Services	1,116,044	716,682				\$ (399,362)	(399,362)
Regional Cooperative Program	1,434,251	1,264,099	274,024			103,872	103,872
Regional Transportation	1,828,084	1,580,097				(247,987)	(247,987)
Regional Special Education	19,955,763	17,097,926	2,790,338			(67,499)	(67,499)
Other Nonmajor Programs	1,774,493	1,675,582	145,644	-	-	46,733	46,733
<b>Total Business-Type Activities</b>	<b>26,108,635</b>	<b>22,334,386</b>	<b>3,210,006</b>	<b>-</b>	<b>-</b>	<b>(564,243)</b>	<b>(564,243)</b>
<b>Total Primary Government</b>	<b>\$ 92,765,730</b>	<b>\$ 22,770,901</b>	<b>\$ 17,970,744</b>	<b>\$ 109,599</b>	<b>(51,350,243)</b>	<b>(564,243)</b>	<b>(51,914,486)</b>

Continued

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Total Primary Government (Carried Forward)	\$ (51,350,243)	\$ (564,243)	\$ (51,914,486)
General Revenues and Transfers			
Taxes:			
Property Taxes, Levied for General Purposes	49,835,108		49,835,108
Taxes Levied for Debt Service	2,091,842		2,091,842
State Aid Restricted for Debt Service	92,242		92,242
Unrestricted State Aid	44,968		44,968
Miscellaneous Income	688,436	13,736	702,172
Transfers	(49,148)	49,148	-
Total General Revenues and Transfers	52,703,448	62,884	52,766,332
Change in Net Position	1,353,205	(501,359)	851,846
Net Position Beginning of Year (Restated)	(16,986,853)	(3,896,118)	(20,882,971)
Net Position End of Year	\$ (15,633,648)	\$ (4,397,477)	\$ (20,031,125)

**FUND FINANCIAL STATEMENTS**

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 3,635,063	\$ 54,799			\$ 3,689,862
Receivables, Net					
Receivables From Other Governments	104,530	10,386	\$ 484,902		599,818
Other		3,550			3,550
Due from Other Funds	<u>568,136</u>	<u>-</u>	<u>-</u>	<u>\$ 520</u>	<u>568,656</u>
Total Assets	<u>\$ 4,307,729</u>	<u>\$ 68,735</u>	<u>\$ 484,902</u>	<u>\$ 520</u>	<u>\$ 4,861,886</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Cash Overdraft			\$ 93,253		\$ 93,253
Accounts Payable	\$ 2,000	\$ 258	65,483		67,741
Due to Other Funds	520		436,535		437,055
Payable to State Governments		15,196			15,196
Unearned Revenue	<u>6,887</u>	<u>53,281</u>	<u>375,303</u>	<u>-</u>	<u>435,471</u>
Total Liabilities	<u>9,407</u>	<u>68,735</u>	<u>970,574</u>	<u>-</u>	<u>1,048,716</u>
Fund Balances					
Restricted					
Capital Reserve	1,994,289				1,994,289
Capital Reserve - Designated for Subsequent Year's Budget	790,000				790,000
Capital Projects			(485,672)		(485,672)
Debt Service				\$ 520	520
Assigned					
Year-end Encumbrances	217,956				217,956
Designated for Subsequent Year's Budget	835,000				835,000
Unassigned	<u>461,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>461,077</u>
Total Fund Balances	<u>4,298,322</u>	<u>-</u>	<u>(485,672)</u>	<u>520</u>	<u>3,813,170</u>
Total Liabilities and Fund Balances	<u>\$ 4,307,729</u>	<u>\$ 68,735</u>	<u>\$ 484,902</u>	<u>\$ 520</u>	

EXHIBIT B-1

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
 GOVERNMENTAL FUNDS  
 BALANCE SHEET  
 AS OF JUNE 30, 2016

Total Fund Balance (Exhibit B-1) \$ 3,813,170

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$28,827,044 and the accumulated depreciation is \$20,007,883 8,819,161

The District has financed capital assets through the issuance of serial bonds. The interest accrual at year end is: (208,113)

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.

Bonds Payable	\$ (11,475,000)	
Compensated Absences	(1,484,438)	
Net Pension Liability	<u>(17,597,749)</u>	(30,557,187)

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.

Deferred Outflows of Resources	3,299,770	
Deferred Inflows of Resources	<u>(800,449)</u>	
		<u>2,499,321</u>

Net Position of Governmental Activities (Exhibit A-1) \$ (15,633,648)

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 49,835,108			\$ 2,091,842	\$ 51,926,950
Miscellaneous	<u>1,124,951</u>	<u>\$ 44,982</u>	<u>-</u>	<u>-</u>	<u>1,169,933</u>
Total - Local Sources	50,960,059	44,982	-	2,091,842	53,096,883
State Sources	7,040,801	124,952	\$ 109,599	92,242	7,367,594
Federal Sources	<u>-</u>	<u>820,747</u>	<u>-</u>	<u>-</u>	<u>820,747</u>
Total Revenues	<u>58,000,860</u>	<u>990,681</u>	<u>109,599</u>	<u>2,184,084</u>	<u>61,285,224</u>
<b>EXPENDITURES</b>					
Current					
Regular Instruction	27,533,390	30,382			27,563,772
Special Education Instruction	6,506,070	493,897			6,999,967
Other Instruction	5,512	209,387			214,899
School Sponsored Activities and Athletics	2,713,609				2,713,609
Support Services					
Student and Instruction Related Services	7,584,375	257,015			7,841,390
General Administration Services	1,272,702				1,272,702
School Administration Services	3,825,645				3,825,645
Plant Operations and Maintenance	4,833,781				4,833,781
Pupil Transportation	1,602,455				1,602,455
Business and Other Support Services	914,227				914,227
Debt Service					
Principal				1,615,000	1,615,000
Interest				569,535	569,535
Capital Outlay	<u>330,383</u>	<u>-</u>	<u>927,755</u>	<u>-</u>	<u>1,258,138</u>
Total Expenditures	<u>57,122,149</u>	<u>990,681</u>	<u>927,755</u>	<u>2,184,535</u>	<u>61,225,120</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>878,711</u>	<u>-</u>	<u>(818,156)</u>	<u>(451)</u>	<u>60,104</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers Out	<u>(49,148)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(49,148)</u>
Total Other Financing Sources (Uses)	<u>(49,148)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(49,148)</u>
Net Change in Fund Balances	829,563	-	(818,156)	(451)	10,956
Fund Balance, Beginning of Year (Restated)	<u>3,468,759</u>	<u>-</u>	<u>332,484</u>	<u>971</u>	<u>3,802,214</u>
Fund Balance (Deficit), End of Year	<u>\$ 4,298,322</u>	<u>\$ -</u>	<u>\$ (485,672)</u>	<u>\$ 520</u>	<u>\$ 3,813,170</u>

The accompanying Notes to the Financial Statements are an integral part of this statement

**NORTHERN 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, 2016**

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** \$ 10,956

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.

Depreciation Expense	\$ (693,586)	
Capital Outlay	<u>1,258,138</u>	564,552

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on Statement of Activities .

Principal Payments:		
General Obligation Bonds		1,615,000

In the statement of activities, certain operating expense are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid).

Net Change in Compensated Absences	(295,353)	
Net Change in Pension Expense	<u>(573,670)</u>	(869,023)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Decrease in Accrued Interest		<u>31,720</u>
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**Change in Net Position of Governmental Activities (Exhibit A-2)** **\$ 1,353,205**



NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2016

	Business-Type Activities					Other Nonmajor Enterprise Funds	Total Enterprise Funds
	Enterprise Fund						
	Technical Services	Major Programs		Regional Special Ed			
	Regional Coop Prgm	Regional Transportation					
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and Cash Equivalents		\$ 512,349		\$ 3,316,779	\$ 267,744	\$ 4,096,872	
Intergovernmental Receivable		1,860		19,909	787	22,556	
Other Accounts Receivable	\$ 34,073	6,105	\$ 556,306	1,269,085	5,685	1,871,254	
Due from Other Funds		333,734			101,952	435,686	
Inventories	-	-	-	-	6,087	6,087	
<b>Total Current Assets</b>	<b>34,073</b>	<b>854,048</b>	<b>556,306</b>	<b>4,605,773</b>	<b>382,255</b>	<b>6,432,455</b>	
<b>Capital Assets</b>							
Furniture, machinery & equipment				204,193	215,654	419,847	
Less: Accumulated Depreciation	-	-	-	(134,395)	(190,050)	(324,445)	
<b>Total Capital Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,798</b>	<b>25,604</b>	<b>95,402</b>	
<b>DEFERRED OUTFLOW OF RESOURCES</b>							
Deferred Amounts on Net Pension Liability	-	122,096	-	2,077,748	-	2,199,844	
<b>Total Deferred Outflow of Resources</b>	<b>-</b>	<b>122,096</b>	<b>-</b>	<b>2,077,748</b>	<b>-</b>	<b>2,199,844</b>	
<b>Total Assets and Deferred Outflow of Resources</b>	<b>34,073</b>	<b>976,144</b>	<b>556,306</b>	<b>6,753,319</b>	<b>407,859</b>	<b>8,727,701</b>	
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
Accounts Payable	38,768			69,750	27,695	136,213	
Due to Other Funds	72,870	1,860	333,734	19,909	29,869	458,242	
Other Payable					5,275	5,275	
Unearned Revenue	-	-	-	-	25,716	25,716	
<b>Total Current Liabilities</b>	<b>111,638</b>	<b>1,860</b>	<b>333,734</b>	<b>89,659</b>	<b>88,555</b>	<b>625,446</b>	
<b>Noncurrent Liabilities</b>							
Compensated Absences	16,148	52,932		148,694	16,503	234,277	
Net Pension Liability	-	651,142	-	11,080,680	-	11,731,822	
<b>Total Noncurrent Liabilities</b>	<b>16,148</b>	<b>704,074</b>	<b>-</b>	<b>11,229,374</b>	<b>16,503</b>	<b>11,966,099</b>	
<b>DEFERRED INFLOW OF RESOURCES</b>							
Deferred Amounts on Net Pension Liability	-	29,618	-	504,015	-	533,633	
<b>Total Deferred Inflow of Resources</b>	<b>-</b>	<b>29,618</b>	<b>-</b>	<b>504,015</b>	<b>-</b>	<b>533,633</b>	
<b>Total Liabilities and Deferred Inflow of Resources</b>	<b>127,786</b>	<b>735,552</b>	<b>333,734</b>	<b>11,823,048</b>	<b>105,058</b>	<b>13,125,178</b>	
<b>NET POSITION</b>							
Net Investment in Capital Assets	-	-	-	69,798	25,604	95,402	
Unrestricted	(93,713)	240,592	222,572	(5,139,527)	277,197	(4,492,879)	
<b>Total Net Position</b>	<b>\$ (93,713)</b>	<b>\$ 240,592</b>	<b>\$ 222,572</b>	<b>\$ (5,069,729)</b>	<b>\$ 302,801</b>	<b>\$ (4,397,477)</b>	

The accompanying Notes to the Financial Statements are an integral part of this statement

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Business-Type Activities					Other Nonmajor Enterprise Funds	Total Enterprise Funds
	Enterprise Fund						
	Technical Services	Regional Coop Prog	Regional Transportation	Regional Special Ed			
<b>OPERATING REVENUES</b>							
Charges for Services							
Daily sales - non-reimbursable					\$ 892,401	\$ 892,401	
Special Functions					52,066	52,066	
Charges and Fees	\$ 716,682	\$ 1,264,099	\$ 1,580,097	\$ 17,097,926	731,115	21,389,919	
Total Operating Revenues	<u>716,682</u>	<u>1,264,099</u>	<u>1,580,097</u>	<u>17,097,926</u>	<u>1,675,582</u>	<u>22,334,386</u>	
<b>OPERATING EXPENSES</b>							
Cost of Sales - non-reimbursable					442,384	442,384	
Salaries/Salaries of Teachers	661,839	784,690		10,999,012	886,947	13,332,488	
Unallocated Benefits	50,510	470,089		7,202,832	228,581	7,951,812	
Purchased Professional and Technical Services		112,262		549,928	-	662,190	
Purchased Property Services	140,876			920,812	40,061	1,101,749	
Other Purchased Services		21,680	1,828,084	30,666	113,633	1,994,063	
Supplies and Materials	262,819	20,363		118,030	43,183	444,395	
Depreciation				24,562	2,775	27,337	
Other Objects	-	25,167	-	109,921	17,129	152,217	
Total Operating Expenses	<u>1,116,044</u>	<u>1,434,251</u>	<u>1,828,084</u>	<u>19,955,763</u>	<u>1,774,493</u>	<u>26,108,635</u>	
Operating Income (Loss)	(399,362)	(170,152)	(247,987)	(2,857,837)	(98,911)	(3,774,249)	
<b>NONOPERATING REVENUES</b>							
On-Behalf (Non-Budgeted)							
TPAF Pension System							
Post Retirement Medical		48,196		490,873	25,630	564,699	
Normal Cost		38,555		392,687	20,504	451,746	
NCGI		1,921		19,561	1,021	22,503	
Reimbursed TPAF S.S.		38,363		390,141	20,322	448,826	
GASB 68 - TPAF On Behalf Adjustment		146,989		1,497,076	78,167	1,722,232	
Interest	149	-	-	13,247	340	13,736	
Total Non-Operating Revenues	<u>149</u>	<u>274,024</u>	<u>-</u>	<u>2,803,585</u>	<u>145,984</u>	<u>3,223,742</u>	
Net Income (Loss) Before Contributions & Transfers	(399,213)	103,872	(247,987)	(54,252)	47,073	(550,507)	
Transfers							
Transfers In/(Out)	-	-	-	-	49,148	49,148	
Change in Net Position	(399,213)	103,872	(247,987)	(54,252)	96,221	(501,359)	
Total Net Position - Beginning of Year (Restated)	<u>305,500</u>	<u>136,720</u>	<u>470,559</u>	<u>(5,015,477)</u>	<u>206,580</u>	<u>(3,896,118)</u>	
Total Net Position - Ending of Year	<u>\$ (93,713)</u>	<u>\$ 240,592</u>	<u>\$ 222,572</u>	<u>\$ (5,069,729)</u>	<u>\$ 302,801</u>	<u>\$ (4,397,477)</u>	

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Business-Type Activities					
	Enterprise Fund					Total Enterprise Funds
	Technical Services	Major Programs			Other Nonmajor Enterprise Funds	
	Regional Coop Prgm	Regional Transportation	Regional Special Ed			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from Customers	\$ 1,095,629	\$ 1,291,234	\$ 1,519,588	\$ 16,571,824	\$ 1,700,052	\$ 22,178,327
Payments to Employees and Benefits	(709,110)	(1,101,030)		(16,250,561)	(1,053,412)	(19,114,113)
Payments to Suppliers for Goods and Services	(364,927)	(179,527)	(1,828,968)	(1,659,607)	(642,498)	(4,675,527)
Net Cash Provided (Used by) operating activities	<u>21,592</u>	<u>10,677</u>	<u>(309,380)</u>	<u>(1,338,344)</u>	<u>4,142</u>	<u>(1,611,313)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Cash received from State Subsidy Reimbursement		125,175		1,273,353	66,690	1,465,218
Interfund Transfers	20,870	(331,874)	333,734	19,909	29,065	71,704
Net cash provided by (used for) Noncapital financing activities	<u>20,870</u>	<u>(206,699)</u>	<u>333,734</u>	<u>1,293,262</u>	<u>95,755</u>	<u>1,536,922</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Purchases of capital assets	-	-	-	(29,500)	(5,154)	(34,654)
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,500)</u>	<u>(5,154)</u>	<u>(34,654)</u>
<b>CASH FLOWS FROM INVESTMENTS AND RELATED FINANCING ACTIVITIES</b>						
Interest on Investments	149	-	-	13,247	340	13,736
Net cash provided by (used for) capital and related financing activities	<u>149</u>	<u>-</u>	<u>-</u>	<u>13,247</u>	<u>340</u>	<u>13,736</u>
Net increase (decrease) in cash and cash equivalents	42,611	(196,022)	24,354	(61,335)	95,083	(95,309)
Cash and Cash Equivalents (Overdraft) - Beginning of Year	(42,611)	708,371	(24,354)	3,378,114	172,661	4,192,181
Cash and Cash Equivalents - End of Year	<u>\$ -</u>	<u>\$ 512,349</u>	<u>\$ -</u>	<u>\$ 3,316,779</u>	<u>\$ 267,744</u>	<u>\$ 4,096,872</u>
Reconciliation of Operating Income (loss) to net cash provided (used) by operating activities						
Operating Income(Loss)	\$ (399,362)	\$ (170,152)	\$ (247,987)	\$ (2,857,837)	\$ (98,911)	\$ (3,774,249)
Adjustments to reconcile operating income(loss) to net cash provided by (used for) operating activities						
GASB 68 - TPAF On Behalf Adjustment		146,989		1,497,076	78,167	1,722,232
Depreciation	378,947	27,135	(57,660)	(526,102)	2,775	27,337
(Increase) Decrease in other accounts receivable, net				23,343		(154,337)
(Increase) Decrease in inventories				(2,549)		(2,549)
(Increase) Decrease in Deferred Outflows of Resources		(106,376)		(1,810,242)		(1,916,618)
Increase(decrease) in unearned revenues			(2,849)		13,881	11,032
Increase(decrease) in other payable					4,375	4,375
Increase(decrease) in accounts payable	38,768	(55)	(884)	69,750	(238)	107,341
Increase(decrease) in Deferred Inflows of Resources		(23,635)		(402,207)		(425,842)
Increase(decrease) in noncurrent liabilities	3,239	136,771	-	2,666,656	(16,701)	2,789,965
Total adjustments	<u>420,954</u>	<u>180,829</u>	<u>(61,393)</u>	<u>1,519,493</u>	<u>103,053</u>	<u>2,162,936</u>
Net cash provided by (used for) operating activities	<u>\$ 21,592</u>	<u>\$ 10,677</u>	<u>\$ (309,380)</u>	<u>\$ (1,338,344)</u>	<u>\$ 4,142</u>	<u>\$ (1,611,313)</u>

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2016**

	<u>Private Purpose Trust Fund</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 22,614	\$ 55,428	\$ 708,988
Total Assets	<u>22,614</u>	<u>55,428</u>	<u>\$ 708,988</u>
<b>LIABILITIES</b>			
Accrued Salaries and Wages			\$ 7,048
Payroll Deductions and Withholdings			1,440
Reserve for Flexible Spending			21,041
Intergovernmental Payable		6,049	
Due to Other Funds			109,045
Due to Student Groups	<u>-</u>	<u>-</u>	<u>570,414</u>
Total Liabilities	<u>-</u>	<u>6,049</u>	<u>\$ 708,988</u>
<b>NET POSITION</b>			
Held In Trust For Unemployment Claims and Other Purposes	<u>\$ 22,614</u>	<u>\$ 49,379</u>	

The accompanying Notes to the Financial Statements are an integral part of this statement

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b><u>Private Purpose Trust Fund</u></b>	<b><u>Unemployment Compensation Trust Fund</u></b>
<b>ADDITIONS</b>		
Contributions		
Donations	\$ 1,100	
District		\$ 3,500
Employee		99,720
Investment Earnings		
Interest	<u>58</u>	<u>60</u>
Total Additions	<u>1,158</u>	<u>103,280</u>
<b>DEDUCTIONS</b>		
Unemployment Claims		74,841
Scholarship Awards	<u>1,400</u>	<u>-</u>
Total Deductions	<u>1,400</u>	<u>74,841</u>
Change in Net Position	(242)	28,439
Net Position Beginning of Year	<u>22,856</u>	<u>20,940</u>
Net Position, End of Year	<u>\$ 22,614</u>	<u>\$ 49,379</u>

The accompanying Notes to the Financial Statements are an integral part of this statement

**NOTES TO THE FINANCIAL STATEMENTS**

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Northern Valley Regional High School District (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine 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. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Northern Valley Regional High School District this includes general operations, food service, preschool program, technical services, regional cooperation programs, regional transportation, regional special education and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

**B. New Accounting Standards**

During fiscal year 2016, the District adopted the following GASB statements as required:

- GASB No. 72, *Fair Value Measurement and Application*, June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement applies to donated capital assets, donated works of art, donated historical treasures, and also to similar assets and capital assets received in a service concession arrangement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective beginning with the fiscal year ending June 30, 2016. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. New Accounting Standards (Continued)**

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

- GASB No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB No. 77, *Tax Abatement Disclosures*, will be effective beginning with the fiscal year ending June 30, 2017. The requirements of this Statement will improve financial reporting by providing disclosure of information about the nature and magnitude of tax abatements that will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.
- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No.67, No.68, and No.73*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pension*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

**C. Basis of Presentation - Financial Statements**

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.



**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**District-Wide Financial Statements**

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Fund Financial Statements**

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental funds to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

The District reports the following major proprietary funds which are organized to be self-supporting through user charges:

The *technical services fund* accounts for the activities of the District's technical support to the seven (7) receiving districts.

The *regional cooperation program fund* (Region III) accounts for the Districts services to various districts for students who have special needs with a comprehensive educational program.

The *regional transportation fund* accounts for the Districts transportation services for the special education students received from various districts.

The *regional special education fund* (Valley Program and TIP Program) accounts for the Districts services for children three to eighteen years old with inclusion resources (Valley Program) and services for self-contained special education program (TIP Program).

The District reports the following non-major proprietary funds which are organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for teachers and special events.

The *wee tots fund* accounts for the activities of the District's half day/full day preschool program.

The *teens and tots fund* accounts for the activities of the District's preschool program with an opportunity for teenagers to learn by experience.

The *swimming fund* accounts for the activities of the District's swim team.

The *ice hockey fund* accounts for the activities of the District's ice hockey team.

The *SAT classes fund* accounts for the activities of the District's SAT program.

The *shared service fund* accounts for the activities of the District in providing personnel to the certain sending districts included in the NVRHS district for business administrative services.

Additionally, the government reports the following fund types:

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, for private donations for scholarship awards, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

**Reclassifications**

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

**D. Measurement Focus and Basis of Accounting**

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, tuition, transportation fees, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

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

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**1. *Cash, Cash Equivalents and Investments***

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

**2. *Receivables***

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

**3. *Inventories***

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased.

