

**DELAWARE VALLEY REGIONAL  
HIGH SCHOOL DISTRICT**

**Delaware Valley Regional High School District  
Alexandria Township, New Jersey**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2017**

**Comprehensive Annual  
Financial Report**

**of the**

**Delaware Valley Regional  
High School District**

**Alexandria Township, New Jersey**

**For the Fiscal Year Ended June 30, 2017**

**Prepared by**

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
DELAWARE VALLEY REGIONAL  
HIGH SCHOOL DISTRICT  
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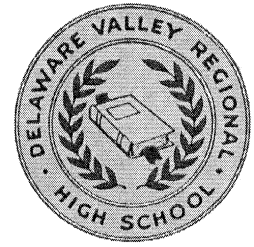
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INTRODUCTORY SECTION

# Delaware Valley Regional High School Board of Education



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

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Daria A. Wasserbach  
*Superintendent*

Teresa E. Barna, RSBO  
*Business Administrator/Board Secretary*

November 3, 2017

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

Dear Board Members:

The comprehensive annual financial report of the Delaware Valley Regional High School District (the "District") for the fiscal year ended June 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** The Delaware 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. All funds of the District are included in this report. The Delaware Valley Regional High School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels 9 through 12. These services include regular, vocational as well as special education for youngsters with learning disabilities. The official District enrollment was 876 students, which is 15 students below the previous year's enrollment and represents a decrease of 1.68%.

2) ECONOMIC CONDITION AND OUTLOOK: The Delaware Valley Regional High School District is composed of five municipalities: Alexandria Township, Frenchtown Borough, Holland Township, Kingwood Township, and Milford Borough. Primarily rural/residential, the area contains a relatively small number of businesses to support the tax base. The State of New Jersey continues to not fully fund the state aid formula for local school districts.

Since the completion of Route 78, the commuter population has migrated westward into the Delaware Valley Region, primarily into Alexandria and Kingwood Townships. As a result, over the last few decades, the residential population, including school age children, has been increasing, until recent years. In 1975, the 89 square miles comprising the Regional District contained about 11,800 residents. By 1990, that number had increased to 14,612. According to the official data from the 2010 U.S. Census, the Delaware Valley Regional was comprised of 16,680 people broken down by municipalities as follows:

Alexandria Township	-	4,938
Frenchtown Borough	-	1,373
Holland Township	-	5,291
Kingwood Township	-	3,845
Milford Borough	-	1,233

The local elementary districts are reporting reduced levels of enrollment, which is starting to affect the high school enrollment. A recent survey indicated that the Delaware Valley Regional High School will experience a 20% reduction in enrollment over the next five (5) years. With that in mind the District is embarking on a plan to involve the community and other stakeholders in the vision for the future of the District. This includes a comprehensive evaluation of program, finances, and facilities including technology.

3) MAJOR INITIATIVES: Two Hundred Twenty-Three (220) students comprised Delaware Valley's 2017 graduating class. Among these graduates, Two Hundred and Two (202) (91.8%) have enrolled in either technical schools or two or four-year colleges. Five (5) (2.3%) seniors entered the United States Armed Forces and Sixteen (13) (5.9%) other graduates were directly employed or did not indicate what activity they would pursue following graduation.

In the spring of 2017, the PARCC tests were administered to Del Val students. Students in grades 9-11 took their respective English Language Arts exam. In math, PARCC exams were also administered to students who were enrolled in Algebra I, Algebra II, and Geometry courses. Slight gains were realized in the scores with significant progress made in the percentage of students not opting out of the exam. To assist in measuring student progress, Del Val also administers the PSAT 8/9 test to the 8th grade students in the sending districts and 9th graders, as well as the PSAT to all sophomores and juniors.

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



4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at fiscal year-end are either canceled or are included as reappropriations of fund balance in the subsequent fiscal year. Those amounts to be reappropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2017.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

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

8) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A schedule of insurance coverage is found on Exhibit J-20.

The Honorable President and Members of  
the Board of Education  
Delaware Valley Regional High School District  
Page 4  
November 3, 2017

9) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia, LLP, CPA's, was selected by the Board's finance committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

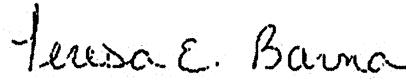
10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Delaware Valley Regional High School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and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