**4. *Capital Assets***

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings and Building Improvements	15-50
Machinery and Equipment	5-15

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

***5. Deferred Outflows/Inflows of Resources***

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one item which arises only under the accrual basis of accounting that qualifies for reporting in this category. The one item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

***6. Compensated Absences***

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. A liability is reported in the governmental funds and proprietary funds only to the amount actually due at year end as a result of employee resignations and retirements.

***7. Pensions***

In the district-wide financial statements, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**8. *Long-Term Obligations***

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

**9. *Net Position/Fund Balance***

**District-Wide Statements**

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

**Governmental Fund Statements**

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

**Restricted Fund Balance** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

*Capital Reserve* – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2.)

*Capital Reserve - Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2016/2017 District budget certified for taxes.

*Capital Projects* – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

*Debt Service* – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**9. *Net Position/Fund Balance (Continued)***

**Governmental Fund Statements (Continued)**

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

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

*Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2016/2017 District budget certified for taxes.

**Unassigned Fund Balance** – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

**F. Revenues and Expenditures/Expenses**

**1. *Program Revenues***

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

**2. *Property Taxes***

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1<sup>st</sup> in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual “in rem” tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

**3. *Tuition Revenues and Expenditures***

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

*Tuition Expenditures* - Tuition charges for the fiscal years 2014-2015 and 2015-2016 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Revenues and Expenditures/Expenses (Continued)**

**4. *Proprietary Funds, Operating and Nonoperating Revenues and Expenses***

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the technical service enterprise fund, of the regional coop. program enterprise fund, of the regional transportation enterprise fund, of the regional special ed. enterprise fund, of the food service enterprise fund, of the wee tots enterprise fund, of the teens and tots enterprise fund, of the swimming enterprise fund, of the ice hockey enterprise fund, of the SAT classes enterprise fund and of the shared service enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

In accordance with the requirements of the New Jersey Department of Education ("the Department"), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On February 13, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account 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. The Board approved several budget transfers during 2015/2016. Also, during 2015/2016 the Board increased the original budget by \$761,649. The increase was funded by additional grant awards and the reappropriation of prior year general fund encumbrances.

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. 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 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 which are reappropriated and honored during the subsequent fiscal year.



**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**B. Deficit Fund Equity**

The Technical Services and Teens and Tots Enterprise Funds have cumulative deficits in net position of \$93,713 and \$71,651, respectively, as of June 30, 2016. The District expects to eliminate this deficit through normal operations in the 2016/2017 fiscal year.

The Regional Special Education Enterprise Fund has a cumulative deficit in net position of \$5,069,729 as of June 30, 2016. The deficit is due to the District's accrual of the long-term liability associated with the fund's proportionate share of the District's total PERS net pension liability as required under GASB Statement No. 68. The deficit alone does not indicate that the regional special education operations are facing financial difficulties.

The District has an accumulated deficit in fund balance of \$485,672 in the Capital Projects Fund as of June 30, 2016. This deficit is the result of the Board incurring expenditures for the 2016 bond referendum, which was prior to the sale of school bonds. Once the Board permanently finances these appropriations, the District will realize as revenues the proceeds of the financing. This deficit does not indicate that the District is facing financial difficulties and is permitted practice under accounting principles generally accepted in the United States of America.

**C. Capital Reserve**

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

Funds placed in the capital reserve are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve 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 fiscal year ended June 30, 2016 is as follows:

Balance, July 1, 2015		\$ 1,656,070
Increased by		
Interest Earnings	\$ 4,517	
Deposits Approved by Board Resolution	<u>1,123,702</u>	
Total Increases		<u>1,128,219</u>
Balance, June 30, 2016		<u>\$ 2,784,289</u>

The District appropriated \$790,000 of the capital reserve account in the 2016/17 budget.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**D. Transfers to Capital Outlay**

During the 2015/2016 school year, the district transferred \$51,732 to the non-equipment capital outlay accounts. The transfer was made from various budget accounts.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2016, the book value of the Board's deposits were \$8,480,511 and bank and brokerage firm balances of the Board's deposits amounted to \$11,431,533. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	<u>\$ 11,431,533</u>
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**Custodial Credit Risk – Deposits** – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2016 none of the Board's bank balances were exposed to custodial credit risk.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**Cash Deposits (Continued)**

**Investments**

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2016, the Board had no outstanding investments.

Interest Rate Risk – The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The Board places no limit in the amount the District may invest in any one issuer.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

**B. Receivables**

Receivables as of June 30, 2016 for the district’s individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Technical Services</u>	<u>Regional Coop Prgm</u>	<u>Regional Transportation</u>	<u>Regional Special Ed</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:									
Intergovernmental-									
Federal		\$ 10,386							\$ 10,386
State	\$ 104,530		\$ 484,902		\$ 1,860		\$ 19,909	\$ 787	611,988
Other	-	3,550	-	\$ 34,073	6,105	\$ 556,306	1,269,085	5,685	1,874,804
Gross Receivables	104,530	13,936	484,902	34,073	7,965	556,306	1,288,994	6,472	2,497,178
Less: Allowance for Uncollectibles	-	-	-	-	-	-	-	-	-
Net Total Receivables	<u>\$ 104,530</u>	<u>\$ 13,936</u>	<u>\$ 484,902</u>	<u>\$ 34,073</u>	<u>\$ 7,965</u>	<u>\$ 556,306</u>	<u>\$ 1,288,994</u>	<u>\$ 6,472</u>	<u>\$ 2,497,178</u>

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Unearned Revenue**

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

General Fund		
Unrealized Tuition Revenue	\$	6,887
Special Revenue Fund		
Grant Draw Downs Reserved for Encumbrances		42,542
Unencumbered Grant Draw Downs		10,739
Capital Projects Fund		
Unrealized School Facilities Grants		<u>375,303</u>
 Total Unearned Revenue for Governmental Funds	 \$	 <u>435,471</u>

**D. Capital Assets**

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

	Balance, <u>July 1, 2015</u> (Restated)	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2016</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,299,500			\$ 2,299,500
Construction in Progress	-	\$ 1,197,508	-	1,197,508
Total Capital Assets, Not Being Depreciated	<u>2,299,500</u>	<u>1,197,508</u>	<u>-</u>	<u>3,497,008</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	16,643,984			16,643,984
Land Improvements	6,455,900			6,455,900
Machinery and Equipment	2,169,522	60,630	-	2,230,152
Total Capital Assets Being Depreciated	<u>25,269,406</u>	<u>60,630</u>	<u>-</u>	<u>25,330,036</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(13,505,092)	(218,050)		(13,723,142)
Land Improvements	(4,016,333)	(313,996)		(4,330,329)
Machinery and Equipment	(1,792,872)	(161,540)	-	(1,954,412)
Total Accumulated Depreciation	<u>(19,314,297)</u>	<u>(693,586)</u>	<u>-</u>	<u>(20,007,883)</u>
Total Capital Assets, Being Depreciated, Net	<u>5,955,109</u>	<u>(632,956)</u>	<u>-</u>	<u>5,322,153</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,254,609</u>	<u>\$ 564,552</u>	<u>\$ -</u>	<u>\$ 8,819,161</u>

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

	Balance, <u>July 1, 2015</u> <u>(Restated)</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2016</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 385,193	\$ 34,654	-	\$ 419,847
Total Capital Assets Being Depreciated	<u>385,193</u>	<u>34,654</u>	-	<u>419,847</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(297,108)	(27,337)	-	(324,445)
Total Accumulated Depreciation	<u>(297,108)</u>	<u>(27,337)</u>	-	<u>(324,445)</u>
Total Capital Assets, Being Depreciated, Net	<u>88,085</u>	<u>7,317</u>	-	<u>95,402</u>
Business-Type Activities Capital Assets, Net	<u>\$ 88,085</u>	<u>\$ 7,317</u>	<u>\$ -</u>	<u>\$ 95,402</u>

Depreciation expense was charged to functions/programs of the District as follows:

**Governmental Activities:**

Instruction	
Regular	\$ 62,186
Total Instruction	<u>62,186</u>
Support Services	
Support Services-Students	55,602
School Administration	14,394
Operations and Maintenance of Plant	549,512
Student Transportation	6,238
Business and Other Support Services	<u>5,654</u>
Total Support Services	<u>631,400</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 693,586</u>

**Business-Type Activities:**

Regional Special Ed	\$ 24,562
Food Service Fund	<u>2,775</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 27,337</u>

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

**Construction Commitments**

The District has the following active construction projects as of June 30, 2016:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
HVAC at Demarest H.S.	\$ 102,500	\$ 7,500
Partial Re-roofing at Demaresr H.S.	154,386	8,114
Athletic Track Resurfacing		1,230,088
Tennis and Basketball Renovations		1,724,000
South Gym Floor Replacement at Old Tappan H.S.		171,898
STEM and Science Classrooms		1,783,085
Emergency Generator		<u>118,777</u>
Total		<u>\$ 5,043,462</u>

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2016, is as follows:

**Due to/from Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 436,535
General Fund	Shared Service Fund	220
General Fund	Teens and Tots Fund	567
General Fund	Regional Coop. Fund	1,860
General Fund	Regional Special Ed. Fund	19,909
General Fund	Agency Fund	109,045
Debt Service Fund	General Fund	520
Regional Coop. Fund	Regional Transportation Fund	333,734
Shared Services Fund	Technical Services Fund	72,870
Swimming Fund	Teens and Tots Fund	<u>29,082</u>
Total		<u>\$ 1,004,342</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Interfund Receivables, Payables, and Transfers (Continued)**

**Interfund transfers**

	<u>Transfer In:</u>	
	<u>Food Service</u>	<u>Total</u>
Transfer Out:		
General Fund	\$ 49,148	\$ 49,148
Total transfers out	<u>\$ 49,148</u>	<u>\$ 49,148</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

**F. Leases**

**Operating Leases**

The District is leasing computers, copiers, modular classrooms and buildings rental (Immaculate Conception Church). Lease payments for the fiscal year ended June 30, 2016 were \$833,165. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2017	\$ 1,351,759
2018	1,351,759
2019	849,073
2020	862,206
2021	<u>255,751</u>
Total	<u>\$ 4,670,548</u>

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-Term Debt**

**General Obligation Bonds**

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2016 are comprised of the following issues:

\$16,865,000, 2006 Refunding School Bonds, due in annual installments of \$1,350,000 to \$1,645,000 through February 1, 2022, interest at 4.50% to 5.00%	\$9,065,000
\$2,186,000, 2007 School Bonds, due in annual installments of \$255,000 to \$260,000 through August 1, 2017, interest at 4.125%	515,000
\$2,290,000, 2009 School Bonds, due in annual installments of \$95,000 to \$275,000 through August 1, 2024, interest at 2.25% to 4.00%	<u>1,895,000</u>
Total	<u>\$11,475,000</u>

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

**Governmental Activities:**

Fiscal Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
2017	\$ 1,700,000	\$ 493,141	\$ 2,193,141
2018	1,775,000	412,700	2,187,700
2019	1,700,000	339,456	2,039,456
2020	1,770,000	266,375	2,036,375
2021	1,850,000	189,588	2,039,588
2022-2024	<u>2,680,000</u>	<u>156,612</u>	<u>2,836,612</u>
	<u>\$ 11,475,000</u>	<u>\$ 1,857,872</u>	<u>\$ 13,332,872</u>



**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-Term Debt (Continued)**

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2016 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 280,932,046
Less: Net Debt	<u>11,475,000</u>
Remaining Borrowing Power	<u>\$ 269,457,046</u>

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2016, was as follows:

	<u>Balance, July 1, 2015 (Restated)</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2016</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 13,090,000		\$ 1,615,000	\$ 11,475,000	\$ 1,700,000
Net Pension Liability	13,510,383	\$ 4,761,339	673,973	17,597,749	
Compensated Absences	<u>1,189,085</u>	<u>295,353</u>	<u>-</u>	<u>1,484,438</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 27,789,468</u>	<u>\$ 5,056,692</u>	<u>\$ 2,288,973</u>	<u>\$ 30,557,187</u>	<u>\$ 1,700,000</u>
<b>Business-Type Activities:</b>					
Net Pension Liability	\$ 9,006,916	\$ 3,174,221	\$ 449,315	\$ 11,731,822	
Compensated Absences	<u>169,219</u>	<u>65,058</u>	<u>-</u>	<u>234,277</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 9,176,135</u>	<u>\$ 3,239,279</u>	<u>\$ 449,315</u>	<u>\$ 11,966,099</u>	<u>\$ -</u>

For the governmental activities, the liabilities for compensated absences, and net pension liability are generally liquidated by the general fund.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The District is a member of the New Jersey Schools Insurance Group (NJSIG). The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The relationship between the Board and the insurance group is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the group, to report claims on a timely basis, cooperate with the management of the group, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the group. Members have a contractual obligation to fund any deficit of the group attributable to a membership year during which they were a member.

NJSIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the insurance group is on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

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

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	\$ 3,500	\$ 99,720	\$ 74,841	\$ 49,379
2015	21,000	81,327	114,786	20,940
2014	10,000	79,381	66,497	33,346

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**B. Contingent Liabilities**

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2016, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2016, the District has not estimated its arbitrage earnings due to the IRS, if any.

**D. Employee Retirement Systems and Pension Plans**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all eligible Board employees:

**Public Employees' Retirement System (PERS)** – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. PERS is a cost sharing multi-employer defined benefit pension plan.

**Teachers' Pension and Annuity Fund (TPAF)** – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. TPAF is a cost sharing plan with special funding situations.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**Other Pension Funds**

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

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 accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Basis of Accounting**

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

**Investment Valuation**

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at [www.state.nj/treasury/doinvest](http://www.state.nj/treasury/doinvest).

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Funding Status and Funding Progress**

As of July 1, 2014, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 35 percent with an unfunded actuarial accrued liability of \$86 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 28.71 percent and \$63.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 47.93 percent and \$22.4 billion, respectively.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2014 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 2.60-9.48 percent based on age for the PERS and varying percentages based on experience for TPAF.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.92% for PERS, 6.92% for TPAF and 5.50% for DCRP of the employee's annual compensation.

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2016 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Annual Pension Costs (APC) (Continued)**

During the fiscal years ended June 30, 2016, 2015 and 2014 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2016	\$ 1,123,288	\$ 2,339,659	\$ 12,687
2015	991,465	1,518,039	10,876
2014	1,063,968	1,227,426	6,232

For fiscal years 2015/2016 and 2014/2015, the state contributed \$2,339,659 and \$1,518,039, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$1,227,426 for normal cost pension and NCGI premium.

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 24. The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,213,677 during the fiscal year ended June 30, 2016 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. Of this amount, \$1,764,851 is reported in the General Fund and the balance of \$448,826 is allocated to the applicable enterprise funds. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

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

**Public Employees Retirement System (PERS)**

At June 30, 2016, the District reported in the statement of net position (accrual basis) a liability of \$29,329,571 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the District's proportionate share was .13065 percent, which was an increase of .01039 percent from its proportionate share measured as of June 30, 2014 of .12026 percent.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$2,079,404 for PERS. Of this amount, \$1,247,643 is reported as governmental activities in the statement of activities and \$831,761 is reported as business type activities in both the statement of activities and statement of revenues, expenses and changes in fund net position. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b>2015</b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 699,701	
Changes of Assumptions	3,149,762	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 471,563
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>1,650,151</u>	<u>862,519</u>
Total	<u>\$ 5,499,614</u>	<u>\$ 1,334,082</u>
Governmental Activities	\$ 3,299,770	\$ 800,449
Business Type Activities	<u>2,199,844</u>	<u>533,633</u>
	<u>\$ 5,499,614</u>	<u>\$ 1,334,082</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Fiscal Year Ending <u>June 30,</u>	
2017	\$ 776,873
2018	776,873
2019	776,873
2020	1,112,350
2021	<u>722,563</u>
	<u>\$ 4,165,532</u>

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

*Actuarial Assumptions*

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

	<b><u>PERS</u></b>
Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15-4.40%
Thereafter	Based on Age 3.15-5.40%
Investment Rate of Return	Based on Age 7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial	June 30, 2011
Assumptions were Based	

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.



**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Plan</u>	<u>Discount Rate</u>
PERS	4.90%

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

***Discount Rate (Continued)***

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

Period of Projected Benefit

Payments for which the Following  
Rates were Applied:

Long-Term Expected Rate of Return                      Through June 30, 2033

Municipal Bond Rate \*    From July 1, 2033  
and Thereafter

\* The municipal bond return rate used is 3.80%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 4.90%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90 percent) or 1-percentage-point higher (5.90 percent) than the current rate:

	<b>1% Decrease <u>(3.90%)</u></b>	<b>Current Discount Rate <u>(4.90%)</u></b>	<b>1% Increase <u>(5.90%)</u></b>
District's Proportionate Share of the PERS Net Pension Liability			
Governmental Activities	\$ 21,871,849	\$ 17,597,749	\$ 14,014,374
Business Type Activities	<u>14,581,219</u>	<u>11,731,822</u>	<u>9,342,908</u>
	<u>\$ 36,453,068</u>	<u>\$ 29,329,571</u>	<u>\$ 23,357,282</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2015. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Teachers Pension and Annuity Fund (TPAF)**

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$10,836,115 for TPAF. The difference between this amount and the actual on behalf payment made by the State of New Jersey is \$8,496,456. Of this amount, \$6,774,224 is reported as governmental activities in the statement of activities and \$1,722,232 is reported as business type activities and statement of revenues, expensed and changes in fund net position. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2016 the State's proportionate share of the net pension liability attributable to the District is \$177,469,574. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2015. At June 30, 2015, the state's share of the net pension liability attributable to the District was .28078 percent, which was a decrease of .00936 percent from its proportionate share measured as of June 30, 2014 of .29014 percent.

**Actuarial Assumptions**

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

	<u>TPAF</u>
Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience Study Upon Which Actuarial Assumptions were Based	July 1, 2009 - June 30, 2012

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

**Long-Term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 are summarized in the following table:

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

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

***Discount Rate***

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

<u>Plan</u>	<u>Discount Rate</u>
TPAF	4.13%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2027
Municipal Bond Rate *	From July 1, 2027 and Thereafter

\* The municipal bond return rate used is 3.80%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.13%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current rate:

	<b>1% Decrease <u>(3.13%)</u></b>	<b>Current Discount Rate <u>(4.13%)</u></b>	<b>1% Increase <u>(5.13%)</u></b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 210,915,955</u>	<u>\$ 177,469,574</u>	<u>\$ 148,653,515</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2015. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2015 was not provided by the pension system.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

***Pension Plan Fiduciary Net Position***

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**E. Post-Retirement Medical Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2015.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

**Health Benefits Program Fund (HBPF) – Local Education** (including Prescription Drug Program Fund) – The State of New Jersey provides paid coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides paid coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for state paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

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 the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Basis of Accounting**

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

**Significant Legislation**

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

**Funded Status and Funding Progress**

As of July 1, 2014, the most recent actuarial valuation date, the State had a \$65.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$24.4 billion for state active and retired members and \$40.6 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2014, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Post-Retirement Medical Benefits Contributions**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2015, there were 107,314, retirees receiving post-retirement medical benefits and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2016, 2015 and 2014 were \$2,785,888, \$2,409,886 and \$2,012,517, respectively, which equaled the required contributions for each year. Of the amount of \$2,785,888 for the fiscal year ended June 30, 2016 \$2,221,189 has been allocated to the General Fund and the balance of \$564,699 to the respective Enterprise Funds. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**F. Subsequent Events**

On March 8, 2016, the District approved a bond referendum in the amount not to exceed \$11,707,485. The District approved the sale of School Bonds in the amount of \$11,707,000 dated August 2, 2016. The bonds will be due in annual installments of \$500,000 to \$1,000,000 through August 1, 2031 with interest rates of 1.00% to 2.50%.

On November 28, 2016, the District adopted a refunding bond ordinance authorizing the issuance of not to exceed \$9,600,000 of Refunding School Bonds to refund all or a portion of the District's 2009 School Bonds. The District has not awarded the sale of the Refunding School Bonds as of the date of this report.



**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 RESTATEMENT**

On July 1, 2014, the Northern Valley Regional High School District implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions". The Northern Valley Regional High School District has determined that the effect of implementing this accounting change in the financial statements previously reported as of and for the fiscal year ended June 30, 2014 was to recognize the District's proportionate share of the Public Employees' Retirement System's (PERS) net pension liability deferred outflows of resources and deferred inflows of resources. However, the District did not allocate the prior year restatement between the governmental activities and business type activities and enterprise funds resulting in an increase of \$9,683,165. In unrestricted component of net position on the statement of net position and a decrease of \$9,683,165 in the net position in the business type activities and enterprise funds on the statement of net position. Finally the District overstated the prior year restatement relating to the deferred outflows related to pensions resulting in a decrease of \$991,465 in unrestricted component of net position in the governmental activities on the statement of net position.

In addition, for fiscal year ending June 30, 2015, the District did not report unearned SDA revenue in the Capital Projects Fund. The result of the restatement is to reduce Capital Projects fund balance and reduce the total net position for governmental activities in the statement of net position in the amount of \$484,902.

In addition, the financial statements as of June 30, 2015 of the governmental activities and business type activities and enterprise funds have been adjusted to reflect an updated inventory of the District's capital assets as provided by an independent consultant. The effort of this restatement results in a net decrease of \$70,868 in governmental activities capital assets and a net decrease of \$54,854 in business type activities and enterprise funds capital assets with corresponding decreases in the net investment in capital assets component of net position at June 30, 2015, respectively.

Finally, the financial statements for June 30, 2015 have also been restated to reflect the shared service funds as an enterprise fund and not internal service fund. The result of this restatement is to increase business type activities and enterprise funds net position in the amount of \$88,722 on the statement of net position.

In the District-wide financial statements, the above restatements increased total net position of governmental activities at June 30, 2015 from \$(25,122,783) as originally reported to \$(16,986,853) and reduced total net position of business type activities and enterprise funds at June 30, 2015 from \$5,753,179 as originally reported to \$(3,896,118).

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
<b>Local Sources</b>					
Local Tax Levy	\$ 49,835,108		\$ 49,835,108	\$ 49,835,108	
Tuition from Individuals	147,888		147,888	162,215	\$ 14,327
Tuition from Other LEAs within the State	234,841		234,841	269,075	34,234
Tuition from Summer School	2,400		2,400	5,225	2,825
Interest Earned on Capital Reserve Funds	1,800		1,800	4,517	2,717
Miscellaneous	435,000	-	435,000	683,919	248,919
<b>Total Local Sources</b>	<u>50,657,037</u>	<u>-</u>	<u>50,657,037</u>	<u>50,960,059</u>	<u>303,022</u>
<b>State Sources</b>					
Special Education Aid	1,048,065		1,048,065	1,048,065	
Security Aid	37,869		37,869	37,869	
PARCC Readiness Aid	23,230		23,230	23,230	
Per Pupil Growth Aid	23,230		23,230	23,230	
Transportation Aid	81,334		81,334	81,334	
Extraordinary Aid	490,000		490,000	646,804	156,804
Reimbursed Nonpublic Transportation Aid				14,578	14,578
TPAF Pension Contribution (On-Behalf)					
Normal Pension Contribution				1,776,896	1,776,896
NCGI Contributions				88,514	88,514
Post Retirement				2,221,189	2,221,189
TPAF Social Security Contribution (On-Behalf)	-	-	-	1,764,851	1,764,851
<b>Total State Sources</b>	<u>1,703,728</u>	<u>-</u>	<u>1,703,728</u>	<u>7,726,560</u>	<u>6,022,832</u>
<b>Federal Source</b>					
Medicaid Reimbursement	16,469	-	16,469	-	(16,469)
<b>Total Federal Sources</b>	<u>16,469</u>	<u>-</u>	<u>16,469</u>	<u>-</u>	<u>(16,469)</u>
<b>Total Revenues</b>	<u>52,377,234</u>	<u>-</u>	<u>52,377,234</u>	<u>58,686,619</u>	<u>6,309,385</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES</b>					
<b>Instruction - Regular Programs</b>					
<b>Salaries of Teachers</b>					
Grades 9-12	18,463,378	\$ (435,340)	18,028,038	17,962,858	65,180
<b>Regular Programs - Home Instruction</b>					
Salaries of Teachers	73,000	-	73,000	58,914	14,086
Purchased Professional-Educational Services	33,900	-	33,900	24,497	9,403
<b>Regular Programs - Undistributed Instruction</b>					
Purchased Professional-Educational Services	7,600	1,587	9,187	4,830	4,357
Purchased Technical Services	30,756	-	30,756	30,756	-
Other Purchased Services	470,122	4,329	474,451	426,113	48,338
General Supplies	529,687	(24,458)	505,229	443,859	61,370
Textbooks	214,070	14,407	228,477	208,100	20,377
Other Objects	17,200	1,000	18,200	16,670	1,530
<b>Total Regular Programs</b>	<u>19,839,713</u>	<u>(438,475)</u>	<u>19,401,238</u>	<u>19,176,597</u>	<u>224,641</u>
<b>Special Education</b>					
<b>Cognitive - Mild</b>					
Salaries of Teachers	133,963	(4,950)	129,013	129,012	1
Other Salaries for Instruction	47,557	20,555	68,112	62,926	5,186
Other Purchased Services	23,900	6,100	30,000	24,000	6,000
General Supplies	11,400	(239)	11,161	9,526	1,635
Other Objects	5,900	282	6,182	4,718	1,464
<b>Total Cognitive - Mild</b>	<u>222,720</u>	<u>21,748</u>	<u>244,468</u>	<u>230,182</u>	<u>14,286</u>

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit C-1

<b>EXPENDITURES</b>	<b>Original Budget</b>	<b>Budget Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>CURRENT EXPENDITURES (Continued)</b>					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 244,837	\$ 25,836	\$ 270,673	\$ 270,673	-
Other Salaries for Instruction	241,851	(47,294)	194,557	194,555	\$ 2
General Supplies	4,300	(1)	4,299	1,136	3,163
<b>Total Learning and/or Language Disabilities</b>	<b>490,988</b>	<b>(21,459)</b>	<b>469,529</b>	<b>466,364</b>	<b>3,165</b>
Multiple Disabilities					
Salaries of Teachers	208,045	32,368	240,413	240,413	-
Other Salaries for Instruction	75,048	(21,027)	54,021	54,021	-
Other Objects	2,100	(292)	1,808	940	868
<b>Total Behavioral Disabilities</b>	<b>285,193</b>	<b>11,049</b>	<b>296,242</b>	<b>295,374</b>	<b>868</b>
Resource Room/Resource Center					
Salaries of Teachers	1,344,774	105,380	1,450,154	1,450,154	-
Other Salaries for Instruction	5,300	(841)	4,459	1,789	2,670
General Supplies	3,000	(1,388)	1,612	1,162	450
<b>Total Resource Room</b>	<b>1,353,074</b>	<b>103,151</b>	<b>1,456,225</b>	<b>1,453,105</b>	<b>3,120</b>
<b>Total Special Education</b>	<b>2,351,975</b>	<b>114,489</b>	<b>2,466,464</b>	<b>2,445,025</b>	<b>21,439</b>
Basic Skills/Remedial					
Salaries of Teachers	23,778	(23,778)	-	-	-
<b>Total Basic Skills/Remedial</b>	<b>23,778</b>	<b>(23,778)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Bilingual Education					
General Supplies	2,000	35	2,035	-	2,035
<b>Total Bilingual Education</b>	<b>2,000</b>	<b>35</b>	<b>2,035</b>	<b>-</b>	<b>2,035</b>
School Sponsored Co-Curricular Activities					
Salaries	420,409	37,434	457,843	457,843	-
Purchased Services	11,958	(3,966)	7,992	5,505	2,487
Supplies and Materials	25,900	(4,504)	21,396	19,303	2,093
Other Objects	12,950	(1,552)	11,398	9,696	1,702
<b>Total School Sponsored Co-Curricular Activities</b>	<b>471,217</b>	<b>27,412</b>	<b>498,629</b>	<b>492,347</b>	<b>6,282</b>
School Sponsored Athletics - Instruction					
Salaries	1,293,776	46,346	1,340,122	1,330,130	9,992
Purchased Services	9,620	731	10,351	9,732	619
Supplies & Materials	172,308	(14,576)	157,732	144,048	13,684
Other Objects	86,680	(24,912)	61,768	54,318	7,450
<b>Total School Sponsored Athletics - Instruction</b>	<b>1,562,384</b>	<b>7,589</b>	<b>1,569,973</b>	<b>1,538,228</b>	<b>31,745</b>
<b>Total - Instruction</b>	<b>24,251,067</b>	<b>(312,728)</b>	<b>23,938,339</b>	<b>23,652,197</b>	<b>286,142</b>

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs within the State-Special	\$ 648,819	\$ 106,479	\$ 755,298	\$ 715,566	\$ 39,732
Tuition to County Vocational School District-Reg.	781,668	109,886	891,554	888,181	3,373
Tuition to County Vocational School District-Special	71,070	(71,070)			-
Tuition to County Special Services - School Districts & Regional Day Schools	859,620	(313,393)	546,227	540,482	5,745
Tuition to Private Schools - Disabled w/i State	1,358,018	95,360	1,453,378	1,296,256	157,122
Tuition to Private Schools - Disabled & Other LEAs-Spl, O/S St	371,892	72,738	444,630	426,630	18,000
Tuition - Other	11,820	-	11,820	11,820	-
<b>Total Undistributed Expenditures - Instruction</b>	<u>4,102,907</u>	<u>-</u>	<u>4,102,907</u>	<u>3,878,935</u>	<u>223,972</u>
Attendance and Social Work					
Salaries	80,594	(940)	79,654	79,203	451
Other Purchased Services	500	-	500	-	500
<b>Total Attendance and Social Work</b>	<u>81,094</u>	<u>(940)</u>	<u>80,154</u>	<u>79,203</u>	<u>951</u>
Health Services					
Salaries	298,310	34,021	332,331	332,254	77
Purchased Professional & Technical Services	97,709	(17,315)	80,394	29,650	50,744
Other Purchased Services	2,100	334	2,434	891	1,543
Supplies and Materials	6,950	(150)	6,800	4,715	2,085
Other Objects	6,800	2,250	9,050	7,774	1,276
<b>Total Health Services</b>	<u>411,869</u>	<u>19,140</u>	<u>431,009</u>	<u>375,284</u>	<u>55,725</u>
Speech, OT, PT & Related Services					
Purchased Professional/Educational Services	1,750	150	1,900	1,900	-
<b>Total Speech, OT, PT &amp; Related Services</b>	<u>1,750</u>	<u>150</u>	<u>1,900</u>	<u>1,900</u>	<u>-</u>
Oth Supp Serv Std - Extra Serv					
Salaries	238,379	55,679	294,058	294,058	-
<b>Total Oth Supp Serv Std - Extra Serv</b>	<u>238,379</u>	<u>55,679</u>	<u>294,058</u>	<u>294,058</u>	<u>-</u>
Guidance					
Salaries of Other Professional Staff	1,788,930	48,274	1,837,204	1,831,344	5,860
Salaries of Secretarial and Clerical Assistants	448,370	13,900	462,270	460,682	1,588
Other Purchased Services	300	-	300	-	300
Supplies and Materials	20,000	(2,525)	17,475	5,722	11,753
Other Objects	-	-	-	-	-
<b>Total Guidance</b>	<u>2,257,600</u>	<u>59,649</u>	<u>2,317,249</u>	<u>2,297,748</u>	<u>19,501</u>
Child Study Teams					
Salaries of Other Professional Staff	1,195,725	15,369	1,211,094	1,210,191	903
Salaries of Secretarial and Clerical Assistants	151,995	6,218	158,213	158,213	-
Other Salaries	81,397	(11,919)	69,478	69,478	-
Supplies and Materials	203,545	12,048	215,593	199,476	16,117
Other Objects	3,934	-	3,934	3,295	639
<b>Total Child Study Teams</b>	<u>1,636,596</u>	<u>21,716</u>	<u>1,658,312</u>	<u>1,640,653</u>	<u>17,659</u>

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Exhibit C-1

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Improvement of Instruction Services/					
Other Support Services-Instructional Staff					
Salaries of Supervisor of Instruction	\$ 151,496	\$ (1,818)	\$ 149,678	\$ 147,600	\$ 2,078
Purchased Prof. - Educational Services	312,028	(20,819)	291,209	268,376	22,833
Supplies and Materials	22,400	10,895	33,295	24,310	8,985
Other Objects	4,400	2,525	6,925	5,047	1,878
<b>Total Improvement of Instruction Services/ Other Support Services-Instructional Staff</b>	<b>490,324</b>	<b>(9,217)</b>	<b>481,107</b>	<b>445,333</b>	<b>35,774</b>
Educational Media Services/School Library					
Salaries	243,347	20,727	264,074	264,074	-
Purchased Professional and Technical Services	178,330	-	178,330	178,160	170
Other Purchased Services	45,400	-	45,400	43,723	1,677
Supplies and Materials	98,600	-	98,600	92,158	6,442
Other Objects	6,200	-	6,200	5,819	381
<b>Total Educational Media Services/School Library</b>	<b>571,877</b>	<b>20,727</b>	<b>592,604</b>	<b>583,934</b>	<b>8,670</b>
Instructional Staff Training Services					
Salaries of Secretarial and Clerical Assist	25,889	444	26,333	26,333	-
Other Salaries	22,492	-	22,492	7,008	15,484
Purchased Professional - Educational Services	23,000	(9,345)	13,655	10,374	3,281
Other Purchased Services	112,081	1,747	113,828	54,989	58,839
<b>Total Instructional Staff Training Services</b>	<b>183,462</b>	<b>(7,154)</b>	<b>176,308</b>	<b>98,704</b>	<b>77,604</b>
Support Services General Administration					
Salaries	337,765	(17,676)	320,089	316,081	4,008
Legal Services	122,000	5,515	127,515	119,858	7,657
Audit Fees	25,062	39,181	64,243	64,243	-
Other Purchased Professional Services	11,500	16,719	28,219	17,119	11,100
Communications/Telephone	112,000	(7,473)	104,527	93,752	10,775
Misc. Purchased Services	345,000	188,992	533,992	460,125	73,867
General Supplies	49,000	(25,384)	23,616	22,896	720
Judgments against the School District	5,000	-	5,000	-	5,000
Miscellaneous Expenditures	2,300	1,200	3,500	2,926	574
<b>Total Support Services General Administration</b>	<b>1,009,627</b>	<b>201,074</b>	<b>1,210,701</b>	<b>1,097,000</b>	<b>113,701</b>
Support Services School Administration					
Salaries of Principals/Asst. Principals	1,756,023	94,229	1,850,252	1,840,728	9,524
Salaries of Other Professional Staff	510,856	-	510,856	510,855	1
Salaries of Secretarial and Clerical Assistants	390,282	7,956	398,238	397,679	559
Other Purchased Services	18,460	-	18,460	18,415	45
Supplies and Materials	39,300	1,609	40,909	33,425	7,484
Other Objects	14,000	-	14,000	7,812	6,188
<b>Total Support Services School Administration</b>	<b>2,728,921</b>	<b>103,794</b>	<b>2,832,715</b>	<b>2,808,914</b>	<b>23,801</b>
Central Services					
Salaries	528,695	(9,729)	518,966	508,504	10,462
Purchased Technical Services	13,000	512	13,512	13,512	-
Misc. Purchased Services	3,000	3,467	6,467	6,467	-
Supplies and Materials	16,500	(1,147)	15,353	13,436	1,917
Miscellaneous Expenditures	5,000	1,219	6,219	2,819	3,400
<b>Total Central Services</b>	<b>566,195</b>	<b>(5,678)</b>	<b>560,517</b>	<b>544,738</b>	<b>15,779</b>
Administration - Information Technology Services					
Purchased Technical Services	144,914	7,272	152,186	152,186	-
Other Purchased Services	44,000	-	44,000	42,763	1,237
<b>Total Administration Information Technology Svcs.</b>	<b>188,914</b>	<b>7,272</b>	<b>196,186</b>	<b>194,949</b>	<b>1,237</b>

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Exhibit C-1

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Required Maintenance for School Facilities					
Salaries	\$ 281,042	\$ 16,767	\$ 297,809	\$ 292,534	\$ 5,275
Cleaning, Repair and Maintenance Services	209,996	(4,971)	205,025	181,798	23,227
General Supplies	130,000	(56,815)	73,185	12,855	60,330
<b>Total Required Maint. For School Facilities</b>	<b>621,038</b>	<b>(45,019)</b>	<b>576,019</b>	<b>487,187</b>	<b>88,832</b>
Custodial Services					
Salaries	1,948,160	70,954	2,019,114	2,005,639	13,475
Purchased Professional and Technical Services	87,000	(16,530)	70,470	67,494	2,976
Cleaning, Repair and Maintenance Services	393,194	39,240	432,434	348,531	83,903
Other Purchased Property Services	212,351	(39,574)	172,777	150,745	22,032
Insurance	133,200	70,298	203,498	203,498	-
General Supplies	150,000	(2,916)	147,084	120,775	26,309
Energy (Natural Gas)	209,100	(87,796)	121,304	113,073	8,231
Energy (Electricity)	498,220	(33,840)	464,380	390,995	73,385
Other Objects	6,000	-	6,000	2,046	3,954
<b>Total Custodial Services</b>	<b>3,637,225</b>	<b>(164)</b>	<b>3,637,061</b>	<b>3,402,796</b>	<b>234,265</b>
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	51,000	(30,227)	20,773	4,500	16,273
Cleaning, Repair and Maintenance Svc.	90,650	15,253	105,903	98,389	7,514
General Supplies	31,000	33,828	64,828	52,079	12,749
<b>Total Care and Upkeep of Grounds</b>	<b>172,650</b>	<b>18,854</b>	<b>191,504</b>	<b>154,968</b>	<b>36,536</b>
Student Transportation Services					
Salaries of Non-Instructional Aides	115,862	736	116,598	116,595	3
Contracted Serv. - Aid in Lieu Pymts - NonPub Sch	38,760	-	38,760	36,952	1,808
Contracted Serv. (Bet. Home and Sch)-Vendors	396,058	23,520	419,578	415,346	4,232
Contracted Serv. (Oth. Than Bet. Home and Sch)-Vendors	441,900	20,906	462,806	406,062	56,744
Contracted Serv. (Sp Ed Stds)-Vendors	641,900	(18,417)	623,483	587,480	36,003
<b>Total Student Transportation Services</b>	<b>1,634,480</b>	<b>26,745</b>	<b>1,661,225</b>	<b>1,562,435</b>	<b>98,790</b>
Unallocated Benefits - Employee Benefits					
Social Security Contributions	652,650	(470)	652,180	622,780	29,400
Other Retirement Contribution-PERS	655,000	18,973	673,973	673,973	-
Other Retirement Contribution-Regular	7,000	5,169	12,169	12,169	-
Unemployment Compensation	40,000	(12,000)	28,000	3,500	24,500
Worker's Compensation	405,517	-	405,517	331,858	73,659
Health Benefits	5,266,690	(6,000)	5,260,690	4,845,298	415,392
Other Employee Benefits	11,000	(4,303)	6,697	6,279	418
Unused Sick Payments to Terminated/Retired Staff	55,000	-	55,000	44,066	10,934
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>7,092,857</b>	<b>1,369</b>	<b>7,094,226</b>	<b>6,539,923</b>	<b>554,303</b>
TPAF Pension Contribution (Non Budgeted)					
Normal Pension Contribution	-	-	-	1,776,896	(1,776,896)
NCGI Contributions	-	-	-	88,514	(88,514)
Post Retirement	-	-	-	2,221,189	(2,221,189)
TPAF Social Security Contribution (Non Budgeted)	-	-	-	1,764,851	(1,764,851)
	-	-	-	5,851,450	(5,851,450)
<b>Total Undistributed Expenditures</b>	<b>27,627,765</b>	<b>467,997</b>	<b>28,095,762</b>	<b>32,340,112</b>	<b>(4,244,350)</b>
<b>Total Current Expenditures</b>	<b>51,878,832</b>	<b>155,269</b>	<b>52,034,101</b>	<b>55,992,309</b>	<b>(3,958,208)</b>



NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Exhibit C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>CAPITAL OUTLAY</b>					
Equipment					
Undistributed Expenditures					
Care and Upkeep Grounds	\$ 34,351	\$ 19,904	\$ 54,255	\$ 52,530	\$ 1,725
Total Equipment	<u>34,351</u>	<u>19,904</u>	<u>54,255</u>	<u>52,530</u>	<u>1,725</u>
Facilities and Acquisitions					
Construction Services	154,825	115,432	270,257	268,105	2,152
Lease Purchase Agreements - Principal	737,816	-	737,816	737,816	-
Assessment for Debt Service on SDA Funding	67,210	-	67,210	67,210	-
Total Facilities and Acquisitions	<u>959,851</u>	<u>115,432</u>	<u>1,075,283</u>	<u>1,073,131</u>	<u>2,152</u>
Interest Deposit to Capital Reserve	<u>1,800</u>	<u>-</u>	<u>1,800</u>	<u>-</u>	<u>1,800</u>
Total Capital Outlay	<u>996,002</u>	<u>135,336</u>	<u>1,131,338</u>	<u>1,125,661</u>	<u>5,677</u>
<b>SPECIAL SCHOOLS</b>					
Summer School - Instruction					
Other Salaries for Instruction	<u>2,200</u>	<u>1,920</u>	<u>4,120</u>	<u>3,882</u>	<u>238</u>
Total Summer School - Instruction	<u>2,200</u>	<u>1,920</u>	<u>4,120</u>	<u>3,882</u>	<u>238</u>
Summer School - Support Services					
Personal Services - Employee Benefits	200	(200)			-
Social Security Contributions	<u>-</u>	<u>297</u>	<u>297</u>	<u>297</u>	<u>-</u>
Total Summer School - Support Services	<u>200</u>	<u>97</u>	<u>297</u>	<u>297</u>	<u>-</u>
Total Special Schools	<u>2,400</u>	<u>2,017</u>	<u>4,417</u>	<u>4,179</u>	<u>238</u>
Total Expenditures - General Fund	<u>52,877,234</u>	<u>292,622</u>	<u>53,169,856</u>	<u>57,122,149</u>	<u>(3,952,293)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(500,000)</u>	<u>(292,622)</u>	<u>(792,622)</u>	<u>1,564,470</u>	<u>2,357,092</u>
Other Financing Sources (Uses)					
Transfers to Cover Deficit - Food Service	<u>-</u>	<u>(49,450)</u>	<u>(49,450)</u>	<u>(49,148)</u>	<u>302</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(49,450)</u>	<u>(49,450)</u>	<u>(49,148)</u>	<u>302</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Financing Sources	<u>(500,000)</u>	<u>(342,072)</u>	<u>(842,072)</u>	<u>1,515,322</u>	<u>2,357,394</u>
Fund Balances, Beginning of Year	<u>3,518,719</u>	<u>-</u>	<u>3,518,719</u>	<u>3,518,719</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 3,018,719</u>	<u>\$ (342,072)</u>	<u>\$ 2,676,647</u>	<u>\$ 5,034,041</u>	<u>\$ 2,357,394</u>
<b>Recapitulation of Fund Balance</b>					
Restricted					
Capital Reserve				\$ 1,994,289	
Capital Reserve - Designated for Subsequent Year's Budget				790,000	
Assigned					
Year-end Encumbrances				217,956	
Designated for Subsequent Year's Expenditures				835,000	
Unassigned Fund Balance				<u>1,196,796</u>	
Less State Aid not Recognized on a GAAP Basis				<u>5,034,041</u>	<u>(735,719)</u>
Fund Balance per Governmental Funds (GAAP)				<u>\$ 4,298,322</u>	