Respectfully submitted,



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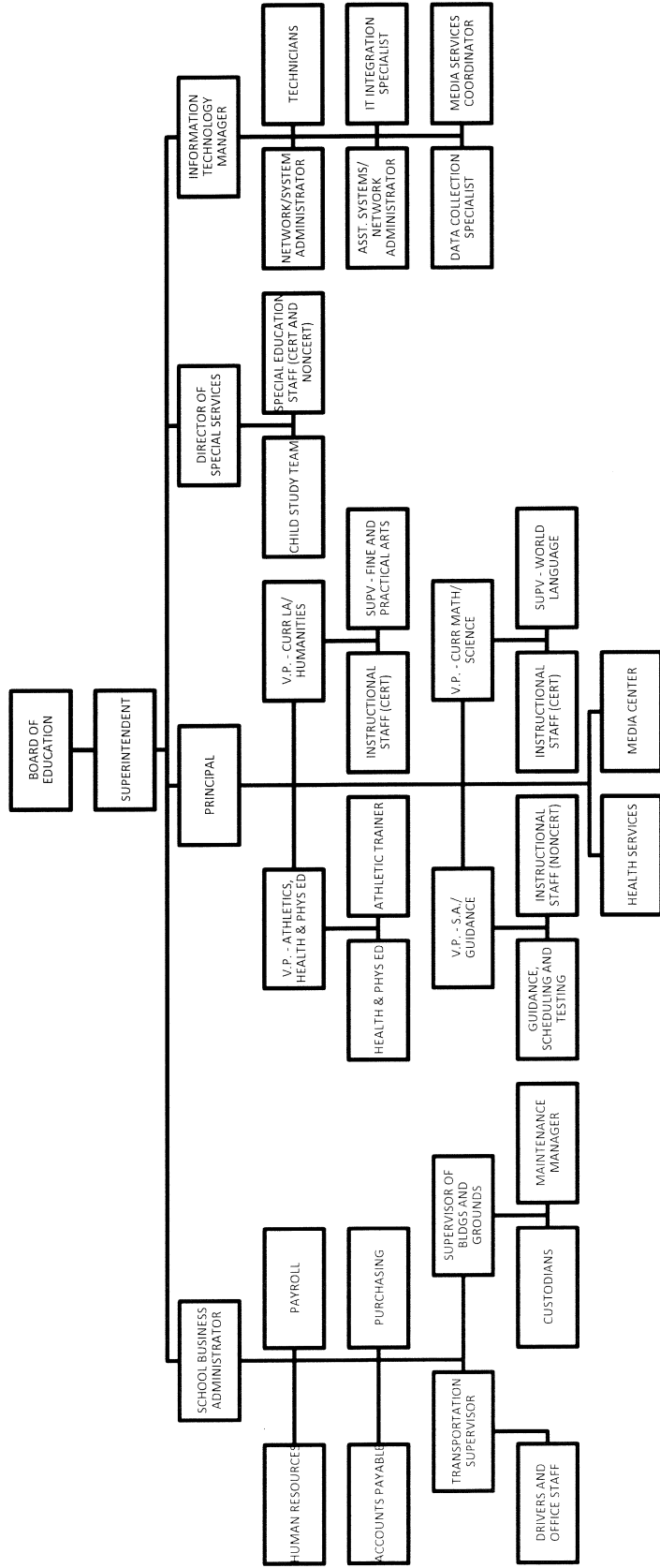
Daria A. Wasserbach  
Superintendent of Schools



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Teresa E. Barna  
Board Secretary/Business Administrator

DELAWARE VALLEY REGIONAL HIGH SCHOOL BOARD OF EDUCATION  
ORGANIZATIONAL CHART



**DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
 ROSTER OF OFFICIALS  
 JUNE 30, 2017**

<u>Members of the Board of Education</u>	<u>Municipality</u>	<u>Term Expires</u>
Ellen Gordon, President	Milford Borough	2019
Brett Reina, Vice President	Holland Township	2018
Debora Frank	Kingwood Township	2018
David Gerth	Alexandria Township	2018
Dr. Sandra Howell	Holland Township	2019
Henry Ihling	Alexandria Township	2017
Sharon Lightner	Kingwood Township	2017
George Tavernite	Holland Township	2017
Geoffrey Stanley	Frenchtown Borough	2017

<u>Other Officials</u>	<u>Title</u>
Daria A. Wasserbach	Superintendent of Schools
Teresa E. Barna	School Business Administrator/Board Secretary
Raymond Krov	Treasurer of School Monies

**DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
Consultants and Advisors**

**Attorney**

Fogarty & Hara, Counselors at Law  
16-00 Route 208 South  
Fair Lawn, NJ 07410

**Audit Firm**

Nisivoccia, LLP  
Mount Arlington Corporate Center  
200 Valley Road, Suite 300  
Mount Arlington, NJ 07856-1320  
and  
Lawrence Business Park  
11 Lawrence Road  
Newton, NJ 07860

**Architect**

SSP Architectural Group, Inc.  
1011 Route 22W, #203  
Bridgewater, NJ 08807

**Official Depository**

Investors Bank  
Corporate Office  
101 JFK Parkway  
Short Hills, NJ 07078

**School Physician**

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

**Financial Advisor**

Phoenix Advisors  
4 West Park Street  
Bordentown, NJ 08505

FINANCIAL SECTION

## Independent Auditors' Report

The Honorable President and Members  
of the Board of Education  
Delaware Valley Regional High School District  
County of Hunterdon, 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 Board of Education of the Delaware Valley Regional High School District (the "District") in the County of Hunterdon, as of and for the fiscal year ended June 30, 2017, 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.