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources		\$ 84,634	\$ 84,634	\$ 76,779	\$ (7,855)
State Sources	\$ 104,723	35,875	140,598	125,402	(15,196)
Federal Sources	<u>645,835</u>	<u>299,068</u>	<u>944,903</u>	<u>831,042</u>	<u>(113,861)</u>
Total Revenues	<u>750,558</u>	<u>419,577</u>	<u>1,170,135</u>	<u>1,033,223</u>	<u>(136,912)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	70,728	37,335	108,063	108,063	-
Other Salaries for Instruction		-		-	-
Tuition	416,695	90,381	507,076	504,192	2,884
Purchased Professional & Technical Svcs		4,800	4,800	-	4,800
Other Purchased Services		724	724	474	250
General Supplies	60,893	107,136	168,029	124,844	43,185
Textbooks	25,018	2,276	27,294	27,291	3
Other Objects	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total Instruction	<u>573,334</u>	<u>247,652</u>	<u>820,986</u>	<u>764,864</u>	<u>56,122</u>
Support Services					
Salaries of Teachers		18,480	18,480	-	18,480
Personal Services - Employee Benefits		29,194	29,194	27,780	1,414
Purchased Professional & Technical Svc	46,358	37,991	84,349	52,720	31,629
Purchased Professional & Educational Svc	130,866	23,689	154,555	139,362	15,193
Other Purchased Services		15,087	15,087	7,841	7,246
General Supplies		32,772	32,772	25,944	6,828
Other Objects	<u>-</u>	<u>14,712</u>	<u>14,712</u>	<u>14,712</u>	<u>-</u>
Total Support Services	<u>177,224</u>	<u>171,925</u>	<u>349,149</u>	<u>268,359</u>	<u>80,790</u>
Total Expenditures	<u>750,558</u>	<u>419,577</u>	<u>1,170,135</u>	<u>1,033,223</u>	<u>136,912</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	<u>General Fund</u>	<u>Special Revenue Fund</u>	
<b>Sources/Inflows of Resources</b>			
Actual revenue amounts (budgetary basis) (Exhibits C-1 and C-2)	\$ 58,686,619	\$ 1,033,223	
Difference - Budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized, net of cancellations			
June 30, 2016		(42,542)	
State Aid payment not recognized for GAAP purposes, not recognized for budgetary statements. (2014/2015 State Aid)	49,960		
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements. (2015/2016 State Aid)	<u>(735,719)</u>	<u>-</u>	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 58,000,860</u>	<u>\$ 990,681</u>	
<b>Uses/Outflows of Resources</b>			
Actual expenditure amounts (budgetary basis) (Exhibits C-1 and C-2)	\$ 57,122,149	\$ 1,033,223	
Differences-Budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			
June 30, 2016	<u>-</u>	<u>(42,542)</u>	
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 57,122,149</u>	<u>\$ 990,681</u>	

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Public Employees Retirement System

Last Three Fiscal Years\*  
 (Dollar amounts in thousands)

	<u>2016</u>		<u>2015</u>		<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.13065	%	0.12026	%	0.12681 %
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 29,329,571</u>		<u>\$ 22,517,299</u>		<u>\$ 24,236,483</u>
District's Covered-Employee Payroll	<u>\$ 8,820,274</u>		<u>\$ 8,698,012</u>		<u>\$ 8,331,976</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	332.52%		258.88%		290.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%		52.08%		48.72%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS**

**Public Employees Retirement System**

**Last Three Fiscal Years  
(Dollar amounts in thousands)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,123,288	\$ 991,465	\$ 1,063,968
Contributions in Relation to the Contractually Required Contribution	<u>1,123,288</u>	<u>991,465</u>	<u>1,063,968</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	<u>\$ 8,820,274</u>	<u>\$ 8,698,012</u>	<u>\$ 8,331,976</u>
Contributions as a Percentage of Covered-Employee Payroll	12.74%	11.40%	12.77%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Teachers Pension and Annuity Fund**

**Last Three Fiscal Years\*  
(Dollar amounts in thousands)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>177,469,574</u>	<u>155,072,298</u>	<u>140,923,005</u>
<b>Total</b>	<b><u>\$ 177,469,574</u></b>	<b><u>\$ 155,072,298</u></b>	<b><u>\$ 140,923,005</u></b>
District's Covered-Employee Payroll	<u>\$ 30,464,167</u>	<u>\$ 28,604,258</u>	<u>\$ 28,131,131</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.76%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.



**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Changes of Benefit Terms:** None.

**Changes of Assumptions:** Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4D.

**SPECIAL REVENUE FUND**

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Local Grants</u>	<u>Nonpublic Nursing</u>	<u>Security Aid</u>	<u>Nonpublic Technology</u>	<u>Nonpublic Textbooks</u>	<u>Chapter 192 Comp. Ed.</u>	<u>Chapter 193 Exam. and Class</u>	<u>Suppl. Inst.</u>	<u>Exhibit E-1a Totals</u>	<u>Grand Totals</u>
<b>REVENUES</b>										
Intergovernmental										
State		\$ 50,760	\$ 14,100	\$ 12,428	\$ 27,291	\$ 2,650	\$ 11,936	\$ 6,237		\$ 125,402
Federal									\$ 831,042	831,042
Local Sources										
Miscellaneous	\$ 76,779	-	-	-	-	-	-	-	-	76,779
Total Revenues	\$ 76,779	\$ 50,760	\$ 14,100	\$ 12,428	\$ 27,291	\$ 2,650	\$ 11,936	\$ 6,237	\$ 831,042	\$ 1,033,223
<b>EXPENDITURES</b>										
Instruction										
Salaries of Teachers	\$ 1,217								\$ 106,846	\$ 108,063
Other Salaries for Instruction									-	-
Tuition									504,192	504,192
Purchased Professional & Technical Svcs									-	-
Other Purchased Services	474								-	474
General Supplies	49,144		\$ 14,100	\$ 12,428					49,172	124,844
Textbooks					\$ 27,291				-	27,291
Other Objects	-	-	-	-	-	-	-	-	-	-
Total Instruction	50,835	-	14,100	12,428	27,291	-	-	-	660,210	764,864
Support Services										
Salaries of Teachers									-	-
Personal Services - Employee Benefits									27,780	27,780
Purchased Professional & Technical Svc		\$ 50,760							1,960	52,720
Purchased Professional & Educational Svc						\$ 2,650	\$ 11,936	\$ 6,237	118,539	139,362
Other Purchased Services									7,841	7,841
General Supplies	25,944								-	25,944
Other Objects	-	-	-	-	-	-	-	-	14,712	14,712
Total Support Services	25,944	50,760	-	-	-	2,650	11,936	6,237	170,832	268,359
Total Expenditures	\$ 76,779	\$ 50,760	\$ 14,100	\$ 12,428	\$ 27,291	\$ 2,650	\$ 11,936	\$ 6,237	\$ 831,042	\$ 1,033,223

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	NCLB			Individuals with	Career	Total
	Title I	Title II A	Title III	Disabilities Education Act		
				Part B,	Pathways	Exhibit E-1a
				Basic		
<b>REVENUES</b>						
Intergovernmental						
Federal	\$ 145,483	\$ 128,675	\$ 50,176	\$ 506,152	\$ 556	\$ 831,042
Total Revenues	\$ 145,483	\$ 128,675	\$ 50,176	\$ 506,152	\$ 556	\$ 831,042
<b>EXPENDITURES</b>						
Instruction						
Salaries of Teachers	\$ 106,846					\$ 106,846
Other Salaries for Instruction						-
Tuition				\$ 504,192		504,192
Purchased Professional & Technical Svcs.						-
Other Purchased Services						-
General Supplies			\$ 49,172			49,172
Textbooks						-
Other Objects	-	-	-	-	-	-
Total Instruction	106,846	-	49,172	504,192	-	660,210
Support Services						
Salaries of Teachers						-
Personal Services - Employee Benefits	27,780					27,780
Purchased Professional & Technical Svc.				1,960		1,960
Purchased Professional & Educational Svc		\$ 118,539				118,539
Other Purchased Services	3,583	3,702			\$ 556	7,841
General Supplies						-
Other Objects	7,274	6,434	1,004	-	-	14,712
Total Support Services	38,637	128,675	1,004	1,960	556	170,832
Total Expenditures	\$ 145,483	\$ 128,675	\$ 50,176	\$ 506,152	\$ 556	\$ 831,042

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION PROGRAM AID  
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

THIS SCHEDULE IS NOT APPLICABLE

**CAPITAL PROJECTS FUND**

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Issue/Project Title	Approval Date	Appropriations	Expenditures to Date		Balance, June 30, 2016
			Prior Year	Current Year	
Various Improvements to Demarest High School	9/25/2001	\$ 14,594,833	\$ 14,583,607		\$ 11,226
Various Improvements to Old Tappan High School	9/25/2001	13,917,967	13,909,883		8,084
Improvements to Schools	4/17/2007	2,186,000	2,185,805		195
Improvements to Schools	4/21/2009	3,793,534	3,816,755		(23,221)
HVAC and Roof Replacement	7/24/2015	821,102		\$ 273,998	547,104
Various Improvements to Demarest and Old Tappan High Schools		<u>11,707,485</u>	<u>-</u>	<u>653,757</u>	<u>11,053,728</u>
		<u>\$ 47,020,921</u>	<u>\$ 34,496,050</u>	<u>\$ 927,755</u>	<u>\$ 11,597,116</u>
Project Balances, June 30, 2016					\$ 11,597,116
Less: Bonds Authorized but Not Issued					<u>(11,707,485)</u>
Fund Balance, June 30, 2016 (Budgetary Basis)					\$ (110,369)
Less: Unearned Revenue					<u>(375,303)</u>
Fund Balance, June 30, 2016 (GAAP Basis)					<u>\$ (485,672)</u>
<b><u>Recapitulation of Fund Balance - June 30, 2016 (GAAP Basis)</u></b>					
Restricted:					
Year-End Encumbrances					\$ 5,078,697
Available for Capital Projects					6,143,116
Bonds Authorized Not Issued					<u>(11,707,485)</u>
Total Fund Balance - Restricted for Capital Projects					<u>\$ (485,672)</u>

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**EXPENDITURES AND OTHER FINANCING USES**

Construction Services	\$ 349,488
Other Purchased Professional and Technical Services	<u>578,267</u>
Total Expenditures and Other Financing Uses	<u>927,755</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(927,755)
Fund Balance, July 1, 2015	<u>817,386</u>
Fund Balance, June 30, 2016	(110,369)
Reconciliation to GAAP	
Unearned Revenue- SDA Grant	<u>375,303</u>
Fund Balance- June 30, 2016 (GAAP Basis)	<u>\$ (485,672)</u>



**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS  
VARIOUS IMPROVEMENTS TO DEMAREST HIGH SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 3,467,523		\$ 3,467,523	\$ 3,467,523
Bond Proceeds	<u>11,127,310</u>	<u>-</u>	<u>11,127,310</u>	<u>11,127,638</u>
 Total Revenues	 <u>14,594,833</u>	 <u>-</u>	 <u>14,594,833</u>	 <u>14,595,161</u>
<b>Expenditures and Other Financing Uses</b>				
Capital Project Equipment	637,571		637,571	350,000
Other Purchased Professional and Technical Services	1,394,725		1,394,725	1,600,000
Construction Services	9,710,509		9,710,509	9,985,161
General Supplies	139,318		139,318	150,000
Land and Improvements	2,691,527		2,691,527	2,500,000
Other Objects	<u>9,957</u>	<u>-</u>	<u>9,957</u>	<u>10,000</u>
 Total Expenditures	 <u>14,583,607</u>	 <u>-</u>	 <u>14,583,607</u>	 <u>14,595,161</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 11,226</u>	 <u>\$ -</u>	 <u>\$ 11,226</u>	 <u>\$ -</u>

## Additional Project Information:

Project Number	SP202013
Grant Date	9/6/2002
Bond Authorization Date	9/25/2001
Bonds Authorized	\$ 11,811,328
Bonds Issued	\$ 11,811,000
Original Authorized Cost	\$ 15,278,851
Additional Authorized Cost	\$ (683,690)
Revised Authorized Cost	\$ 14,595,161

## Percentage Increase Over Original

Authorized Cost	-4.47%
Percentage Completion	99.92%
Original Target Completion Date	09/01/05
Revised Target Completion Date	09/01/06

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS  
VARIOUS IMPROVEMENTS TO OLD TAPPAN HIGH SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 3,078,657		\$ 3,078,657	\$ 3,078,657
Bond Proceeds	10,839,310	-	10,839,310	10,839,802
Total Revenues	<u>13,917,967</u>	<u>-</u>	<u>13,917,967</u>	<u>13,918,459</u>
 <b>Expenditures and Other Financing Uses</b>				
Capital Project Equipment	468,771		468,771	250,000
Other Purchased Professional and Technical Services	1,218,738		1,218,738	1,250,000
Construction Services	9,696,384		9,696,384	9,758,459
General Supplies	138,418		138,418	150,000
Land and Improvements	2,378,507		2,378,507	2,500,000
Other Objects	9,065	-	9,065	10,000
Total Expenditures	<u>13,909,883</u>	<u>-</u>	<u>13,909,883</u>	<u>13,918,459</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 8,084</u>	<u>\$ -</u>	<u>\$ 8,084</u>	<u>\$ -</u>

Additional Project Information:

Project Number	SP202012
Grant Date	9/6/2002
Bond Authorization Date	9/25/2001
Bonds Authorized	\$ 11,523,492
Bonds Issued	\$ 11,523,000
Original Authorized Cost	\$ 14,602,149
Additional Authorized Cost	\$ (683,690)
Revised Authorized Cost	\$ 13,918,459

Percentage Increase Over Original Authorized Cost	-4.68%
Percentage Completion	99.94%
Original Target Completion Date	09/01/05
Revised Target Completion Date	09/01/06

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS  
IMPROVEMENTS TO SCHOOLS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	\$ 2,186,000	-	\$ 2,186,000	\$ 2,186,130
 Total Revenues	 2,186,000	 -	 2,186,000	 2,186,130
<b>Expenditures and Other Financing Uses</b>				
Capital Project Equipment	878,663		878,663	900,000
Other Purchased Professional and Technical Services	150,114		150,114	175,000
Construction Services	1,157,028	-	1,157,028	1,111,130
 Total Expenditures	 2,185,805	 -	 2,185,805	 2,186,130
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 \$ 195	 \$ -	 \$ 195	 \$ -

## Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	4/17/2007
Bonds Authorized	\$ 2,186,130
Bonds Issued	\$ 2,186,000
Original Authorized Cost	\$ 2,186,130
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 2,186,130
 Percentage Increase Over Original Authorized Cost	 0.00%
Percentage Completion	99.99%
Original Target Completion Date	12/01/07
Revised Target Completion Date	12/01/07

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS  
IMPROVEMENTS TO SCHOOLS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 1,503,534		\$ 1,503,534	\$ 1,526,755
Bond Proceeds	<u>2,290,000</u>	<u>-</u>	<u>2,290,000</u>	<u>2,290,133</u>
<b>Total Revenues</b>	<u>3,793,534</u>	<u>-</u>	<u>3,793,534</u>	<u>3,816,888</u>
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services	514,514		514,514	657,147
Construction Services	<u>3,302,241</u>	<u>-</u>	<u>3,302,241</u>	<u>3,159,741</u>
<b>Total Expenditures</b>	<u>3,816,755</u>	<u>-</u>	<u>3,816,755</u>	<u>3,816,888</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ (23,221)</u>	<u>\$ -</u>	<u>\$ (23,221)</u>	<u>\$ -</u>

Additional Project Information:

Project Numbers	SP3710-050-09-0KAU SP3710-050-09-0KAV SP3710-060-09-0KAW SP3710-060-09-0KAX
Grant Date	5/26/2009
Bond Authorization Date	4/21/2019
Bonds Authorized	\$ 2,290,133
Bonds Issued	\$ 2,290,000
Original Authorized Cost	\$ 3,816,888
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 3,816,888
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	10/01/10
Revised Target Completion Date	10/01/10

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS  
HVAC AND ROOF REPLACEMENT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 484,902		\$ 484,902	\$ 484,902
Transfer from Capital Reserve	336,200	-	336,200	727,354
	<u>821,102</u>	<u>-</u>	<u>821,102</u>	<u>1,212,256</u>
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services		\$ 17,112	17,112	50,000
Construction Services	-	256,886	256,886	1,162,256
	<u>-</u>	<u>273,998</u>	<u>273,998</u>	<u>1,212,256</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 821,102</u>	<u>\$ (273,998)</u>	<u>\$ 547,104</u>	<u>\$ -</u>

## Additional Project Information:

Project Numbers	3710-050-14-1002-604
Grant Date	7/24/2015
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,212,256
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,212,256
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	33.37%
Original Target Completion Date	09/01/15
Revised Target Completion Date	06/30/16

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS  
VARIOUS IMPROVEMENTS AT DEMAREST AND OLD TAPPAN HIGH SCHOOLS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	-	-	-	\$ 11,707,485
 Total Revenues	 -	 -	 -	 11,707,485
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services		\$ 561,155	\$ 561,155	1,500,485
Construction Services		92,602	92,602	10,069,250
General Supplies	-	-	-	137,750
 Total Expenditures	 -	 653,757	 653,757	 11,707,485
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 \$ -	 \$ (653,757)	 \$ (653,757)	 \$ -

Additional Project Information:

Project Numbers:	3710-060-14-2000
	3710-060-14-3000
	3710-060-14-4000
	3710-050-15-1000
	3710-050-15-2000
	3710-060-15-1000
	3710-060-16-1000
Grant Date	N/A
Bond Authorization Date	03/08/16
Bonds Authorized	07/12/16
Bonds Issued	\$ -
Original Authorized Cost	\$ 11,707,485
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 11,707,485
 Percentage Increase Over Original Authorized Cost	
Percentage Completion	6%
Original Target Completion Date	06/30/18
Revised Target Completion Date	06/30/18

**ENTERPRISE FUNDS**

NORTHERN REGIONAL HIGH SCHOOL DISTRICT  
 ENTERPRISE FUNDS  
 COMBINING STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2016

	Business Type Activities							
	Non-Major Programs							Totals
	Food Service	Wee Tots	Teens and Tots	Swimming	Ice Hockey	SAT Classes	Shared Service	
<b>ASSETS</b>								
Current Assets								
Cash and Cash Equivalents	\$ 76,042	\$ 24,749		\$ 30,031	\$ 13,117	\$ 75,986	\$ 47,819	\$ 267,744
Intergovernmental Receivable			\$ 567				220	787
Other Accounts Receivable		5,685						5,685
Due from Other Funds				29,082			72,870	101,952
Inventories	6,087	-	-	-	-	-	-	6,087
<b>Total Current Assets</b>	<b>82,129</b>	<b>30,434</b>	<b>567</b>	<b>59,113</b>	<b>13,117</b>	<b>75,986</b>	<b>120,909</b>	<b>382,255</b>
Capital Assets								
Furniture, machinery & equipment	215,654							215,654
Less: Accumulated Depreciation	(190,050)	-	-	-	-	-	-	(190,050)
<b>Total Capital Assets</b>	<b>25,604</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,604</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>								
Deferred Amounts on Net Pension Liability	-	-	-	-	-	-	-	-
<b>Total Deferred Outflow of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets and Deferred Outflow of Resources</b>	<b>107,733</b>	<b>30,434</b>	<b>567</b>	<b>59,113</b>	<b>13,117</b>	<b>75,986</b>	<b>120,909</b>	<b>407,859</b>
<b>LIABILITIES</b>								
Current Liabilities								
Accounts Payable	27,245		450					27,695
Due to Other Funds			29,649				220	29,869
Other Payable		5,275						5,275
Unearned Revenue	-	100	25,616	-	-	-	-	25,716
<b>Total Current Liabilities</b>	<b>27,245</b>	<b>5,375</b>	<b>55,715</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>220</b>	<b>88,555</b>
Noncurrent Liabilities								
Compensated Absences			16,503					16,503
Net Pension Liability	-	-	-	-	-	-	-	-
<b>Total Noncurrent Liabilities</b>	<b>-</b>	<b>-</b>	<b>16,503</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,503</b>
<b>DEFERRED INFLOW OF RESOURCES</b>								
Deferred Amounts on Net Pension Liability	-	-	-	-	-	-	-	-
<b>Total Deferred Inflow of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Deferred Inflow of Resources</b>	<b>27,245</b>	<b>5,375</b>	<b>72,218</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>220</b>	<b>105,058</b>
<b>NET POSITION</b>								
Net Investment in Capital Assets	25,604	-	-	-	-	-	-	25,604
Unrestricted	54,884	25,059	(71,651)	59,113	13,117	75,986	120,689	277,197
<b>Total Net Position</b>	<b>\$ 80,488</b>	<b>\$ 25,059</b>	<b>\$ (71,651)</b>	<b>\$ 59,113</b>	<b>\$ 13,117</b>	<b>\$ 75,986</b>	<b>\$ 120,689</b>	<b>\$ 302,801</b>



NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
ENTERPRISE FUNDS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Business Type Activities							Totals
	Non-Major Programs							
	Food Service	Wee Totz	Teens and Totz	Swimming	Ice Hockey	SAT Classes	Shared Service	
<b>OPERATING REVENUES</b>								
Charges for Services								
Daily sales - non-reimbursable	\$ 892,401							892,401
Special Functions	52,066							52,066
Charges and Fees	-	\$ 195,302	\$ 276,491	\$ 24,052	\$ 29,400	\$ 3,150	\$ 202,720	731,115
<b>Total Operating Revenues</b>	<u>944,467</u>	<u>195,302</u>	<u>276,491</u>	<u>24,052</u>	<u>29,400</u>	<u>3,150</u>	<u>202,720</u>	<u>1,675,582</u>
<b>OPERATING EXPENSES</b>								
Cost of Sales - non-reimbursable	442,384							442,384
Salaries/Salaries of Teachers	287,595	190,972	212,559				195,821	886,947
Unallocated Benefits	90,017		101,652				36,712	228,381
Rentals				13,901	26,160			40,061
Other Purchased Services	113,633							113,633
Supplies and Materials	33,809		6,245	3,129				43,183
Depreciation	2,775							2,775
Other Objects	11,446	-	-	5,683	-	-	-	17,129
<b>Total Operating Expenses</b>	<u>981,659</u>	<u>190,972</u>	<u>320,456</u>	<u>22,713</u>	<u>26,160</u>	<u>-</u>	<u>232,533</u>	<u>1,774,493</u>
Operating Income (Loss)	<u>(37,192)</u>	<u>4,330</u>	<u>(43,965)</u>	<u>1,339</u>	<u>3,240</u>	<u>3,150</u>	<u>(29,813)</u>	<u>(98,911)</u>
<b>NONOPERATING REVENUES</b>								
On-Behalf (Non-Budgeted)								
TPAF Pension System								
Post Retirement Medical			14,765				10,865	25,630
Normal Cost			11,812				8,692	20,504
NCGI			588				433	1,021
Reimbursed TPAF S.S.	-	-	11,668				8,654	20,322
GASB 68 - TPAF On Behalf Adjustment			45,031				33,136	78,167
Interest	129	-	211	-	-	-	-	340
<b>Total Non-Operating Revenues</b>	<u>129</u>	<u>-</u>	<u>84,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,780</u>	<u>145,984</u>
Net Income (Loss) Before Contributions & Transfers	<u>(37,063)</u>	<u>4,330</u>	<u>40,110</u>	<u>1,339</u>	<u>3,240</u>	<u>3,150</u>	<u>31,967</u>	<u>47,073</u>
Transfers								
Transfers In(Out)	49,148	-	-	-	-	-	-	49,148
Change in Net Position	12,085	4,330	40,110	1,339	3,240	3,150	31,967	96,221
Total Net Position - Beginning of Year (Restated)	<u>68,403</u>	<u>20,729</u>	<u>(111,761)</u>	<u>57,774</u>	<u>9,877</u>	<u>72,836</u>	<u>88,722</u>	<u>206,580</u>
Total Net Position - Ending of Year	<u>\$ 80,488</u>	<u>\$ 25,059</u>	<u>\$ (71,651)</u>	<u>\$ 59,113</u>	<u>\$ 13,117</u>	<u>\$ 75,986</u>	<u>\$ 120,689</u>	<u>\$ 302,801</u>

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
ENTERPRISE FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Business Type Activities							Totals
	Food Service	Wee Tots	Teens and Tots	Non-Major Programs			Shared Service	
			Swimming	Ice Hockey	SAT Classes			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Receipts from Customers	\$ 940,210	\$ 198,647	\$ 294,549	\$ 24,052	\$ 29,400	\$ 3,150	\$ 210,044	\$ 1,700,052
Payments to Employees and Benefits	(377,612)	(190,972)	(256,086)				(228,742)	(1,053,412)
Payments to Suppliers for Goods and Services	(593,063)	-	(6,245)	(17,030)	(26,160)	-	-	(642,498)
Net Cash Provided by(Used for) operating activities	<u>(30,465)</u>	<u>7,675</u>	<u>32,218</u>	<u>7,022</u>	<u>3,240</u>	<u>3,150</u>	<u>(18,698)</u>	<u>4,142</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>								
Cash received from State Subsidy Reimbursement			38,266				28,424	66,690
Interfund Transfers	49,148	-	29,649	(29,082)	-	-	(20,650)	29,065
Net cash provided by (used for) Noncapital financing activities	<u>49,148</u>	<u>-</u>	<u>67,915</u>	<u>(29,082)</u>	<u>-</u>	<u>-</u>	<u>7,774</u>	<u>95,755</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Purchases of capital assets	(5,154)	-	-	-	-	-	-	(5,154)
Net cash provided by(used for) capital and related financing activities	<u>(5,154)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,154)</u>
<b>CASH FLOWS FROM INVESTMENTS AND RELATED FINANCING ACTIVITIES</b>								
Interest on Investments	129	-	211	-	-	-	-	340
Net cash provided by(used for) capital and related financing activities	<u>129</u>	<u>-</u>	<u>211</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>340</u>
Net increase (decrease) in cash and cash equivalents	13,658	7,675	100,344	(22,060)	3,240	3,150	(10,924)	95,083
Cash and Cash Equivalents - Beginning of Year	62,384	17,074	(100,344)	52,091	9,877	72,836	58,743	172,661
Cash and Cash Equivalents - End of Year	<u>\$ 76,042</u>	<u>\$ 24,749</u>	<u>\$ -</u>	<u>\$ 30,031</u>	<u>\$ 13,117</u>	<u>\$ 75,986</u>	<u>\$ 47,819</u>	<u>\$ 267,744</u>
Reconciliation of Operating Income (loss) to net cash provided (used) by operating activities								
Operating Income(Loss)	\$ (37,192)	\$ 4,330	\$ (43,965)	\$ 1,339	\$ 3,240	\$ 3,150	\$ (29,813)	\$ (98,911)
Adjustments to reconcile operating income(loss) to net cash provided (used) by operating activities								
GASB 68 - TPAF On Behalf Adjustment			45,031				33,136	78,167
Depreciation	2,775							2,775
(Increase) Decrease in accounts receivable, net	11,446	(1,130)	20	5,683			7,324	23,343
(Increase) Decrease in inventories	(2,549)							(2,549)
Increase(decrease) in unearned revenues	(4,257)	100	18,038					13,881
Increase(decrease) in other payable		4,375						4,375
Increase(decrease) in accounts payable	(688)		450					(238)
Increase(decrease) in noncurrent liabilities	-	-	12,644	-	-	-	(29,345)	(16,701)
Total adjustments	<u>6,727</u>	<u>3,345</u>	<u>76,183</u>	<u>5,683</u>	<u>-</u>	<u>-</u>	<u>11,115</u>	<u>103,053</u>
Net cash provided by (used for) operating activities	<u>\$ (30,465)</u>	<u>\$ 7,675</u>	<u>\$ 32,218</u>	<u>\$ 7,022</u>	<u>\$ 3,240</u>	<u>\$ 3,150</u>	<u>\$ (18,698)</u>	<u>\$ 4,142</u>

**FIDUCIARY FUNDS**

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES  
AS OF JUNE 30, 2016**

	<u>Agency</u>		<u>Total</u>
	<u>Student Activity</u>	<u>Payroll</u>	
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 570,414	\$ 138,574	\$ 708,988
Total Assets	<u>\$ 570,414</u>	<u>\$ 138,574</u>	<u>\$ 708,988</u>
<b>LIABILITIES</b>			
Due to Student Groups	\$ 570,414		\$ 570,414
Due to Other Funds		\$ 109,045	109,045
Reserve for Flexible Spending		21,041	21,041
Accrued Salaries and Wages		7,048	7,048
Payroll Deductions and Withholdings	<u>-</u>	<u>1,440</u>	<u>1,440</u>
Total Liabilities	<u>\$ 570,414</u>	<u>\$ 138,574</u>	<u>\$ 708,988</u>

**FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Balance July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2016</u>
<b>SENIOR HIGH SCHOOLS:</b>				
Demarest:				
General Organization Account	\$ 290,969	\$ 579,562	\$ 538,623	\$ 331,908
Athletic Account	120	112,329	112,085	364
Old Tappan:				
General Organization Account	262,591	557,722	583,288	237,025
Athletic Account	-	88,324	87,207	1,117
	<u>\$ 553,680</u>	<u>\$ 1,337,937</u>	<u>\$ 1,321,203</u>	<u>\$ 570,414</u>

**PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Balance, July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2016</u>
Payroll Deductions and Withholdings	\$ 5,857	\$ 23,332,584	\$ 23,337,001	\$ 1,440
Accrued Salaries and Wages	7,837	27,492,153	27,492,942	7,048
Reserve for Flexible Spending	21,082	76,114	76,155	21,041
Due to Other Funds	65,112	43,933	-	109,045
	<u>\$ 99,888</u>	<u>\$ 50,944,784</u>	<u>\$ 50,906,098</u>	<u>\$ 138,574</u>

**LONG-TERM DEBT**

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
LONG TERM DEBT  
SCHEDULE OF SERIAL BONDS PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2015</u>	<u>Retired</u>	<u>Balance, June 30, 2016</u>
			<u>Date</u>	<u>Amount</u>				
2006 Refunding School Bonds	12/20/2006	\$ 16,865,000	2/1/2017	\$ 1,350,000	5.000 %	\$ 10,345,000	\$ 1,280,000	\$ 9,065,000
			2/1/2018	1,415,000	4.500			
			2/1/2019	1,485,000	4.500			
			2/1/2020	1,550,000	4.500			
			2/1/2021	1,620,000	4.500			
			2/1/2022	1,645,000	4.500			
2007 School Bonds	6/29/2007	2,186,000	8/1/2016	255,000 (A)	4.125	760,000	245,000	515,000
			8/1/2017	260,000 (A)	4.125			
2009 School Bonds	8/4/2009	2,290,000	8/1/2016	95,000	2.250	1,985,000	90,000	1,895,000
			8/1/2017	100,000	2.500			
			8/1/2018	215,000	2.750			
			8/1/2019	220,000	3.000			
			8/1/2020	230,000	3.250			
			8/1/2021	240,000	3.500			
			8/1/2022	255,000	3.500			
			8/1/2023	265,000	4.000			
8/1/2024	275,000	4.000						
						<u>\$ 13,090,000</u>	<u>\$ 1,615,000</u>	<u>\$ 11,475,000</u>
						Paid by Budget A	<u>\$ 1,615,000</u>	

(A) Represents sinking fund installments to be utilized to pay a term bond in the amount of \$515,000 due on August 1, 2017 at an interest rate of 4.125%.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 2,091,842		\$ 2,091,842	\$ 2,091,842	
State Sources					
Debt Service Aid	<u>92,242</u>	<u>\$ -</u>	<u>92,242</u>	<u>92,242</u>	<u>\$ -</u>
Total Revenues	<u>2,184,084</u>	<u>-</u>	<u>2,184,084</u>	<u>2,184,084</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	1,615,000		1,615,000	1,615,000	
Interest	<u>569,535</u>	<u>-</u>	<u>569,535</u>	<u>569,535</u>	<u>-</u>
Total Expenditures	<u>2,184,535</u>	<u>-</u>	<u>2,184,535</u>	<u>2,184,535</u>	<u>-</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(451)</u>	<u>-</u>	<u>(451)</u>	<u>(451)</u>	<u>-</u>
Fund Balance, Beginning of Year	<u>971</u>	<u>-</u>	<u>971</u>	<u>971</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 520</u>	<u>\$ -</u>	<u>\$ 520</u>	<u>\$ 520</u>	<u>\$ -</u>

Recapitulation of Fund Balance:

Restricted for Debt Service:  
    Designed for Subsequent Year's Expenditures      \$ 520



## STATISTICAL SECTION

This part of the Northern Valley Regional High School 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 government's overall financial health.

### Contents

### Exhibits

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

#### **Revenue Capacity**

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

J-10 to J-13

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
 NET POSITION BY COMPONENT  
 LAST TEN FISCAL YEARS  
 (Unaudited)  
 (accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities									(Restated)	
Net Investment in Capital Assets	\$ 14,175,278	\$ 15,777,203	\$ 16,851,722	\$ 19,823,544	\$ 21,274,677	\$ (7,702,913)	\$ (6,002,113)	\$ (5,679,679)	\$ (4,835,391)	\$ (2,655,839)
Restricted	4,297,849	2,034,724	3,333,513	3,197,856	1,995,264	2,302,913	2,695,898	1,632,252	2,576,665	2,299,137
Unrestricted	794,878	49,344	205,100	(233,186)	159,192	110,430	(932,197)	269,738	(14,728,127)	(15,276,946)
Total Governmental Activities Net Position	\$ 19,268,005	\$ 17,861,271	\$ 20,390,335	\$ 22,788,214	\$ 23,429,133	\$ (5,289,570)	\$ (4,238,412)	\$ (3,777,689)	\$ (16,986,853)	\$ (15,633,648)
Business-Type Activities										
Net Investment in Capital Assets	\$ 45,561	\$ 30,375	\$ 18,189	\$ 65,738	\$ 63,516	\$ 94,520	\$ 106,452	\$ 107,934	\$ 88,085	\$ 95,402
Restricted	1,647,092	1,648,853	2,209,517	2,305,706	1,938,170	3,344,331	3,701,448	4,934,685	(3,984,203)	(4,492,879)
Total Business-Type Activities Net Position	\$ 1,692,653	\$ 1,679,228	\$ 2,227,706	\$ 2,371,444	\$ 2,001,686	\$ 3,438,851	\$ 3,807,900	\$ 5,042,619	\$ (3,896,118)	\$ (4,397,477)
District-Wide										
Net Investment in Capital Assets	\$ 14,220,839	\$ 15,807,578	\$ 16,869,911	\$ 19,889,282	\$ 21,338,193	\$ (7,608,393)	\$ (5,895,661)	\$ (5,571,745)	\$ (4,747,306)	\$ (2,560,437)
Restricted	4,297,849	2,034,724	3,333,513	3,197,856	1,995,264	2,302,913	2,695,898	1,632,252	2,576,665	2,299,137
Unrestricted	2,441,970	1,698,197	2,414,617	2,072,520	2,097,362	3,454,761	2,769,251	5,204,423	(18,712,330)	(19,769,825)
Total District Net Position	\$ 20,960,658	\$ 19,540,499	\$ 22,618,041	\$ 25,159,658	\$ 25,430,819	\$ (1,850,719)	\$ (430,512)	\$ 1,264,930	\$ (20,882,971)	\$ (20,031,125)

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
 CHANGES IN NET POSITION  
 LAST TEN FISCAL YEARS  
 (Unaudited)  
 (accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	21,467,684	22,669,685	22,707,100	\$ 23,425,252	\$ 24,244,866	\$ 25,153,023	\$ 26,346,867	\$ 25,455,524	\$ 26,513,942	\$ 32,470,087
Special Education	2,126,273	2,049,928	2,525,350	2,789,760	2,889,126	2,979,516	2,974,170	2,956,280	3,612,972	7,590,218
Other Instruction	2,653,733	2,565,594	2,494,100	2,455,672	2,402,119	2,098,270	2,662,527	2,706,078	2,573,423	215,251
School Sponsored Activities and Athletics	-	-	-	-	-	-	-	-	-	3,194,204
<b>Support Services:</b>										
Tuition	1,884,170	2,097,135	2,082,566	2,350,378	2,696,602	3,103,510	3,730,827	3,954,180	4,339,032	-
Student and Instruction Related Services	7,205,990	7,833,221	7,645,049	7,205,573	7,086,118	7,583,943	7,868,758	7,958,877	7,699,646	8,754,056
School Administration Services	2,435,874	2,221,178	2,844,784	3,452,927	3,443,344	3,649,567	3,805,148	3,656,647	3,500,274	4,417,188
General and Business Administrative Services	2,119,763	2,017,962	1,968,448	2,205,913	2,009,499	1,845,039	1,888,064	2,251,567	1,887,360	2,267,347
Plant Operations And Maintenance	4,679,308	5,425,465	5,194,515	5,161,699	4,772,743	4,460,706	4,643,563	5,103,097	4,954,125	5,591,664
Pupil Transportation	1,502,656	1,536,241	1,559,797	1,723,880	1,578,324	1,626,519	1,683,728	1,654,579	1,641,240	1,619,265
Business and Other Support Services	-	-	-	-	-	-	-	-	-	-
Special Schools	77,391	78,058	78,676	71,929	70,788	82,407	75,940	68,385	24,058	-
SDA Debt Service Assessment	-	-	-	-	-	48,392	67,210	67,210	67,210	-
Interest on Long-Term Debt	584,327	932,588	884,611	897,025	890,275	814,257	749,942	682,605	612,133	537,815
Unallocated Depreciation	-	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities Expenses</b>	<b>46,737,169</b>	<b>49,427,055</b>	<b>49,984,996</b>	<b>51,740,008</b>	<b>52,083,804</b>	<b>53,445,149</b>	<b>56,496,744</b>	<b>56,525,029</b>	<b>57,425,415</b>	<b>66,657,095</b>
<b>Business-Type Activities</b>										
Non-Major Programs	917,483	1,637,402	971,356	1,086,590	1,238,009	1,306,605	1,637,461	1,468,489	1,540,339	1,774,493
Technical Services	259,076	262,143	1,732,215	2,161,043	2,589,519	2,394,890	2,105,617	2,666,938	1,590,888	1,116,044
Teens and Tots	-	-	276,218	286,548	286,889	282,741	-	-	-	-
Major Programs	-	-	-	-	-	-	-	-	-	-
Regional Cooperative Program	882,774	896,508	937,310	928,198	860,221	904,957	958,507	956,561	1,183,505	1,434,251
Regional Transportation	2,673,459	2,799,088	2,627,736	2,659,944	1,687,902	1,654,686	1,774,394	1,739,880	1,694,080	1,828,084
Regional Special Education	11,381,098	12,096,325	12,148,583	12,205,812	12,545,985	12,677,576	13,402,912	14,188,829	15,232,292	19,955,763
<b>Total Business-Type Activities Expense</b>	<b>16,113,890</b>	<b>17,691,666</b>	<b>18,695,418</b>	<b>19,328,135</b>	<b>19,208,525</b>	<b>19,221,455</b>	<b>19,878,891</b>	<b>21,020,697</b>	<b>21,201,104</b>	<b>26,108,635</b>
<b>Total District Expenses</b>	<b>\$ 62,851,059</b>	<b>\$ 67,118,721</b>	<b>\$ 68,678,414</b>	<b>\$ 71,068,143</b>	<b>\$ 71,292,329</b>	<b>\$ 72,666,604</b>	<b>\$ 76,375,635</b>	<b>\$ 77,545,726</b>	<b>\$ 78,626,519</b>	<b>\$ 92,765,730</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
<b>Charges For Services</b>										
Regular	-	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	\$ 56,300	\$ 38,575	\$ 20,250	\$ 36,772	\$ 13,795	\$ 73,639	\$ 69,537	\$ 64,137	\$ 9,913	\$ 436,515
Operating Grants and Contributions	584,327	932,588	774,101	786,839	797,670	721,118	656,418	588,837	519,927	14,760,738
Capital Grants and Contributions	7,590,631	7,684,853	7,265,440	7,062,631	5,671,276	7,022,318	8,685,113	8,169,263	7,567,533	109,599
<b>Total Governmental Activities Program Revenues</b>	<b>8,231,258</b>	<b>8,656,016</b>	<b>8,059,791</b>	<b>7,886,242</b>	<b>6,482,741</b>	<b>7,817,075</b>	<b>9,411,068</b>	<b>8,822,237</b>	<b>8,097,373</b>	<b>15,306,852</b>
<b>Business-Type Activities</b>										
<b>Charges For Services</b>										
Non-Major Programs	965,279	1,256,588	985,932	1,093,387	1,261,511	1,285,589	1,605,810	1,506,624	1,477,105	1,675,582
Major Programs	-	-	2,214,352	2,075,162	2,115,441	3,156,038	2,069,949	2,610,416	1,318,642	716,682
Technical Services	-	-	293,370	258,772	295,237	279,858	-	-	-	-
Teens and Tots	234,386	258,703	946,541	966,349	1,027,687	1,006,340	1,094,086	1,334,198	1,264,099	-
Regional Cooperative Program	806,105	883,614	2,749,232	2,574,246	1,697,411	1,645,055	1,751,827	1,751,827	1,968,757	1,580,097
Regional Transportation	2,727,106	2,749,232	11,964,731	12,458,279	12,523,806	13,255,069	13,803,688	15,286,985	15,419,458	17,097,926
Regional Special Education	11,640,626	12,470,291	-	-	-	-	-	-	-	-
Operating Grants And Contributions	-	-	-	-	-	-	-	-	-	3,210,006
<b>Total Business Type Activities Program Revenues</b>	<b>16,373,502</b>	<b>17,618,428</b>	<b>19,159,172</b>	<b>19,461,180</b>	<b>18,859,755</b>	<b>20,649,296</b>	<b>20,237,614</b>	<b>22,249,938</b>	<b>21,518,160</b>	<b>25,544,392</b>
<b>Total District Program Revenues</b>	<b>\$ 24,604,760</b>	<b>\$ 26,274,444</b>	<b>\$ 27,218,963</b>	<b>\$ 27,347,422</b>	<b>\$ 25,342,496</b>	<b>\$ 28,466,371</b>	<b>\$ 29,648,682</b>	<b>\$ 31,072,175</b>	<b>\$ 29,615,533</b>	<b>40,851,244</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (38,505,911)	\$ (40,771,039)	\$ (41,925,205)	\$ (43,853,766)	\$ (45,601,063)	\$ (45,628,074)	\$ (47,085,676)	\$ (47,702,792)	\$ (49,328,042)	\$ (51,350,243)
Business-Type Activities	259,612	(73,238)	465,754	133,045	(348,770)	1,427,841	358,723	1,229,241	317,056	(564,243)
<b>Total District-Wide Net Expenses</b>	<b>\$ (38,246,299)</b>	<b>\$ (40,844,277)</b>	<b>\$ (41,459,451)</b>	<b>\$ (43,720,721)</b>	<b>\$ (45,949,833)</b>	<b>\$ (44,200,233)</b>	<b>\$ (46,726,953)</b>	<b>\$ (46,473,551)</b>	<b>\$ (49,010,986)</b>	<b>\$ (51,914,486)</b>