### ***Auditors' 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 *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 from 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 District'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 District'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 Delaware Valley Regional High School District, as of June 30, 2017, 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, which follows this report, the pension schedules in Exhibits L-1 through L-4 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary schedules such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards 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 supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



The Honorable President and Members  
of the Board of Education  
Delaware Valley Regional High School District  
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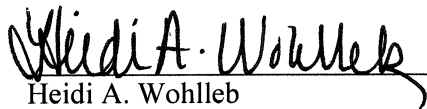
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2017 on our consideration of the 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 District's internal control over financial reporting and compliance.

Mount Arlington, New Jersey  
November 3, 2017

NISIVOCCIA, LLP

  
Heidi A. Wohlleb  
Licensed Public School Accountant #2140  
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FRENCHTOWN, NEW JERSEY  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

This section of Delaware Valley Regional High School's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2017. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

**Financial Highlights**

- The District's financial position increased \$1,049,455 on a district-wide basis over the course of the year.
- Overall revenue was \$29,656,842.
- Overall expenditures were \$28,607,387.
- Net position from the District's governmental activities increased \$325,354.
- The net position from the District's business-type activities increased \$724,101.

**Overview of the Financial Statements**

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

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

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

**Figure A-1**

**Organization of Delaware Valley Regional High School District's Financial Report**

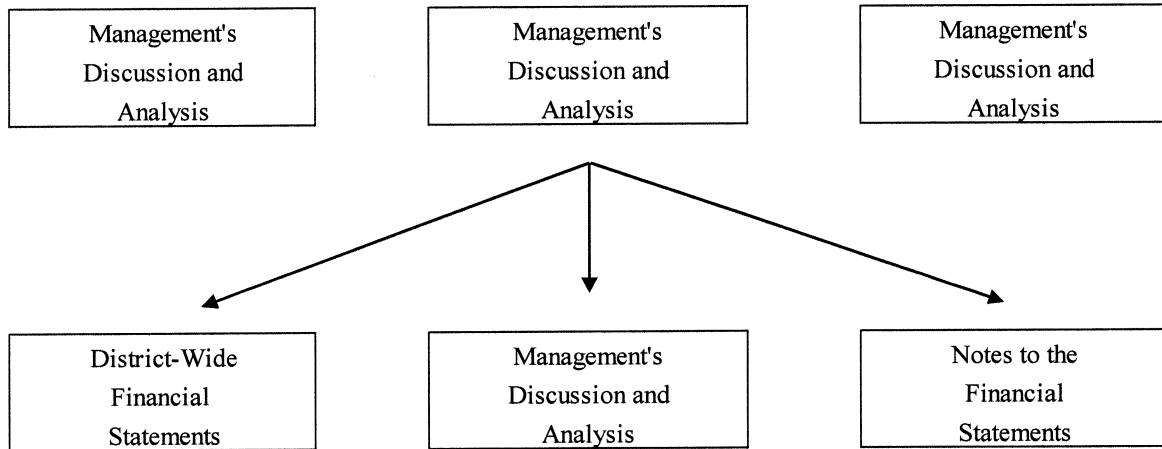


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

**Figure A-2**

*Major Features of the District-Wide and Fund Financial Statements*

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

## District-Wide Statements

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

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

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

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

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

## Fund Financial Statements

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

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

The District has three kinds of funds:

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

## Notes to the Basic Financial Statements

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

### Financial Analysis of the District as a Whole

*Net Position.* The District's combined net position was \$6,946,935 on June 30, 2017, \$1,049,455 or 17.79% more than it was the year before (See Figure A-3). Net position from governmental activities increased \$325,354 and net position from business-type activities increased by \$724,101 (See Figure A-4). Net investment in capital assets increased \$1,673,780, restricted net position decreased \$407,253 and unrestricted net position decreased \$217,072.

Figure A-3

#### Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2017	2016*	2017	2016*	2017	2016*	
Current and							
Other Assets	\$ 3,063,448	\$ 3,459,499	\$ 2,020,202	\$ 1,331,132	\$ 5,083,650	\$ 4,790,631	6.12%
Capital Assets, Net	12,789,396	12,015,046	2,529,517	2,796,876	15,318,913	14,811,922	3.42%
Total Assets	15,852,844	15,474,545	4,549,719	4,128,008	20,402,563	19,602,553	4.08%
Deferred Outflows of Resources	3,526,154	1,849,752	1,511,209	952,904	5,037,363	2,802,656	79.74%
Other Liabilities	457,447	603,653	145,184	163,633	602,631	767,286	-21.46%
Long-Term Liabilities	12,192,700	10,241,929	5,022,301	4,692,913	17,215,001	14,934,842	15.27%
Total Liabilities	12,650,147	10,845,582	5,167,485	4,856,546	17,817,632	15,702,128	13.47%
Deferred Inflows of Resources	675,359	750,577		55,024	675,359	805,601	-16.17%
Net Position:							
Net Investment in Capital Assets	11,080,078	9,474,220	1,674,933	1,607,011	12,755,011	11,081,231	15.10%
Restricted	1,265,165	1,672,418			1,265,165	1,672,418	-24.35%
Unrestricted/(Deficit)	(6,291,751)	(5,418,500)	(781,490)	(1,437,669)	(7,073,241)	(6,856,169)	-3.17%
Total Net Position	\$ 6,053,492	\$ 5,728,138	\$ 893,443	\$ 169,342	\$ 6,946,935	\$ 5,897,480	17.79%