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
(Unaudited)  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General Revenues and Other Changes in Net Assets</b>										
<b>Governmental Activities</b>										
Property Taxes Levied For General Purposes, Net	\$ 37,517,322	\$ 39,018,015	\$ 41,321,482	\$ 43,158,783	\$ 44,885,134	\$ 45,603,296	\$ 46,515,362	\$ 47,399,154	\$ 48,526,678	\$ 49,835,108
Taxes Levied For Debt Service	533,388	212,625	866,085	852,401	841,570	1,082,867	1,147,183	1,214,763	1,569,746	2,091,842
Federal and State Aid - Unrestricted	379,143	453,063	15,473	112,705	31,416	72,500	151,402	38,883	81,489	44,968
Tuition (other than special schools)	366,747	193,734	248,115	249,114	276,429	307,422	204,028	315,572	336,071	336,071
Investment earnings	442,620	373,716	94,411	75,224	35,101	19,488	24,853	12,573	12,684	12,684
Miscellaneous Income	606,146	32,289	310,825	111,127	171,968	213,458	94,008	143,252	187,837	688,436
Adjustment to Capital Assets	-	(915,994)	-	-	-	(30,412,316)	-	(937,461)	-	-
N.J. Economic Development Authority grants	-	-	1,526,755	-	-	-	-	(23,221)	484,902	-
Debt Service Assessment	-	-	-	-	-	-	-	-	-	-
Refunding bond proceeds	239,000	-	-	-	-	-	-	-	-	-
Refunding bond proceeds	(3,139)	(3,142)	(63,879)	611	364	4,956	-	-	-	-
State Aid Restricted for Debt Service	-	-	-	-	-	-	-	-	-	92,242
Federal and State Aid - Unrestricted Transfers	-	-	-	-	-	-	-	-	-	(49,148)
<b>Total Governmental Activities</b>	<b>40,081,227</b>	<b>39,364,306</b>	<b>44,319,267</b>	<b>44,559,965</b>	<b>46,241,982</b>	<b>16,891,671</b>	<b>48,136,836</b>	<b>48,163,515</b>	<b>51,199,407</b>	<b>52,703,448</b>
<b>Business-Type Activities</b>										
Investment earnings	170,261	59,671	18,649	10,696	8,296	9,325	10,326	5,477	6,239	13,736
Refund on prior year revenue	(566,000)	-	-	-	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-
Transfers	3,139	3,142	64,074	-	-	-	-	-	-	49,148
<b>Total Business-Type Activities</b>	<b>(392,600)</b>	<b>62,813</b>	<b>82,723</b>	<b>10,696</b>	<b>8,296</b>	<b>9,325</b>	<b>10,326</b>	<b>5,477</b>	<b>6,239</b>	<b>62,884</b>
<b>Total District-Wide</b>	<b>\$ 39,688,627</b>	<b>\$ 39,427,119</b>	<b>\$ 44,401,990</b>	<b>\$ 44,570,661</b>	<b>\$ 46,250,278</b>	<b>\$ 16,900,996</b>	<b>\$ 48,147,162</b>	<b>\$ 48,168,992</b>	<b>\$ 51,205,646</b>	<b>\$ 52,766,332</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 1,575,316	\$ (1,406,733)	\$ 2,394,062	\$ 706,199	\$ 640,919	\$ (28,736,403)	\$ 1,051,160	\$ 460,723	\$ 1,871,365	\$ 1,353,205
Business-Type Activities	(132,988)	(10,425)	548,477	143,741	(340,474)	1,437,166	369,049	1,234,718	323,295	(501,359)
<b>Total District</b>	<b>\$ 1,442,328</b>	<b>\$ (1,417,158)</b>	<b>\$ 2,942,539</b>	<b>\$ 849,940</b>	<b>\$ 300,445</b>	<b>\$ (27,299,237)</b>	<b>\$ 1,420,209</b>	<b>\$ 1,695,441</b>	<b>\$ 2,194,660</b>	<b>\$ 851,846</b>

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
 FUND BALANCES - GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (Unaudited)  
 (modified accrual basis of accounting)

	2007	2008	2009	2010	Fiscal Year Ending June 30,		2013	2014	2015	2016
					2011	2012				
General Fund										
Restricted					\$ 1,202,640	\$ 1,751,542	\$ 1,904,293	\$ 1,549,498	\$ 1,656,070	\$ 2,784,289
Assigned					975,231	1,235,849	1,609,490	895,598	842,072	1,052,956
Unassigned					946,075	949,913	912,470	996,136	970,618	461,077
Reserved	\$ 1,706,080	\$ 1,882,950	\$ 1,878,737	\$ 2,276,442						
Unreserved	1,864,961	1,228,683	1,410,698	1,099,070						
Total general fund	<u>3,571,041</u>	<u>3,111,633</u>	<u>3,289,435</u>	<u>3,375,512</u>	<u>3,123,946</u>	<u>3,937,304</u>	<u>4,426,253</u>	<u>3,441,232</u>	<u>3,468,760</u>	<u>4,298,322</u>
All Other Governmental Funds										
Restricted, reported in:										
Capital projects fund					239,302	29,108	11,469	(3,716)	544,886	(485,672)
Debt service fund							418	869	971	520
Assigned, reported in:										
Capital projects fund					480,176	151,649	8,036		272,500	
Reserved	1,696,966	176,253	792,540	263,425						
Unreserved, reported in:										
Special revenue fund										
Capital projects fund	1,194,053	353,636	1,020,273	1,057,760						
Debt service fund	58,464									
Total all other governmental funds	<u>2,949,483</u>	<u>529,889</u>	<u>1,812,813</u>	<u>1,321,185</u>	<u>719,478</u>	<u>180,757</u>	<u>19,923</u>	<u>(2,847)</u>	<u>818,357</u>	<u>(485,152)</u>
Total Fund Balances	<u>\$ 6,520,524</u>	<u>\$ 3,641,522</u>	<u>\$ 5,102,248</u>	<u>\$ 4,696,697</u>	<u>\$ 3,843,424</u>	<u>\$ 4,118,061</u>	<u>\$ 4,446,176</u>	<u>\$ 3,438,385</u>	<u>\$ 4,287,117</u>	<u>\$ 3,813,170</u>

Source: District records

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(Unaudited)  
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Tax Levy	\$ 38,635,037	\$ 40,163,228	\$ 42,961,668	44,798,023	\$ 46,524,374	\$ 47,407,281	\$ 48,318,962	\$ 49,202,754	\$ 50,616,351	\$ 51,926,950
Tuition Charges	423,047	232,309	268,365	285,885	290,224	381,060	273,565	379,708	345,984	
Interest Earnings	442,620	373,715	94,411	75,224	35,101	19,488	24,853	12,573	12,684	
Miscellaneous	606,146	73,389	353,246	186,064	222,834	233,786	175,503	209,914	267,794	1,169,933
State Sources	7,239,464	7,341,537	6,103,439	572,452	4,735,544	6,182,621	7,898,059	7,408,709	6,809,259	7,367,594
Federal Sources	730,310	755,279	1,135,052	1,375,871	916,283	891,869	856,961	732,776	759,805	820,747
<b>Total Revenues</b>	<b>48,076,624</b>	<b>48,939,457</b>	<b>50,916,181</b>	<b>52,445,595</b>	<b>52,724,360</b>	<b>55,116,105</b>	<b>57,547,903</b>	<b>57,946,434</b>	<b>58,811,877</b>	<b>61,285,224</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	15,839,505	16,604,073	17,198,599	17,411,529	18,239,872	18,479,017	18,247,034	19,240,020	19,926,862	27,563,772
Special Education Instruction	1,649,753	1,467,375	1,981,306	2,199,037	2,281,195	2,281,264	2,187,182	2,241,351	2,794,832	6,999,967
Other Special Instruction										214,899
Other Instruction	2,023,903	1,962,801	1,924,722	1,850,191	1,831,959	1,834,887	1,971,572	2,052,440	1,980,532	2,713,609
<b>Support Services</b>										
Tuition	1,884,170	2,097,135	2,082,566	2,350,378	2,696,602	3,103,510	3,730,827	3,954,180	4,339,032	
Student and Inst. Related Services	5,493,833	6,019,684	6,065,776	5,631,682	5,546,891	5,861,341	5,933,221	6,252,773	6,096,964	7,841,390
School Administration Services	1,729,500	1,570,268	2,099,697	2,492,507	2,548,102	2,674,623	2,695,827	2,550,169	2,642,592	3,825,645
General Administration Services	1,747,707	1,536,125	1,567,644	1,808,065	1,655,897	1,498,256	1,514,279	1,833,043	1,587,750	1,272,702
Business and Other Support Services										914,227
Plant Operations And Maintenance	3,707,738	4,379,410	4,281,322	4,056,549	3,687,409	3,658,417	3,714,825	4,325,075	4,176,152	4,833,781
Pupil Transportation	1,456,825	1,490,139	1,512,641	1,675,099	1,538,055	1,579,595	1,631,308	1,597,668	1,587,075	1,602,455
Other Support Services										
Unallocated Employee Benefits	10,281,123	10,575,282	9,676,317	10,443,064	10,380,274	10,684,269	12,158,179	12,056,282	10,925,005	
Transfer of Funds to Charter Schools	77,391	78,059	78,676	71,929	53,528	61,740	55,520	50,953	18,339	
Capital Outlay	2,157,096	2,638,780	1,410,871	3,251,437	1,113,104	959,117	1,202,645	600,762	190,616	1,258,138
<b>Debt Service</b>										
Principal	1,160,000	935,000	1,106,000	1,045,000	1,085,000	1,330,000	1,400,000	1,465,000	1,540,000	1,615,000
Interest and Other Charges	604,828	912,186	904,689	855,291	920,109	840,388	777,369	711,288	642,297	569,535
<b>Total Expenditures</b>	<b>49,813,372</b>	<b>52,266,317</b>	<b>51,890,826</b>	<b>55,141,758</b>	<b>53,577,997</b>	<b>54,846,424</b>	<b>57,219,788</b>	<b>58,931,004</b>	<b>58,448,048</b>	<b>61,225,120</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	(1,736,748)	(3,326,860)	(974,645)	(2,696,163)	(853,637)	269,681	328,115	(984,570)	363,829	60,104
<b>Other Financing Sources (Uses)</b>										
Proceeds from Borrowing					2,290,000					
Capital Leases (Non-Budgeted)			451,000	972,493						
Proceeds from Refunding		2,186,000								
Payments to Escrow Agent										
N.J. Economic Development Authority Grants		(0)		1,526,755				(23,221)	484,902	
Transfers in	827,150	195,274	643,509	263,004	155,158	275,362	280,662	279,371	336,720	
Transfers Out	(829,985)	(198,413)	(646,651)	(326,883)	(154,546)	(274,998)	(280,662)	(279,371)	(336,720)	(49,148)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,835)</b>	<b>2,182,861</b>	<b>447,858</b>	<b>2,435,369</b>	<b>2,290,612</b>	<b>364</b>	<b>-</b>	<b>(23,221)</b>	<b>484,902</b>	<b>(49,148)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (1,739,583)</b>	<b>\$ (1,143,999)</b>	<b>\$ (526,787)</b>	<b>\$ (260,794)</b>	<b>\$ 1,436,975</b>	<b>\$ 270,045</b>	<b>\$ 328,115</b>	<b>\$ (1,007,791)</b>	<b>\$ 848,731</b>	<b>\$ 10,956</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	3.70%	3.72%	3.98%	3.66%	3.82%	4.03%	3.89%	3.73%	3.75%	3.64%

\* Noncapital expenditures are total expenditures less capital outlay.

Note - The District did not allocate unallocated employee benefits and tuition prior to the fiscal year ended June 30, 2016.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
GOVERNMENTAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Fiscal Year Ended June 30,</u>	<u>Summer School</u>	<u>Tuition</u>	<u>Interest</u>	<u>Gate Receipts</u>	<u>Rentals</u>	<u>Athletics and Activities Fees</u>	<u>Laptop Maintenance and Rentals</u>	<u>Sale of Assets</u>	<u>Insurance Refund</u>	<u>Miscellaneous</u>	<u>Total</u>
2007	\$ 56,300	\$ 366,747	\$ 381,972	\$ 8,301	\$ 3,016				\$ 566,000	\$ 28,829	\$ 1,411,165
2008	38,575	193,734	373,716	8,806	4,083					19,400	638,314
2009	20,250	248,115	91,595	9,274	4,403				250,000	47,148	670,785
2010	36,772	249,113	71,542	10,919		\$ 71,789				28,418	468,553
2011	13,795	276,429	33,368	11,324	10,906	113,696				36,042	495,560
2012	87,504	291,956	19,099	15,695		115,502			17,000	65,262	612,018
2013	70,975	202,591	24,436	14,033	204	60,838				18,932	392,009
2014	64,137	315,572	12,122	14,223	5,075	38,458				85,496	535,083
2015	9,913	336,071	12,163	17,680	11,105	90,275				4	477,211
2016	5,225	431,290	27,351	18,955	24,381	158,609	\$ 175,051	\$ 233,982		50,107	1,124,951

Source: School District's Records

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN YEARS  
 (Unaudited)

Closter Borough

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2007	\$ 40,014,800	\$ 2,088,854,600	4,960,600	\$ 214,440,600	\$ 18,309,800	\$ 1,005,700	\$ 2,367,586,100	\$ 5,522,116	\$ 2,373,108,216	\$ 2,230,624,189	\$ 0.387
2008	37,719,700	2,098,226,600	4,960,600	208,793,300	18,309,800	1,005,700	2,369,015,700	5,610,344	2,374,626,044	2,284,098,351	0.405
2009	25,624,300	1,780,304,800	5,503,300	228,504,900	21,689,700	959,600	2,062,586,600	6,411,588	2,068,998,188	2,068,998,188	0.491
2010	23,558,800	1,786,602,200	5,503,300	224,680,900	15,782,200	959,600	2,057,087,000	6,112,619	2,063,199,619	2,225,664,998	0.506
2011	23,262,400	1,791,836,000	5,503,300	223,086,500	15,045,700	959,600	2,059,693,500	5,669,360	2,065,362,860	2,161,138,793	0.514
2012	24,006,400	1,784,300,900	5,503,300	220,571,000	15,045,700	959,600	2,050,386,900	5,642,577	2,056,029,477	2,094,167,079	0.522
2013	20,163,200	1,796,514,400	5,503,300	218,075,800	15,045,700	959,600	2,056,262,000	100,000	2,056,362,000	2,035,360,558	0.520
2014	21,831,400	1,799,979,800	4,572,100	219,295,200	19,545,700	959,600	2,066,183,800	100,000	2,066,283,800	2,030,585,074	0.520
2015	20,358,100	1,805,323,200	4,572,100	216,624,800	18,964,000	959,600	2,066,801,800	100,000	2,066,901,800	2,099,516,054	0.539
2016	19,884,100	1,816,990,700	4,642,700	216,412,100	18,964,000	959,600	2,077,853,200	100,000	2,077,953,200	2,129,915,670	0.553

Demarest Borough

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2007	\$ 25,416,600	\$ 1,078,919,200		\$ 37,029,400		\$ 1,350,000	\$ 1,142,715,200	\$ 589,577	\$ 1,143,304,777	\$ 1,378,125,458	\$ 0.478
2008	21,534,400	1,113,563,000		37,029,400		1,350,000	1,173,476,800	637,147	1,174,113,947	1,420,610,278	0.513
2009	15,953,300	1,141,824,700		37,029,400		1,350,000	1,196,157,400	852,876	1,197,010,276	1,459,346,350	0.545
2010	24,674,000	1,155,919,300		36,920,200		1,350,000	1,218,863,500	761,402	1,219,624,902	1,475,586,410	0.561
2011	19,407,900	1,175,319,700		36,920,200		1,350,000	1,232,997,800	589,741	1,233,587,541	1,411,968,299	0.572
2012	18,514,400	1,183,373,100		36,920,200		1,350,000	1,240,157,700	632,812	1,240,790,512	1,396,024,774	0.555
2013	15,219,900	1,199,148,900		36,920,200		1,350,000	1,252,639,000	91,530	1,252,730,530	1,387,669,514	0.550
2014	14,578,200	1,213,910,800		36,920,200		1,350,000	1,266,759,200	88,910	1,266,848,110	1,425,536,144	0.551
2015	12,778,100	1,225,059,400		36,920,200		1,350,000	1,276,107,700	85,020	1,276,192,720	1,501,723,835	0.567
2016	12,763,100	1,240,829,500		36,920,200		1,350,000	1,291,862,800	85,020	1,291,947,820	1,516,882,756	0.575

a Tax rates are per \$100

Source: County Abstract of Ratables



**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN YEARS**  
**(Unaudited)**

**Harrington Park Borough**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2007	\$ 22,888,400	\$ 1,012,540,900		\$ 37,777,900			\$ 1,073,207,200	\$ 793,573	\$ 1,074,000,773	\$ 1,057,948,194	\$ 0.330
2008	20,183,000	1,029,990,700		37,155,400			1,087,329,100	970,697	1,088,299,797	1,125,158,811	0.339
2009	16,477,300	1,035,505,100		37,155,400			1,089,137,800	1,107,483	1,090,245,283	1,164,157,606	0.397
2010	16,047,300	1,034,946,900		37,240,800			1,088,235,000	1,223,350	1,089,458,350	1,113,572,454	0.427
2011	15,178,500	1,025,271,300		38,817,600			1,079,267,400	877,805	1,080,145,205	1,036,552,493	0.449
2012	14,736,500	1,015,222,100		32,442,300			1,062,400,900	820,664	1,063,221,564	983,913,449	0.458
2013	12,498,400	856,365,100		28,418,700			897,282,200		897,282,200	918,267,901	0.546
2014	12,498,400	855,446,400		28,221,900			896,166,700		896,166,700	940,449,312	0.576
2015	12,498,400	854,583,200		28,151,900			895,233,500		895,233,500	957,430,915	0.587
2016	12,498,400	856,178,500		27,192,100			895,869,000		895,869,000	977,108,511	0.591

**Haworth Borough**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2007	\$ 17,828,700	\$ 654,232,100		\$ 78,365,500			\$ 750,426,300	\$ 260,247	\$ 750,686,547	\$ 927,759,601	\$ 0.507
2008	16,021,200	669,141,100		78,365,500			763,527,800	261,858	763,789,658	985,266,258	0.528
2009	14,816,600	677,484,000		78,483,600			770,784,200	323,307	771,107,507	998,534,689	0.502
2010	14,785,400	681,880,900		98,938,300			795,604,600	810,227	796,414,827	1,054,551,126	0.518
2011	14,497,100	683,091,200		98,935,300			796,523,600	534,748	797,058,348	1,047,745,035	0.573
2012	14,802,000	683,084,200		97,551,200			795,437,400	507,416	795,944,816	1,036,587,284	0.617
2013	15,354,600	681,765,000		97,638,300			794,757,900	577,488	795,335,388	988,226,052	0.664
2014	15,027,000	683,331,400		94,794,900			793,153,300	571,705	793,725,005	927,314,313	0.691
2015	13,886,600	684,502,500		92,027,800			790,416,900	572,378	790,989,278	947,007,450	0.715
2016	12,288,800	688,316,600		91,150,400			791,755,800	581,033	792,336,833	938,535,971	0.721

<sup>a</sup> Tax rates are per \$100

Source: County Abstract of Ratables

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS  
(Unaudited)

Northvale Borough

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2007	\$ 14,898,400	\$ 692,867,700		\$ 75,958,300	\$ 179,635,500		\$ 963,359,900	\$ 566,929	\$ 963,926,829	\$ 952,930,025	\$ 0.408
2008	15,525,157	698,971,683		76,040,600	208,074,700		998,612,140	1,187,908	999,800,048	1,025,770,271	0.402
2009	13,857,186	702,140,418		76,958,900	202,138,500		995,095,004	1,412,505	996,507,509	1,066,218,181	0.425
2010	14,271,786	708,040,500		77,577,000	203,705,700		1,003,594,986	1,505,596	1,005,100,582	1,066,218,181	0.454
2011	10,940,800	575,722,200		75,443,800	187,824,400		849,931,200	1,104,701	851,035,901	940,665,793	0.582
2012	10,447,800	577,248,700		76,057,200	188,365,500		852,119,200	908,803	853,028,003	974,575,740	0.594
2013	10,277,900	576,719,800		77,344,700	187,827,700		852,170,100		852,170,100	929,610,243	0.600
2014	10,277,900	575,935,300		77,344,700	187,827,700		851,385,600	908,803	852,294,403	923,036,029	0.634
2015	10,049,700	576,016,200		81,420,700	186,088,200		853,574,800	908,803	854,483,603	913,012,611	0.639
2016	10,641,100	576,988,300		81,392,200	185,749,300		854,770,900	908,803	855,679,703	947,649,798	0.636

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Norwood Borough

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2007	\$ 7,443,800	\$ 634,462,200	23,600	\$ 37,110,200	\$ 55,799,600	\$ 9,573,800	\$ 744,413,200	\$ 693,146	\$ 745,106,346	\$ 1,520,178,366	\$ 0.892
2008	12,893,600	1,273,609,500	44,300	78,306,000	102,148,800	17,510,200	1,484,512,400	1,477,760	1,485,990,160	1,520,178,366	0.475
2009	11,621,100	1,274,524,800	44,300	74,496,700	102,148,800	17,510,200	1,480,345,900	1,777,913	1,482,123,813	1,583,947,764	0.489
2010	10,724,900	1,280,449,400	44,300	72,587,800	100,927,500	17,510,200	1,482,244,100	1,664,055	1,483,908,155	1,507,082,584	
2011	6,542,400	987,650,800	44,300	70,677,800	98,608,900	17,529,800	1,181,054,000	1,288,727	1,182,342,727	1,281,719,006	0.585
2012	7,705,900	986,809,800	44,300	70,643,900	97,495,300	16,500,000	1,179,199,200	1,103,992	1,180,303,192	1,327,086,242	0.568
2013	7,230,100	988,084,400	44,300	70,643,900	97,495,300	16,500,000	1,179,998,000		1,179,998,000	1,273,704,913	0.572
2014	7,059,100	987,504,100	44,300	70,643,900	97,495,300	16,500,000	1,179,246,700		1,179,246,700	1,225,344,833	0.556
2015	6,850,100	988,459,100	44,300	71,289,200	97,395,300	16,500,000	1,180,538,000		1,180,538,000	1,240,810,250	0.567
2016	11,878,400	990,623,100	44,300	69,189,200	97,173,900	16,500,000	1,185,408,900		1,185,408,900	1,291,038,163	0.604

<sup>a</sup> Tax rates are per \$100

Source: County Abstract of Ratables

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN YEARS**  
**(Unaudited)**

**Old Tappan**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2007	\$ 36,722,900	\$1,165,297,800	390,300	\$ 61,889,900		\$ 331,800	\$1,264,632,700	\$ 905,277	\$1,265,537,977	\$ 1,871,806,190	\$ 0.536
2008	34,314,800	1,186,252,900	390,300	61,889,900		331,800	1,283,179,700	1,013,376	1,284,193,076	1,932,044,022	0.551
2009	35,466,800	1,197,274,300	318,000	60,361,700		331,800	1,293,752,600	1,247,192	1,294,999,792	1,970,249,241	0.583
2010	33,777,900	1,207,995,400	318,000	61,568,200		331,800	1,303,991,300	1,290,151	1,305,281,451	1,914,086,815	0.595
2011	48,784,000	1,595,217,300	361,400	85,162,000		698,100	1,730,222,800	1,468,244	1,731,691,044	1,793,532,441	0.467
2012	47,906,700	1,597,442,700	373,800	81,586,500		698,100	1,728,007,800	1,361,524	1,729,369,324	1,776,965,605	0.501
2013	47,525,500	1,600,828,900	373,800	81,308,800		698,100	1,730,735,100	1,299,066	1,732,034,166	1,783,242,734	0.528
2014	43,661,000	1,594,422,600	373,800	80,435,200		698,100	1,719,590,700	1,156,788	1,720,747,488	1,708,954,754	0.557
2015	43,312,500	1,599,653,900	373,800	80,399,200		698,100	1,724,437,500	1,190,284	1,725,627,784	1,733,909,301	0.570
2016	40,450,900	1,606,134,700	373,800	80,545,500		2,817,100	1,730,322,000	1,149,128	1,731,471,128	1,721,634,054	0.570

a Tax rates are per \$100

Source: County Abstract of Ratables

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

Fiscal Year Ended December 31,	Total Direct School Tax Rate	Closter Overlapping Rates			Total Direct and Overlapping Tax Rate
		Municipality	Local School	County	
2007	0.387	0.376	0.636	0.171	1.570
2008	0.406	0.397	0.662	0.178	1.643
2009	0.491	0.478	0.780	0.222	1.971
2010	0.506	0.495	0.800	0.212	2.013
2011	0.514	0.503	0.811	0.218	2.046
2012	0.522	0.517	0.821	0.224	2.084
2013	0.520	0.521	0.834	0.227	2.102
2014	0.520	0.535	0.844	0.230	2.129
2015	0.539	0.547	0.860	0.244	2.190
2016	0.553	0.559	0.875	0.252	2.239