\* - Restated

### Financial Analysis of the District as a Whole

*Changes in net position.* The District's combined net position increased by \$1,049,455 or 17.79%. Net investment in capital assets increased by \$1,673,780 due to \$646,789 of lease payments on capitalized leases, \$206,879 of capital additions, \$520,000 repayment of serial bonds, and the \$1,319,916 increase in construction in progress, offset by the \$1,019,804 of depreciation expense. Restricted net position decreased \$407,253 due primarily to the \$178,365 decrease in the capital reserve account and the \$228,888 decrease in the maintenance reserve. The decrease in unrestricted net position is due primarily to the change in the net pension liability and related deferred inflows and outflows, offset by excess revenue and unexpended budget appropriations. (See Figure A-4).

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

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2017	2016	2017	2016	2017	2016	
Revenue:							
Program Revenue:							
Charges for Services	\$ 154,467	\$ 123,489	\$ 4,904,497	\$ 4,381,362	\$ 5,058,964	\$ 4,504,851	12.30%
Operating Grants & Contributions	6,201,452	4,792,227	45,372	41,137	6,246,824	4,833,364	29.24%
General Revenue:							
Property Taxes	14,610,141	14,362,182			14,610,141	14,362,182	1.73%
Unrestricted Federal & State Aid	3,293,049	3,291,371			3,293,049	3,291,371	0.05%
Other	447,702	55,483	162	22,145	447,864	77,628	476.94%
Total Revenue	24,706,811	22,624,752	4,950,031	4,444,644	29,656,842	27,069,396	9.56%
Expenses:							
Instruction	12,364,004	11,049,534			12,364,004	11,049,534	11.90%
Pupil & Instruction Services	6,246,060	5,581,829			6,246,060	5,581,829	11.90%
Administration and Business	2,211,151	1,991,707			2,211,151	1,991,707	11.02%
Maintenance & Operations	2,199,965	2,099,057			2,199,965	2,099,057	4.81%
Transportation	1,333,459	1,226,349			1,333,459	1,226,349	8.73%
Other	18,805	35,282	4,233,943	4,637,683	4,252,748	4,672,965	-8.99%
Total Expenses	24,373,444	21,983,758	4,233,943	4,637,683	28,607,387	26,621,441	7.46%
Transfers	(8,013)		8,013				0.00%
Change in Net Position	\$ 325,354	\$ 640,994	\$ 724,101	\$ (193,039)	\$ 1,049,455	\$ 447,955	134.28%

**Financial Analysis of the District as a Whole**

*Revenue Sources.* The District's total revenue for the 2016-2017 school year was \$29,656,842. (See Figure A-5). Property taxes accounted for most of the District's revenue, with local taxes accounting for \$14,610,141 of the total, or 49.27 percent. (See Figure A-5). Another 32.16 percent came from private contributions, state and federal aid and the remaining 18.57 percent from charges for services and miscellaneous sources. Delaware Valley Regional High School District generally conducts its operations from the revenues it receives from its local taxpayers and State Aid.



**Figure A-5****Sources of Revenue for Fiscal Year 2017**

Sources of Income	Amount	Percentage
Unrestricted Federal and State Aid	\$ 3,293,049	11.10%
Property Taxes	14,610,141	49.27%
Operating Grants and Contributions	6,246,824	21.06%
Charges for Services	5,058,964	17.06%
Other	447,864	1.51%
	<u>\$ 29,656,842</u>	<u>100.00%</u>

The total cost of all programs and services was \$28,607,387. The District's expenses are predominantly related to instructing, caring for (pupil services) and transporting students (69.71 percent). (See Figure A-6). The District's administration and business activities accounted for 7.73 percent of total expenses. Maintenance and operation costs amounted to 7.69 percent of total expenses. Other expenses were 14.87 percent of total expenses and include interest on long term liabilities and the business type activities expenses.

**Figure A-6****Expenses for Fiscal Year 2017**

Expense Category	Amount	Percentage
Instruction	\$ 12,364,004	43.22%
Pupil & Instruction Services	6,246,060	21.83%
Administration and Business	2,211,151	7.73%
Maintenance & Operations	2,199,965	7.69%
Transportation	1,333,459	4.66%
Other	4,252,748	14.87%
	<u>\$ 28,607,387</u>	<u>100.00%</u>

**Governmental Activities**

The governmental activities financial position of the District increased by 5.68%. However, maintaining existing programs with expected increased regular pupil enrollment and the provision of a multitude of special programs and services for disabled pupils place great demands on the District's resources. During the past several years, numerous veteran teachers have retired and have been replaced by teachers of less experience. Such changes have generated significant salary savings, but these have not been sufficient enough to provide for increased special education programs and increased health benefit costs. As a result, the five municipalities in the regional district were subject to a tax increase in fiscal 2017.

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

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

**Figure A-7**

**Net Cost of Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2017	2016	2017	2016
Instruction	\$ 12,364,004	11,049,534	\$ 8,045,830	\$ 7,554,019
Pupil & Instruction Services	6,246,060	5,581,829	5,066,518	4,714,823
Administration and Business	2,211,151	1,991,707	1,808,750	1,695,114
Maintenance & Operations	2,199,965	2,099,057	1,863,175	1,963,303
Transportation	1,333,459	1,226,349	1,214,447	1,105,501
Other	18,805	35,282	18,805	35,282
Total	<u>\$ 24,373,444</u>	<u>\$ 21,983,758</u>	<u>\$ 18,017,525</u>	<u>\$ 17,068,042</u>

**Governmental Activities**

- The cost of all governmental activities this year was \$24,373,444.
- The federal and state governments subsidized certain programs with grants and contributions.
- Most of the District's costs, however, were financed by District taxpayers.
- A portion of governmental activities were financed with \$4,002,778 in State Aid based on the SFRA formula.
- The remainder of the funding came from charges for services, miscellaneous revenue and investment earnings.

**Business-Type Activities**

Net position in the District's business-type activities increased by \$724,101. (Refer to Figure A-4). Factors contributing to these results included:

- The food services management company has controlled the cost of staff salary expenses, but a significant decrease in daily sales revenue has resulted in a decrease of approximately \$9,500 in net position in the Food Service Fund.
- The increase in the Transportation Fund's net position is due primarily to an increase in revenue of approximately \$511,000 as well as a decrease in operating expenses including the change in the net pension liability and related deferred inflows and outflows allocated to this fund.
- The Technology Service Fund's net position decreased primarily due to the increase in the net pension liability and related deferred inflows and outflows allocated of to this fund.

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

The District's financial position in the General Fund remains positive despite changes in the student population and difficult economic times. Expenditures during the recent year increased.

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

All of these factors are likely to continue for the next several years. To maintain a stable financial position, the District must continue to practice sound fiscal management. Due to sizeable balances in the past year's budget expenditures, the District has been able to allocate fund balance to reduce the local tax levy.

**General Fund Budgetary Highlights**

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

## Capital Assets and Long-Term Liabilities Administration

Figure A-8

### Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2017	2016*	2017	2016*	2017	2016*	
Land	\$ 36,845	\$ 36,845			\$ 36,845	\$ 36,845	0.00%
Construction in Progress	133,453	1,178,805			133,453	1,178,805	-88.68%
Site Improvements	1,257,848	1,373,941			1,257,848	1,373,941	-8.45%
Buildings & Bldg. Imps.	10,629,224	8,769,253	\$ 166,430	\$ 175,780	10,795,654	8,945,033	20.69%
Machinery, Furniture and Equipment	732,026	656,202	303,670	547,280	1,035,696	1,203,482	-13.94%
Buses and Other Vehicles			2,059,417	2,073,816	2,059,417	2,073,816	-0.69%
<b>Total</b>	<b>\$12,789,396</b>	<b>\$12,015,046</b>	<b>\$2,529,517</b>	<b>\$2,796,876</b>	<b>\$15,318,913</b>	<b>\$14,811,922</b>	<b>3.42%</b>

\* - Restated

The District's Capital Assets increased \$506,991, or 3.42 percent, on a district-wide basis. (More detailed information about the District's Capital Assets is presented on Note 8 to the basic financial statements.)

### Long-Term Liabilities

(See Note 9 to the basic financial statements for more detailed information about the District's long-term liabilities.)