Source: Municipal Tax Collector

Fiscal Year Ended December 31,	Total Direct School Tax Rate	Demarest Overlapping Rates			Total Direct and Overlapping Tax Rate
		Municipality	Local School	County	
2007	0.478	0.429	0.854	0.199	1.960
2008	0.513	0.425	0.939	0.225	2.102
2009	0.545	0.444	0.952	0.235	2.176
2010	0.561	0.461	0.960	0.238	2.220
2011	0.572	0.478	0.978	0.238	2.266
2012	0.555	0.511	0.989	0.240	2.295
2013	0.550	0.543	1.000	0.255	2.348
2014	0.551	0.551	0.995	0.263	2.360
2015	0.567	0.562	1.000	0.283	2.412
2016	0.575	0.565	1.016	0.289	2.445

Source: Municipal Tax Collector

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

Fiscal Year Ended December 31,	Total Direct School Tax Rate	Harrington Park Overlapping Rates			Total Direct and Overlapping Tax Rate
		Municipality	Local School	County	
2007	0.330	0.349	0.833	0.178	1.690
2008	0.339	0.377	0.863	0.192	1.771
2009	0.397	0.403	0.895	0.206	1.901
2010	0.427	0.420	0.930	0.201	1.978
2011	0.449	0.437	0.937	0.198	2.021
2012	0.458	0.453	0.969	0.201	2.081
2013	0.546	0.544	1.172	0.233	2.495
2014	0.576	0.554	1.218	0.245	2.593
2015	0.587	0.555	1.255	0.257	2.654
2016	0.591	0.568	1.295	0.268	2.722

Source: Municipal Tax Collector

Fiscal Year Ended December 31,	Total Direct School Tax Rate	Haworth Overlapping Rates			Total Direct and Overlapping Tax Rate
		Municipality	Local School	County	
2007	0.507	0.642	0.919	0.222	2.290
2008	0.528	0.681	0.940	0.239	2.388
2009	0.502	0.681	0.962	0.249	2.394
2010	0.518	0.687	0.981	0.261	2.447
2011	0.573	0.692	1.013	0.274	2.552
2012	0.617	0.703	1.032	0.288	2.640
2013	0.664	0.697	1.052	0.286	2.699
2014	0.691	0.714	1.074	0.273	2.752
2015	0.715	0.729	1.063	0.288	2.795
2016	0.721	0.756	1.149	0.284	2.910

Source: Municipal Tax Collector

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS**

**(Unaudited)**

*(rate per \$100 of assessed value)*

Fiscal Year Ended December 31,	Total Direct School Tax Rate	Northvale Overlapping Rates			Total Direct and Overlapping Tax Rate
		Municipality	Local School	County	
2007	0.408	0.450	0.744	0.178	1.780
2008	0.402	0.460	0.748	0.191	1.801
2009	0.425	0.491	0.781	0.205	1.902
2010	0.454	0.513	0.802	0.201	1.970
2011	0.582	0.665	0.968	0.229	2.444
2012	0.594	0.662	0.982	0.251	2.489
2013	0.600	0.663	1.001	0.251	2.515
2014	0.634	0.663	1.023	0.253	2.573
2015	0.639	0.696	1.041	0.257	2.633
2016	0.636	0.709	1.059	0.272	2.676

Source: Municipal Tax Collector

Fiscal Year Ended December 31,	Total Direct School Tax Rate	Norwood Overlapping Rates			Total Direct and Overlapping Tax Rate
		Municipality	Local School	County	
2007	0.892	0.728	1.010	0.360	2.990
2008	0.475	0.393	0.529	0.193	1.590
2009	0.489	0.418	0.543	0.205	1.655
2010	1.062	0.463		0.200	1.725
2011	0.585	0.615	0.709	0.224	2.133
2012	0.568	0.639	0.766	0.245	2.218
2013	0.572	0.650	0.779	0.248	2.249
2014	0.556	0.662	0.794	0.243	2.255
2015	0.567	0.671	0.790	0.253	2.281
2016	0.604	0.682	0.820	0.268	2.374

Source: Municipal Tax Collector

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS**

**(Unaudited)**

*(rate per \$100 of assessed value)*

<u>Fiscal Year Ended December 31,</u>	<u>Total Direct School Tax Rate</u>	<u>Old Tappan Overlapping Rates</u>			<u>Total Direct and Overlapping Tax Rate</u>
		<u>Municipality</u>	<u>Local School</u>	<u>County</u>	
2007	0.536	0.274	0.906	0.264	1.980
2008	0.551	0.309	0.927	0.280	2.067
2009	0.583	0.319	0.946	0.293	2.141
2010	0.595	0.336	0.952	0.288	2.171
2011	0.467	0.267	0.732	0.216	1.682
2012	0.501	0.277	0.747	0.226	1.751
2013	0.528	0.284	0.765	0.237	1.814
2014	0.557	0.292	0.790	0.232	1.871
2015	0.570	0.305	0.805	0.242	1.922
2016	0.570	0.316	0.822	0.245	1.953

Source: Municipal Tax Collector

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)

Fiscal Year Ended June 30,	Closter Borough			
	2016		2007	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Closter Marketplace (EBA) LLC	\$ 31,500,000	1.52%		
Closter Grocery	8,645,300	0.42%	\$ 8,141,300	0.34%
Capital Young Property LLC	7,447,600	0.36%		
Heidenberg Closter Assoc.	7,368,000	0.35%	8,143,600	0.34%
Closter Golf	6,999,700	0.34%	7,535,000	0.32%
United Water NJ	5,891,200	0.28%	9,337,500	0.39%
DWL Monmouth	4,553,500	0.22%		
Fred Reuten, Inc.	4,492,400	0.22%	4,500,000	0.19%
BR NJ LLC	4,167,400	0.20%		
Reuten Associates	4,000,000	0.19%	4,000,000	0.17%
Irani-Aspi-Closter Plaza Met.			35,000,000	1.48%
Verizon			5,522,116	0.23%
Weyerhaeuser			5,424,000	0.23%
Closter SHP/Stop & Shop			4,553,500	0.19%
<b>Total</b>	<b>\$ 85,065,100</b>	<b>4.09%</b>	<b>\$ 92,157,016</b>	<b>3.88%</b>

Source: Municipal Tax Assessor

Fiscal Year Ended June 30,	Demarest Borough			
	2016		2007	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Alpine Country Club	\$ 32,323,800	2.50%		
Individual Taxpayer #1	4,063,000	0.31%		
Individual Taxpayer #2	4,230,100	0.33%	NOT AVAILABLE	
Individual Taxpayer #3	4,220,100	0.33%		
Individual Taxpayer #4	3,768,400	0.29%		
Individual Taxpayer #5	3,598,200	0.28%		
Individual Taxpayer #6	3,532,000	0.27%		
Individual Taxpayer #7	3,330,600	0.26%		
Individual Taxpayer #8	3,107,800	0.24%		
Individual Taxpayer #9	3,080,000	0.24%		
<b>Total</b>	<b>\$ 65,254,000</b>	<b>5.05%</b>	<b>\$ -</b>	<b>0.00%</b>

Source: Municipal Tax Assessor



NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)

Harrington Park Borough

Fiscal Year Ended June 30,	2016		2007	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
United Water Resources	\$ 20,784,500	2.32%	NOT AVAILABLE	
Quantmeyer	2,913,300	0.33%		
Rockland Electric	2,681,800	0.30%		
HGK Realty	2,312,400	0.26%		
Individual Taxpayer #1	1,389,800	0.16%		
Individual Taxpayer #2	1,379,900	0.15%		
Individual Taxpayer #3	1,203,000	0.13%		
Individual Taxpayer #4	1,182,300	0.13%		
Individual Taxpayer #5	1,159,900	0.13%		
Individual Taxpayer #6	1,155,200	0.13%		
Total	\$ 36,162,100	4.04%	\$ -	0.00%

Source: Municipal Tax Assessor

Haworth Borough

Fiscal Year Ended June 30,	2016		2007	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
United Water NJ	\$ 51,789,000	6.54%	NOT AVAILABLE	
Haworth Country Club	10,501,900	1.33%		
White Beeches Golf Club	10,479,100	1.32%		
Haworth Country Club LLC	7,498,100	0.95%		
White Beeches Realty Corp.	5,462,100	0.69%		
RF Properties LLC	1,803,600	0.23%		
Individual Taxpayer #1	1,651,200	0.21%		
Individual Taxpayer #2	1,638,500	0.21%		
Individual Taxpayer #3	1,553,800	0.20%		
Individual Taxpayer #4	1,534,600	0.19%		
Total	\$ 93,911,900	11.85%	\$ -	0.00%

Source: Municipal Tax Assessor

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

**Northvale Borough**

Fiscal Year Ended June 30,	2016		2007	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Maxim Enterprises, LLC	\$ 26,729,600	3.12%		
1554 Union Street Assoc.	12,400,000	1.45%		
Northvale Shopping Center Assoc.	9,504,700	1.11%	10,521,600	1.09%
GEA Mechanical Equipment	7,268,700	0.85%		
S & R Costa Realty LP	6,252,400	0.73%	13,826,500	1.43%
Cho Dae Presbyterian Church	6,120,200	0.72%		
Northvale Holding Co. LLC	6,094,000	0.71%	6,875,600	0.71%
Northvale 1997 Assoc.	5,492,300	0.64%		
Klaus Rexroth Incorporated	5,466,900	0.64%		
Northvale Tire Tech Center LP	5,289,200	0.62%	5,910,900	0.61%
Northvale 1197 & 2005 Assoc			11,510,900	1.19%
MEM Company			13,380,200	1.39%
273 Livingston St Assoc			9,256,000	0.96%
Centrico			7,651,300	0.79%
RIO Vista Homes @ Northvale LLC			6,922,100	0.72%
Matthew Realty LLC			6,442,300	0.67%
<b>Total</b>	<b>\$ 90,618,000</b>	<b>10.59%</b>	<b>\$ 92,297,400</b>	<b>9.56%</b>

Source: Municipal Tax Assessor

**Norwood Borough**

Fiscal Year Ended June 30,	2016		2007	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Buckingham at Norwood	\$ 20,700,000	1.75%		
Norwood Associates II	16,500,000	1.39%		
Alfred Sanzari	7,559,600	0.64%	NOT AVAILABLE	
Livingston 535	6,400,700	0.54%		
Norwood Projist, LLC	6,310,900	0.53%		
355 Chestnut Street	5,499,600	0.46%		
Levingal Realty	4,199,900	0.35%		
Norwest LLC	4,093,200	0.35%		
Bergen Sea Corporation	4,040,100	0.34%		
Norwood Self Storage C/O Yelland Prop.	3,650,900	0.31%		
<b>Total</b>	<b>\$ 78,954,900</b>	<b>6.66%</b>	<b>\$ -</b>	<b>0.00%</b>

Source: Municipal Tax Assessor

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)

Old Tappan Borough

Fiscal Year Ended June 30,	2016		2007	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
United Water NJ	\$ 26,460,000	1.53%	\$ 19,824,000	1.57%
Prentice Hall	19,000,000	1.10%	13,882,900	1.10%
A&R, A LTD	17,096,800	0.99%	14,000,000	1.11%
Sunrise Old Tappan Assisted Living	10,860,800	0.63%	8,326,000	0.66%
Individual Taxpayer #1	3,924,000	0.23%	4,550,300	0.36%
Rockland Electric		0.00%	2,809,000	0.22%
Individual Taxpayer #2	3,400,000	0.20%	2,626,400	0.21%
Individual Taxpayer #3	3,230,700	0.19%	2,263,800	0.18%
Individual Taxpayer #4	2,889,900	0.17%	2,241,000	0.18%
MCH-OT Realty LLC	2,809,800	0.16%		
Individual Taxpayer #5	2,606,300	0.15%		
Woodland Green Partners, LP			2,585,900	0.20%
Total	<u>\$ 92,278,300</u>	<u>5.33%</u>	<u>\$ 73,109,300</u>	<u>5.79%</u>

Source: Municipal Tax Assessor

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	\$ 38,635,057	\$ 38,635,057	100.00%	
2008	40,163,228	40,163,228	100.00%	
2009	42,961,668	42,961,668	100.00%	
2010	44,798,023	44,798,023	100.00%	
2011	46,524,374	46,524,374	100.00%	
2012	47,407,281	47,407,281	100.00%	
2013	48,318,962	48,318,962	100.00%	
2014	49,202,754	49,202,754	100.00%	
2015	50,616,351	50,616,351	100.00%	
2016	51,926,950	51,926,950	100.00%	

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	<u>Governmental Activities</u>			<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Certificates of Participation</u>	<u>Capital Leases</u>			
2007	\$ 20,706,000			\$ 20,706,000	38,474	\$ 538
2008	19,771,000		451,000	20,222,000	38,844	521
2009	18,665,000		1,213,298	19,878,298	39,190	507
2010	19,910,000		945,621	20,855,621	37,498	556
2011	18,825,000		673,158	19,498,158	37,838	515
2012	17,495,000		478,685	17,973,685	38,054	472
2013	16,095,000		199,050	16,294,050	38,345	425
2014	14,630,000			14,630,000	38,507	380
2015	13,090,000			13,090,000	38,749	338
2016	11,475,000			11,475,000	38,749 A	296

A - Estimates

Source: District records

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2007	\$ 20,706,000		\$ 20,706,000	0.25%	\$ 538
2008	19,771,000		19,771,000	0.22%	509
2009	18,665,000		18,665,000	0.21%	476
2010	19,910,000		19,910,000	0.22%	531
2011	18,825,000		18,825,000	0.21%	498
2012	17,495,000		17,495,000	0.20%	460
2013	16,095,000		16,095,000	0.18%	420
2014	14,630,000		14,630,000	0.17%	380
2015	13,090,000		13,090,000	0.15%	338
2016	11,475,000	\$ 520	11,474,480	0.13%	296

Source: District records

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2015  
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Local School Purposes	\$ 21,343,000	\$ 21,343,000	
Regional School Purposes	12,756,082	12,756,082	
Municipal/County General Obligations	<u>55,998,050</u>	<u>4,050,649</u>	<u>\$ 51,947,401</u>
	<u>\$ 90,097,132</u>	<u>\$ 25,393,649</u>	51,947,401
Bergen County			
County of Bergen (A)			55,037,949
Bergen County Utilities Authority (B)			<u>10,940,648</u>
			<u>65,978,597</u>
 Total Direct and Overlapping Debt			 <u>\$ 117,925,998</u>

## Source:

(1) Seven (7) Municipalities 2015 Annual Debt Statement

(A) The debt for this entity was apportioned to the seven (7) municipalities by dividing the municipalities 2015 equalized value by the total 2015 equalized value for Bergen County relating to the seven (7) municipalities.

(B) The debt was computed based upon usage for all seven (7) municipalities.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit	\$ 248,884,504	\$ 285,390,418	\$ 288,651,232	\$ 308,633,794	\$ 305,740,435	\$ 295,936,990	\$ 286,919,769	\$ 279,854,050	\$ 278,038,974	\$ 280,932,046
Total Net Debt Applicable to Limit	20,706,000	19,771,000	18,666,083	19,911,083	18,825,000	17,495,000	16,095,000	14,630,000	13,090,000	11,475,000
Legal Debt Margin	\$ 228,178,504	\$ 265,619,418	\$ 269,985,149	\$ 288,722,711	\$ 286,915,435	\$ 278,441,990	\$ 270,824,769	\$ 265,224,050	\$ 264,948,974	\$ 269,457,046
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	8.32%	6.93%	6.47%	6.45%	6.16%	5.91%	5.61%	5.23%	4.71%	4.08%

**Legal Debt Margin Calculation for Fiscal Year 2015**

Equalized Valuation Basis

2015	\$ 9,590,279,052
2014	9,354,882,603
2013	9,148,042,962
	<u>\$ 28,093,204,617</u>

3 Year Average \$ 9,364,401,539

3% of Avg. Equalized Valuation	\$ 280,932,046
Less Net Debt	<u>11,475,000</u>

Remaining Borrowing Power \$ 269,457,046

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation for all seven (7) municipalities



**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS  
(Unaudited)**

<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income(2)</u>	<u>Population</u>
2007	1.9%	68,147	8,590
2008	2.4%	68,548	8,621
2009	4.4%	64,571	8,675
2010	4.5%	65,275	8,388
2011	5.4%	68,244	8,453
2012	4.5%	71,380	8,540
2013	4.5%	70,498	8,598
2014	4.5%	73,536	8,635
2015	3.7%	N/A	8,662
2016	N/A	N/A	8,662 (A)

Source: (1) NJ Department of Labor, Bureau of Labor Force Statistics

(2) County Per Capital Personal Income

(A) Estimate

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS  
(Unaudited)**

**Demarest**

<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income(2)</u>	<u>Population</u>
2007	3.6%	68,147	5,065
2008	4.7%	68,548	5,104
2009	8.4%	64,571	5,152
2010	8.6%	65,275	4,919
2011	5.4%	68,244	4,968
2012	8.6%	71,380	4,982
2013	5.8%	70,498	5,019
2014	4.1%	73,536	5,027
2015	3.4%	N/A	5,050
2016	N/A	N/A	5,050 (A)

Source: (1) NJ Department of Labor, Bureau of Labor Force Statistics  
(2) County Per Capital Personal Income  
(A) Estimate

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS  
(Unaudited)**

**Harrington Park**

<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income(2)</u>	<u>Population</u>
2007	2.4%	68,147	4,830
2008	3.1%	68,548	4,848
2009	5.6%	64,571	4,870
2010	5.8%	65,275	4,673
2011	8.7%	68,244	4,716
2012	5.8%	71,380	4,738
2013	8.3%	70,498	4,767
2014	4.8%	73,536	4,793
2015	3.7%	N/A	4,823
2016	N/A	N/A	4,823 (A)

Source: (1) NJ Department of Labor, Bureau of Labor Force Statistics  
(2) County Per Capital Personal Income  
(A) Estimate

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS  
(Unaudited)**

**Haworth**

<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income(2)</u>	<u>Population</u>
2007	3.4%	68,147	3,377
2008	4.4%	68,548	3,400
2009	7.9%	64,571	3,422
2010	8.0%	65,275	3,388
2011	7.0%	68,244	3,419
2012	8.0%	71,380	3,423
2013	11.3%	70,498	3,448
2014	4.0%	73,536	3,458
2015	3.3%	N/A	3,470
2016	N/A	N/A	3,470 (A)

Source: (1) NJ Department of Labor, Bureau of Labor Force Statistics  
(2) County Per Capital Personal Income  
(A) Estimate

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS  
(Unaudited)**

**Northvale**

<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income(2)</u>	<u>Population</u>
2007	2.2%	68,147	4,501
2008	2.9%	68,548	4,693
2009	5.2%	64,571	4,807
2010	5.4%	65,275	4,654
2011	4.7%	68,244	4,695
2012	5.4%	71,380	4,720
2013	7.1%	70,498	4,780
2014	4.3%	73,536	4,797
2015	4.2%	N/A	4,859
2016	N/A	N/A	4,859 (A)

Source: (1) NJ Department of Labor, Bureau of Labor Force Statistics  
(2) County Per Capital Personal Income  
(A) Estimate

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS  
(Unaudited)**

**Norwood**

<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income(2)</u>	<u>Population</u>
2007	3.8%	68,147	6,153
2008	4.9%	68,548	6,182
2009	8.8%	64,571	6,210
2010	9.0%	65,275	5,721
2011	6.2%	68,244	5,757
2012	9.0%	71,380	5,788
2013	7.2%	70,498	5,811
2014	5.2%	73,536	5,836
2015	4.0%	N/A	5,869
2016	N/A	N/A	5,869 (A)

Source: (1) NJ Department of Labor, Bureau of Labor Force Statistics  
(2) County Per Capital Personal Income  
(A) Estimate

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS  
(Unaudited)**

**Old Tappan**

<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income(2)</u>	<u>Population</u>
2007	2.8%	68,147	5,958
2008	3.6%	68,548	5,996
2009	6.5%	64,571	6,054
2010	6.7%	65,275	5,755
2011	7.2%	68,244	5,830
2012	6.7%	71,380	5,863
2013	6.8%	70,498	5,922
2014	4.1%	73,536	5,961
2015	3.6%	N/A	6,016
2016	N/A	N/A	6,016 (A)

Source: (1) NJ Department of Labor, Bureau of Labor Force Statistics

(2) County Per Capital Personal Income

(A) Estimate

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS,  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

**INFORMATION NOT AVAILABLE**



**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction										
Regular	203	196	193	189	186	186	185	185	185	190.0
Special Education	28	26	26	27	26	27	26	26	26	31.0
Support Services:										
Student & Instruction-Related Services	23	23	23	23	22	22	22	22	22	22.0
School Administration Services	12	12	12	12	12	12	12	12	12	12.0
General Administration Services	7	7	6	6	5	5	5	5	5	5.4
Central Services/Administrative	21	21	21	21	21	21	21	21	21	
Plant Operations and Maintenance	29	32	30	30	29	29	29	29	29	29.0
Pupil Transportation	2	2	2	2	2	2	2	2	2	2.0
Child Care	1	1	1	1	1	1	1	1	1	
Regional Special Education	67	64	64	64	64	64	64	64	64	
Regional Transportation	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>21.0</u>
Total	<u>395</u>	<u>386</u>	<u>380</u>	<u>377</u>	<u>370</u>	<u>371</u>	<u>369</u>	<u>369</u>	<u>369</u>	<u>312.4</u>

Source: District Personnel Records

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS  
 (Unaudited)

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2007	2,476	\$ 45,891,447	\$ 18,535	10.88%	212			1:12.2	2,431	2,329	0.90%	95.80%
2008	2,597	47,780,351	18,398	-0.73%	222			1:11.3	2,571	2,469	5.76%	96.03%
2009	2,659	48,469,264	18,228	-0.92%	220			1:12.1	2,554	2,455	-0.66%	96.12%
2010	2,591	49,990,030	19,294	5.84%	220			1:11.8	2,553	2,455	-0.04%	96.16%
2011	2,535	50,459,784	19,905	3.17%	220			1:11.4	2,559	2,462	0.24%	96.21%
2012	2,684	51,716,920	19,269	-3.20%	221			1:12.1	2,483	2,391	-2.97%	96.29%
2013	2,529	53,839,775	21,289	10.49%	264			9.6	2,481	2,393	-0.08%	96.45%
2014	2,586	56,153,954	21,715	2.00%	282			9.2	2,575	2,493	3.79%	96.82%
2015	2,291	56,075,135	24,476	12.72%	282			8.1	2,334	2,242	-9.36%	96.06%
2016	2,504	57,782,447	23,076	-5.72%	221			10.4	2,285	2,204	-2.10%	96.43%

Sources: District records

- Note:
- a Enrollment based on annual October district count.
  - b Operating expenditures equal total expenditures less debt service and capital outlay.
  - c Cost per pupil represents operating expenditures divided by enrollment.