Figure A-9

### Outstanding Long-Term Liabilities

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2017	2016*	2017	2016*	2017	2016*	
Compensated Absences Payable	\$ 766,698	\$ 736,144	\$ 82,037	\$ 80,714	\$ 848,735	\$ 816,858	3.90%
Net Pension Liability	9,533,252	6,643,354	4,085,680	3,422,334	13,618,932	10,065,688	35.30%
Serial Bonds Payable	1,065,000	1,585,000			1,065,000	1,585,000	-32.81%
Unamortized Bond Premium	64,488	96,733			64,488	96,733	-33.33%
Capital Leases Payable	763,262	1,180,698	854,584	1,189,865	1,617,846	2,370,563	-31.75%
<b>Total</b>	<b>\$12,192,700</b>	<b>\$10,241,929</b>	<b>\$5,022,301</b>	<b>\$4,692,913</b>	<b>\$17,215,001</b>	<b>\$14,934,842</b>	<b>15.27%</b>

\* - Restated

- Compensated absences payable increased by \$31,877.
- Net pension liability increased by \$3,553,244.
- Serial bonds payable decreased by \$520,000.
- Unamortized bond premium decreased \$32,245.
- Capital leases payable decreased by \$752,717.

### **Factors Bearing on the District's Future**

The Delaware Valley Regional High School District is in satisfactory financial condition at this time. The School District is proud of its community support of the public schools. The School District has continued to grow its program offerings for its students while being sensitive to the taxpayers. One of the areas the District will continue to explore is the sharing of services with its constituent K-8 Districts. The District has a reliance on local property taxes which is a main source of funding. A future concern is declining enrollments and how this may affect the program offerings. The Board and the administration will be working together, with community input, to develop a plan for the program in light of declining enrollments and how this will impact all areas, including facilities planning.

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

### **Contacting the District's Financial Management**

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2017

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,613,439	\$ 1,814,679	\$ 3,428,118
Receivable from State Government	161,252	60	161,312
Receivable from Federal Government	19,550	1,349	20,899
Receivable from Other Governments	2,585	191,133	193,718
Other Receivables	784		784
Internal Balances	(4,327)	4,327	
Interfund Receivable	5,000		5,000
Inventories		8,654	8,654
Restricted Assets:			
Cash and Cash Equivalents	1,265,165		1,265,165
Capital Assets:			
Site (Land) and Construction in Progress	170,298		170,298
Depreciable Site Improvements, Building and Building Improvements and Machinery, Furniture, Equipment, Buses and Other Vehicles	12,619,098	2,529,517	15,148,615
<b>Total Assets</b>	<b>15,852,844</b>	<b>4,549,719</b>	<b>20,402,563</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Changes in Assumptions - Pensions	1,974,781	846,334	2,821,115
Changes in Proportion - Pensions	720,606	308,832	1,029,438
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	363,511	155,791	519,302
Difference Between Expected and Actual Experience - Pensions	177,290	75,981	253,271
District Contribution Subsequent to the Measurement Date - Pensions	289,966	124,271	414,237
<b>Total Deferred Outflows of Resources</b>	<b>3,526,154</b>	<b>1,511,209</b>	<b>5,037,363</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accrued Interest Payable	19,525		19,525
Accounts Payable	420,846	138,071	558,917
Unearned Revenue	17,076	7,113	24,189
Noncurrent Liabilities:			
Due Within One Year	944,835	244,350	1,189,185
Due Beyond One Year	11,247,865	4,777,951	16,025,816
<b>Total Liabilities</b>	<b>12,650,147</b>	<b>5,167,485</b>	<b>17,817,632</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Prepaid School Taxes	675,359		675,359
<b>Total Deferred Inflows of Resources</b>	<b>675,359</b>		<b>675,359</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	11,080,078	1,674,933	12,755,011
Restricted for:			
Capital Projects	806,865		806,865
Maintenance Reserve	208,300		208,300
Emergency Reserve	250,000		250,000
Unrestricted/(Deficit)	(6,291,751)	(781,490)	(7,073,241)
<b>Total Net Position</b>	<b>\$ 6,053,492</b>	<b>\$ 893,443</b>	<b>\$ 6,946,935</b>

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Capital		Governmental Activities	Business-Type Activities	Total
			Operating Grants and Contributions	Grants and Contributions			
Governmental Activities:							
Instruction:							
Regular	\$ 8,920,184	\$ 12,735	\$ 2,577,220		\$ (6,330,229)		\$ (6,330,229)
Special Education	2,327,301	141,732	1,586,487		(599,082)		(599,082)
Other Instruction	1,098				(1,098)		(1,098)
School Sponsored Instruction	1,115,421				(1,115,421)		(1,115,421)
Support Services:							
Tuition	1,198,946				(1,198,946)		(1,198,946)
Student & Instruction Related Services	5,047,114		1,179,542		(3,867,572)		(3,867,572)
General Administration Services	678,240		65,795		(612,445)		(612,445)
School Administration Services	812,418		202,951		(609,467)		(609,467)
Central Services	572,993		89,377		(483,616)		(483,616)
Administration Information Technology	147,500		44,278		(103,222)		(103,222)
Plant Operations and Maintenance	2,199,965		336,790		(1,863,175)		(1,863,175)
Pupil Transportation	1,333,459		119,012		(1,214,447)		(1,214,447)
Interest on Long-Term Debt	18,805				(18,805)		(18,805)
Total Governmental Activities	24,373,444	154,467	6,201,452	\$ -0-	(18,017,525)	\$ -0-	(18,017,525)



DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Business-Type Activities:						
Food Service	\$ 347,258	\$ 284,217	\$ 45,372	\$ (17,669)	\$ (17,669)	\$ (17,669)
Transportation	3,572,686	4,397,780		825,094	825,094	825,094
Technology Services	313,999	222,500		(91,499)	(91,499)	(91,499)
Total Business-Type Activities	4,233,943	4,904,497	-0-	715,926	715,926	715,926
Total Primary Government	\$ 28,607,387	\$ 5,058,964	\$ -0-	(18,017,525)	715,926	(17,301,599)

General Revenues and Transfers:

Taxes:						
Property Taxes, Levied for General Purposes, Net				14,031,941		14,031,941
Taxes Levied for Debt Service				578,200		578,200
Federal and State Aid not Restricted				3,293,049		3,293,049
Investment Earnings				4,560	162	4,722
Rents and Royalties				373,500		373,500
Miscellaneous Income				69,642		69,642
Transfers				(8,013)	8,013	
Total General Revenue				18,342,879	8,175	18,351,054
Change in Net Position				325,354	724,101	1,049,455
Net Position - Beginning (Restated)				5,728,138	169,342	5,897,480
Net Position - Ending				\$ 6,053,492	\$ 893,443	\$ 6,946,935

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

FUND FINANCIAL STATEMENTS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 1,408,814	\$ 1,133	\$ 163,441	\$ 40,051	\$ 1,613,439
Interfund Receivable	5,000				5,000
Receivable from State Government	161,252				161,252
Receivable from Federal Government		19,550			19,550
Receivable from Other Governments	2,585				2,585
Other Receivables	784				784
Restricted Cash and Cash Equivalents	1,265,165				1,265,165
<b>Total Assets</b>	<b>\$ 2,843,600</b>	<b>\$ 20,683</b>	<b>\$ 163,441</b>	<b>\$ 40,051</b>	<b>\$ 3,067,775</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 127,220	\$ 3,607	\$ 53		\$ 130,880
Interfund Payable	4,327				4,327
Prepaid School Taxes	635,308			\$ 40,051	675,359
Unearned Revenue		17,076			17,076
<b>Total Liabilities</b>	<b>766,855</b>	<b>20,683</b>	<b>53</b>	<b>40,051</b>	<b>827,642</b>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Capital Reserve Account	806,865				806,865
Maintenance Reserve Account	208,300				208,300
Emergency Reserve Account	250,000				250,000
<b>Committed:</b>					
Capital Projects			163,388		163,388
<b>Assigned:</b>					
Encumbrances	294,325				294,325
Designated for Subsequent Year's Expenditures	406,180				406,180
Unassigned	111,075				111,075
<b>Total Fund Balances</b>	<b>2,076,745</b>	<b>-0-</b>	<b>163,388</b>	<b>-0-</b>	<b>2,240,133</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,843,600</b>	<b>\$ 20,683</b>	<b>\$ 163,441</b>	<b>\$ 40,051</b>	

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 \$24,325,114 and the accumulated depreciation is \$11,535,718. 12,789,396

Long-Term Liabilities, including Bonds Payable and the Net Pension Liability for PERS, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (12,192,700)

Certain amounts related to the Net Pension Liability are deferred and amortized in the Statement of Activities and are not reported in the Governmental Funds:

Changes in Assumptions - Pensions 1,974,781

Changes in Proportions - Pensions 720,606

Difference Between Expected and Actual Experience - Pensions 177,290

Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments 363,511

Accrued Interest on Long-Term Liabilities is not due and payable in the current period and therefore is not reported as a liability in the funds. (19,525)

Net Position of Governmental Activities \$ 6,053,492

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUE:</b>					
Local Sources:					
Local Tax Levy	\$ 14,031,941			\$ 578,200	\$ 14,610,141
Tuition from Individuals	12,735				12,735
Tuition from Other LEA's Within the State	141,732				141,732
Rents and Royalties	373,500				373,500
Interest Earned on Capital Reserve Funds	4,560				4,560
Miscellaneous	69,642	\$ 15,218	\$ 126,250		211,110
<b>Total - Local Sources</b>	<b>14,634,110</b>	<b>15,218</b>	<b>126,250</b>	<b>578,200</b>	<b>15,353,778</b>
State Sources	5,967,823	57,529			6,025,352
Federal Sources	208,667				208,667
<b>Total Revenue</b>	<b>20,601,933</b>	<b>281,414</b>	<b>126,250</b>	<b>578,200</b>	<b>21,587,797</b>
<b>EXPENDITURES:</b>					
Current:					
Regular Instruction	4,587,826	43,152			4,630,978
Special Education Instruction	1,021,182	238,262			1,259,444
Other Instruction	1,098				1,098
School Sponsored Instruction	1,056,091				1,056,091
Support Services and Undistributed Costs:					
Tuition	1,198,946				1,198,946
Student & Instruction Related Services	2,432,479				2,432,479
General Administration Services	484,527				484,527
School Administration Services	429,123				429,123
Central Services	340,328				340,328
Administrative Information Technology	138,410				138,410
Plant Operations and Maintenance	1,477,869				1,477,869
Pupil Transportation	1,267,395				1,267,395
Unallocated Benefits	4,576,056				4,576,056