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>District Building</b>										
<u>Northern Valley Regional High School District</u>										
Demarest High School (1950) (2004)										
Square Feet	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	16,400	16,400
Capacity (students)	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234
Enrollment	1,186	1,222	1,220	1,212	1,158	1,137	1,136	1,070	1,032	1,046
<u>Northern Valley Regional High School District</u>										
Old Tappan High School (1950) (2004)										
Square Feet	177,800	177,800	177,800	177,800	177,800	177,800	177,800	177,800	177,800	177,800
Capacity (students)	1,349	1,349	1,349	1,349	1,349	1,349	1,349	1,349	1,349	1,349
Enrollment	1,267	1,334	1,333	1,346	1,377	1,346	1,317	1,293	1,259	1,251
Central Administration (1981)										
Square Feet	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500

Number of Schools at June 30, 2016  
 Elementary = 0  
 Middle School = 0  
 Senior High School = 2

Source: District Facilities Office

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

WEST ORANGE RIVER BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS  
(Unaudited)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b><u>School Facilities</u></b>										
Demarest High School	\$ 278,936	\$ 257,164	\$ 246,109	\$ 212,317	\$ 189,521	\$ 189,426	\$ 217,935	\$ 240,326	\$ 256,987	\$ 236,628
Old Tappan High School	256,091	255,196	266,818	230,183	201,350	171,216	201,104	211,866	273,611	244,544
John J. Haworth Administration Building	23,306	30,116	9,210	12,299	15,755	34,009	10,000	5,767	3,749	6,015
Grand Total	<u>\$ 558,333</u>	<u>\$ 542,476</u>	<u>\$ 522,137</u>	<u>\$ 454,799</u>	<u>\$ 406,626</u>	<u>\$ 394,651</u>	<u>\$ 429,039</u>	<u>\$ 457,959</u>	<u>\$ 534,347</u>	<u>\$ 487,187</u>

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2016  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
New Jersey Schools Insurance Group:		
Multi Peril Package Policy		
Commercial General Liability	\$ 11,000,000	
Employee Dishonesty	1,000,000	
Business Automobile Liability	11,000,000	\$ 1,000
School Board Legal Liability	11,000,000	15,000
Workers Compensation	2,000,000	
NJ Schools Ins. Group		
Property- Blanket Building and Contents (Insured Value) - Includes Energy Systems	101,394,679	5,000
Firemen's Fund:		
Excess Umbrella Liability	50,000,000	
Bollinger Insurance Co.		
Student Accident	5,000,000	
Surety Bonds:		
Board Secretary's Bond	85,000	

Source: District Records

**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
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SHERYL M. NICOLosi, CPA  
ROBERT AMPONSAH, CPA

## 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

### INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Trustees  
Northern Valley Regional High School District  
Demarest, New Jersey

We have audited, in accordance with the 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 prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Northern Valley Regional High School District as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Northern Valley Regional High School District's basic financial statements and have issued our report thereon dated November 28, 2016.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Northern Valley Regional High School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Northern Valley Regional High School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Northern Valley Regional High School District's internal control.

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



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control described in accompanying schedule of findings and questioned costs as item 2016-002 that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Northern Valley Regional High School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is 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 and which is described in the accompanying schedule of findings and questioned costs as item 2016-001.


Additionally, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Northern Valley Regional High School District in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 28, 2016.

### **Northern Valley Regional High School District's Responses to Findings**

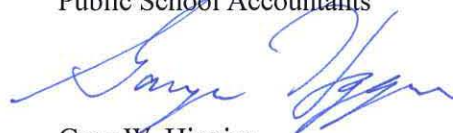
The Northern Valley Regional High School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Northern Valley Regional High School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Northern Valley Regional High School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Northern Valley Regional High School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Gary W. Higgins  
Public School Accountant  
PSA Number CS00814

Fair Lawn, New Jersey  
November 28, 2016





# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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JEFFREY C. BLISS, CPA, RMA, PSA  
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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT  
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE  
U.S. UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS  
REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Trustees  
Northern Valley Regional High School District  
Demarest, New Jersey

**Report on Compliance for Each Major Federal and State Program**

We have audited the Northern Valley Regional High School District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Northern Valley Regional High School District's major federal and state programs for the fiscal year ended June 30, 2016. The Northern Valley Regional High School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

***Auditor's Responsibility***

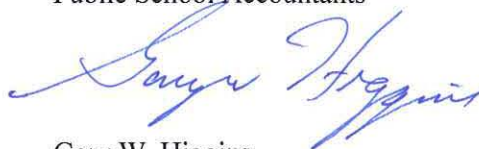
Our responsibility is to express an opinion on compliance for each of the Northern Valley Regional High School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular 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 Northern Valley Regional High School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

**Report on Schedule of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

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 Northern Valley Regional High School District, as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated November 28, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic 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 basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Gary W. Higgins  
Public School Accountant  
PSA Number CS00814

Fair Lawn, New Jersey  
November 28, 2016



We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Northern Valley Regional High School District's compliance.

### ***Opinion on Each Major Federal and State Program***

In our opinion, the Northern Valley Regional High School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2016.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08 and which is described in the accompanying schedule of findings and questioned costs as item 2016-003. Our opinion on each major federal and state program is not modified with respect to this matter.

The Northern Valley Regional High School District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Northern Valley Regional High School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of the Northern Valley Regional High School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Northern Valley Regional High School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Northern Valley Regional High School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or Project Number	Grant Period	Award Amount	Balance July 1, 2015	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Refund of Prior Years' Balances	June 30, 2016			Memo GAAP Receivable	
												Accounts Receivable	Unearned Revenue	Due to Grantor		
<b>U.S. Department of Education Passed-through State Department of Education</b>																
<b>Special Revenue Fund</b>																
N.C.L.B. Title I	84.010A	S010A150030	NCLB-3710-16	7/1/15-6/30/16	145,483			145,483	145,483							
N.C.L.B. Title II-A	84.367A	S367A150029	NCLB-3710-16	7/1/15-6/30/16	128,675			122,473	128,675			\$ (6,202)			\$ (6,202)	
N.C.L.B. Title III	84.365A	S365A150030	NCLB-3710-16	7/1/15-6/30/16	50,176			50,176	50,176							
I.D.E.A. Part B, Basic	84.027	H027A150100	IDEA-3710-16	7/1/15-6/30/16	519,181			504,192	506,152			(14,989)	\$ 13,029		(1,960)	
I.D.E.A. Part B, Basic	84.027		IDEA-3710-13	9/1/12-8/31/13	490,874	2,884							2,884			
Career Pathways Grant			N/A	4/1/16-2/28/17	98,504				556			(98,504)	97,948		(556)	
Race to the Top	84.395	B413A120008	N/A	9/1/11-11/30/15	9,098	(1,668)	-	-	-	-	-	(1,668)	-	-	(1,668)	
Total U.S. Department of Education					1,216	-	-	822,324	831,042	-	-	(121,363)	113,861	-	(10,386)	
Total Federal Financial Awards					\$ 1,216	\$ -	\$ -	\$ 822,324	\$ 831,042	\$ -	\$ -	\$ (121,363)	\$ 113,861	\$ -	\$ (10,386)	

Note: FAIN numbers are only applicable for current year grant awards.

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
 SCHEDULE OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2015		Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2016			Memo		
				Def Rev: (Accounts Receivable)	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
<b>State Department of Education</b>														
<i>General Fund, Regional Cooperative, Regional Special Ed, Teens and Tots &amp; Shared Svc Funds</i>														
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	\$ 1,048,065	\$ (43,141)		\$ 43,141								
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	1,048,065			971,286	1,048,065		\$ (76,779)				\$ 1,048,065	
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	37,869	(1,559)		1,559								
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	37,869			33,095	37,869		(2,774)				37,869	
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	23,230	(956)		956								
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	23,230			21,528	23,230		(1,702)				23,230	
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	23,230	(956)		956								
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	23,230			21,528	23,230		(1,702)				23,230	
Total State Aid Public Cluster							1,132,394						1,132,394	
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	81,334	(3,348)		3,348								
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	81,334			75,376	81,334		(5,958)				81,334	
Additional Nonpublic Transportation Aid	N/A	7/1/14-6/30/15	13,911	(13,911)		13,911								
Additional Nonpublic Transportation Aid	N/A	7/1/15-6/30/16	14,578				14,578		(14,578)			\$ (14,578)	14,578	
Total Transportation Aid							95,912						95,912	
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	786,623	(786,623)		786,623								
Extraordinary Aid	16-495-034-5120-044	7/1/15-6/30/16	646,804				646,804		(646,804)				646,804	
Reimbursed TPAF Pension Contribution Normal	16-495-034-5094-002	7/1/15-6/30/16	2,228,642			2,228,642	2,228,642						2,228,642	
Reimbursed TPAF Pension Contribution NCGI	16-495-034-5094-004	7/1/15-6/30/16	111,017			111,017	111,017						111,017	
Reimbursed TPAF Pension Contribution Post Retirement	16-495-034-5094-001	7/1/15-6/30/16	2,785,888			2,785,888	2,785,888						2,785,888	
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	7/1/14-6/30/15	2,198,969	(111,417)		111,417								
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	7/1/15-6/30/16	2,213,677	-	-	2,101,169	2,213,677	-	(112,508)	-	-	(112,508)	2,213,677	
Total General Fund, Regional Cooperative, Regional Special Ed, Teens and Tots & Shared Svc Funds				(961,911)	-	9,313,440	9,214,334	-	(862,805)	-	-	(127,086)	9,214,334	
<b>Special Revenue Fund</b>														
<i>New Jersey Nonpublic Aid:</i>														
<i>Auxiliary Services:</i>														
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	10,750		\$ 2,598			\$ 2,598						
Compensatory Education	16-100-034-5120-067	7/1/15-6/30/16	6,768			6,768	2,650				\$ 4,118		2,650	
English as a Second Language	15-100-034-5120-067	7/1/14-6/30/15	6,395		6,395			6,395						
Total Nonpublic Auxiliary Services Aid (Chapter 192) Cluster							2,650						2,650	
<i>Handicapped Services:</i>														
Examination & Classification	15-100-034-5120-066	7/1/14-6/30/15	14,949		2,520			2,520						
Examination & Classification	16-100-034-5120-066	7/1/15-6/30/16	20,115			20,115	11,936				8,179		11,936	
Supplemental Instruction	15-100-034-5120-066	7/1/14-6/30/15	6,278		2,198			2,198						
Supplemental Instruction	16-100-034-5120-066	7/1/15-6/30/16	9,133			9,133	6,237				2,896		6,237	
Total Nonpublic Handicapped Aid (Chapter 193) Cluster							18,173						18,173	
Textbook Aid	16-100-034-5120-064	7/1/15-6/30/16	27,294			27,294	27,291				3		27,291	
Nursing Services	16-100-034-5120-070	7/1/15-6/30/16	50,760			50,760	50,760						50,760	
Technology Aid	16-100-034-5120-373	7/1/15-6/30/16	12,428			12,428	12,428						12,428	
Security Aid	16-100-034-5120-509	7/1/15-6/30/16	14,100			14,100	14,100						14,100	
Total Special Revenue Fund				-	13,711	140,598	125,402	13,711	-	-	15,196	-	125,402	

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NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
 SCHEDULE OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program Title <i>Capital Projects Fund</i>	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2015		Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2016			Memo	
				Def. Rev. (Accounts Receivable)	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
NJ School Development Authority HVAC and Roof Replacement	SP3710-050-14-G1FH		\$ 484,902	-	-	-	\$ 109,599	-	\$ (484,902)	\$ 375,303	-	\$ (484,902)	\$ 109,599
Total Capital Projects Fund				-	-	-	109,599	-	(484,902)	375,303	-	(484,902)	109,599
Debt Service Fund Debt Service Aid	16-495-034-5120-075	7/1/15-6/30/16	92,242	-	-	\$ 92,242	92,242	-	-	-	-	-	92,242
State Financial Assistance Subject to Single Audit Determination				\$ (961,911)	\$ 13,711	9,546,280	9,541,577	\$ 13,711	\$ (1,347,707)	\$ 375,303	\$ 15,196	\$ (611,988)	\$ 9,541,577
<b>Less On-Behalf TPAF Pension and Annuity Aid Not Subject to Single Audit Determination</b>													
Normal Pension Costs						2,228,642	2,228,642						
NonContributory Insurance						111,017	111,017						
Post Retirement						2,785,888	2,785,888						
						5,125,547	5,125,547						
<b>Total for State Financial Subject to Single Audit</b>						\$ 4,420,733	\$ 4,416,030						

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**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using 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 basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$685,759 for the general fund and a decrease of \$(42,542) for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 7,040,801	\$ 7,040,801
Special Revenue Fund	\$ 820,749	124,952	945,701
Capital Projects Fund		109,599	109,599
Debt Service Fund		92,242	92,242
Regional Coop. Prgm. Fund		127,035	127,035
Regional Special Ed. Fund		1,293,262	1,293,262
Teens and Tots Fund		38,833	38,833
Shared Service Fund	-	28,644	28,644
Total Awards Financial Assistance	<u>\$ 820,749</u>	<u>\$ 8,855,368</u>	<u>\$ 9,676,117</u>

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016****NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

**NOTE 5 OTHER INFORMATION**

TPAF Social Security contributions in the amount of \$2,213,677 represents 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, 2016. The amount reported as TPAF Pension System Contributions in the amount of \$2,339,659 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,785,888 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2016.

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

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.



**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

Type of auditors' report issued on financial statements                                 Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified:                                 \_\_\_\_\_ yes         X no

2) Significant deficiencies identified that are not considered to be material weaknesses?                                 X yes         \_\_\_\_\_ none reported

Noncompliance material to the basic financial statements noted?                                 X yes         \_\_\_\_\_ no

**Federal Awards Section**

Internal Control over major programs:

1) Material weakness(es) identified:                                 \_\_\_\_\_ yes         X no

2) Significant deficiencies identified that are not considered to be material weaknesses?                                 \_\_\_\_\_ yes         X none reported

Type of auditor's report issued on compliance for major programs                                 Unmodified

Any audit findings disclosed that are required to be reported in accordance with U.S. Uniform Guidance?                                 \_\_\_\_\_ yes         X no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>IDEA Part B</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar threshold used to distinguish between Type A and Type B programs:                                 \$750,000

Auditee qualified as low-risk auditee?                                 \_\_\_\_\_ yes         X no

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Part I – Summary of Auditor's Results

**State Awards Section**

Internal Control over major programs:

- (1) Material weakness(es) identified?             yes        X   no
- (2) Significant deficiencies identified that are not  
considered to be material weakness(es)?             yes        X   none reported

Type of auditor's report issued on compliance for  
major programs      Unmodified

Any audit findings disclosed that are required to be reported  
in accordance with N.J. Circular Letter 15-08?        X   yes             no

Identification of major state programs:

GMIS Number(s)	Name of State Program
16-495-034-5120-089	Special Education Aid
16-495-034-5120-084	Security Aid
16-495-034-5120-098	PARCC Readiness Aid
16-495-034-5120-097	Per Pupil Growth Aid
16-495-034-5094-003	Reimbursed TPAF S.S. Contributions

Dollar threshold used to distinguish between Type A  
and Type B programs:      \$750,000

Auditee qualified as low-risk auditee?        X   yes             no

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Part 2 – Schedule of Financial Statement Findings*

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

**Finding 2016-001**

With respect to year end encumbrances and accounts payable:

- Our audit of year end open purchase orders in the Technical Services and Regional Special Education Enterprise Funds revealed certain encumbrances should have been classified as accounts payable.
- Our audit of payments made subsequent to June 30, 2016 and a review of the District's official minutes revealed unrecorded liabilities and encumbrances that were not reflected in the District's accounting records in the Capital Projects and Food Service Funds at year end.

**Criteria or specific requirement:**

Internal controls over year end closing procedures of open orders.

**Condition**

Certain encumbrances were determined to not have been classified properly. In addition, certain encumbrances and accounts payable were not recorded at year end.

**Context**

- Two (2) purchase orders classified as reserve for encumbrances should have been classified as accounts payable totaling \$19,387 in the Technical Service Enterprise Fund and \$69,750 in the Regional Special Education Enterprise Fund.
- Accounts payable for STEM and Science classrooms for \$65,483 in the Capital Projects Fund and for 2015-2016 Food Service Management contract for \$27,246 in the Food Service Fund were not accrued.
- Encumbrances for STEM and Science classrooms, Tennis and Basketball Renovations, the Gym Floor Project, Generator Project, HVAC Project and Partial Re-roofing Project totaling \$2,349,192 were not encumbered in the Capital Project Fund.

**Effect**

Financial statements do not properly reflect liabilities, expenditures and fund balance at year end. Audit adjustments were made to correct these matters.

**Cause**

Unknown.

**Recommendation**

Procedures be reviewed and revised to ensure open purchase orders are reviewed at year end for proper classification as accounts payable or encumbrances, all liabilities be accrued and contracts be encumbered when awarded by the Board of Trustees.

**View of Responsible Officials and Planned Corrective Action**

Management has reviewed this finding and indicated it will revise its procedures to ensure corrective action is taken.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Part 2 – Schedule of Financial Statement Findings*

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

**Finding 2016-002**

With respect to the financial activities of the various enterprise funds the following was revealed:

1. The District does not have formal Board policies pertaining to the operations of each enterprise fund.
2. The District does not have an indirect cost study to support the allocation of indirect costs from the District's General Fund to the enterprise funds.
3. User charges and fees charged to customers of the various enterprise funds are not presented to the Board of Trustees for approval.
4. Certain general ledger account balances were not in agreement with subsidiary ledgers including accounts receivable, unearned revenue and deposits payable.
5. Pre-numbered receipts are not being issued for fees collected.
6. Certain enterprise funds are utilized for similar types of services which could be consolidated for financial reporting purposes.
7. The SAT classes enterprise is dormant and also not being used for the original intended purpose.
8. The Shared Service Enterprise Fund is utilized for limited purposes and the financial transactions could be consolidated with the General Fund.
9. Certain inter-enterprise fund financial transactions were not reconciled on a periodic basis.

**Criteria or specific requirement:**

State Department of Education's GAAP Technical.

**Condition**

Financial transactions of the enterprise funds are not in accordance with formal policies and procedures and approved by the Board of Trustees.

**Context**

See Finding 2016-002

**Effect**

Financial transactions of the District's enterprise funds are not regulated by policies of the District.

**Cause**

Unknown.

**Recommendation**

The District implement policies and procedures pertaining to the financial operations of the enterprise funds, internal controls be reviewed and enhanced and consideration be given to consolidate and/or eliminate certain enterprise funds.

**View of Responsible Officials and Planned Corrective Action**

Management has reviewed this finding and indicated it will revise its procedures to ensure corrective action is taken.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

There are none.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR STATE AWARDS**

**Finding 2016-003**

Our audit of purchases revealed the following:

- We noted two (2) instances where contract awards and purchases were made in excess of the bid threshold where there was no documentation provided to support that publicly advertised bids were sought, State Contract or Cooperative purchasing contracts were awarded or a competitive contracting process was conducted in accordance with the requirements of the Public School Contracts Law (N.J.S.A. 18A:18A).

**State Program Information**

Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084
PARCC Readiness Aid	495-034-5120-098
Per Pupil Growth Aid	495-034-5120-097

**Criteria or Specific Requirement**

State Grant Compliance Supplement – State Aid Public – Special  
Tests and Provisions  
NJSA 18A:18A – Public School Contracts Law

**Condition**

- Purchases of various goods and services were made which were not in accordance with the procedures specified in the Public School Contracts Law.

**Questioned Costs**

Unknown.

**Context**

Procedures and contracts for main lot and concrete sidewalk and heating system maintenance and repairs in the amounts of \$65,525 and \$96,704, respectively, were made in excess of the bid threshold for which documents were unavailable to determine if awards were procured through public bids advertised or other required processes in accordance with Public School Contracts Law.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR STATE AWARDS (Continued)**

**Finding 2016-003 (Continued)**

**Effect**

Noncompliance with requirements of the Public School Contracts Law

**Cause**

Unknown.

**Recommendation**

Procedures over purchasing be reviewed and revised to ensure all contract awards and purchases which exceed the bid threshold are made in accordance with the requirements of the Public School Contracts Law.

**View of Responsible Officials and Planned Corrective Action**

Management has reviewed this finding and indicated it will revise its procedures to ensure corrective action is taken.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

There were none