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd):					
Capital Outlay	\$ 545,367		\$ 1,431,713		\$ 1,977,080
Debt Service:					
Interest and Other Charges				\$ 58,200	58,200
Principal				520,000	520,000
Total Expenditures	19,556,697	\$ 281,414	1,431,713	578,200	21,848,024
Excess/(Deficit) of Revenue Over/(Under) Expenditures	1,045,236		(1,305,463)		(260,227)
OTHER FINANCING SOURCES/(USES):					
Transfers In/(Out)	(990,938)		982,925		(8,013)
Total Other Financing Sources/(Uses)	(990,938)		982,925		(8,013)
Net Change in Fund Balances	54,298		(322,538)		(268,240)
Fund Balance—July 1	2,022,447		485,926		2,508,373
Fund Balance—June 30	\$ 2,076,745	\$ -0-	\$ 163,388	\$ -0-	\$ 2,240,133

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (268,240)

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	\$ (752,445)
Capital Outlays	1,526,795
	774,350

In the Statement of Activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

In the Statement of Activities, interest on long-term debt in the Statement of Activities is accrued, regardless of when due. In the Governmental Funds, interest is reported when due. 7,150

Repayments of capital leases and bond principal are expenditures in the Governmental Funds, but the repayments reduce Long-Term Liabilities in the Statement of Net Position and are not reported in the Statement of Activities. 937,436

The Governmental Funds report the effect of bond premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. 32,245

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability	(2,889,898)
Deferred Outflows:	
Changes in Assumptions	1,261,338
Changes in Proportion	12,400
Difference between expected and actual experience	18,803
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	470,324

Change in Net Position of Governmental Activities (A-2) \$ 325,354

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2017

	Business-Type Activities		
	Enterprise Funds		
	Transportation Services Major Fund	Total Non-Major Funds	Total All Funds
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 1,796,722	\$ 17,957	\$ 1,814,679
Intergovernmental Accounts Receivable:			
State		60	60
Federal		1,349	1,349
Other	191,133		191,133
Interfund Receivable		4,327	4,327
Inventories		8,654	8,654
Total Current Assets	<u>1,987,855</u>	<u>32,347</u>	<u>2,020,202</u>
Non-Current Assets:			
Capital Assets:			
Depreciable Buildings and Building Improvements, Machinery, Furniture, Equipment, Buses and Other Vehicles	5,165,356	197,706	5,363,062
Less: Accumulated Depreciation	<u>(2,665,289)</u>	<u>(168,256)</u>	<u>(2,833,545)</u>
Total Non-Current Assets	<u>2,500,067</u>	<u>29,450</u>	<u>2,529,517</u>
Total Assets	<u>4,487,922</u>	<u>61,797</u>	<u>4,549,719</u>
DEFERRED OUTFLOWS OF RESOURCES			
Changes in Assumptions - Pensions	719,384	126,950	846,334
Changes in Proportions - Pensions	262,507	46,325	308,832
Difference Between Expected and Actual Interest Earnings - Pensions	132,422	23,369	155,791
Difference Between Expected and Actual Experience - Pensions	64,584	11,397	75,981
District Contribution Subsequent to the Measurement Date - Pensions	105,630	18,641	124,271
Total Deferred Outflows of Resources	<u>1,284,527</u>	<u>226,682</u>	<u>1,511,209</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable	119,430	18,641	138,071
Unearned Revenue - Prepaid Balances		5,519	5,519
Unearned Revenue - Donated Commodities		1,594	1,594
Total Current Liabilities	<u>119,430</u>	<u>25,754</u>	<u>145,184</u>
Long-Term Liabilities:			
Capital Leases - Due Within One Year	244,350		244,350
Capital Leases - Due Beyond One Year	610,234		610,234
Compensated Absences - Due Beyond One Year	82,037		82,037
Net Pension Liability - Due Beyond One Year	3,472,828	612,852	4,085,680
Total Long-Term Liabilities	<u>4,409,449</u>	<u>612,852</u>	<u>5,022,301</u>
Total Liabilities	<u>4,528,879</u>	<u>638,606</u>	<u>5,167,485</u>
<u>NET POSITION:</u>			
Net Investment in Capital Assets	1,645,483	29,450	1,674,933
Unrestricted/(Deficit)	<u>(401,913)</u>	<u>(379,577)</u>	<u>(781,490)</u>
Total Net Position/(Deficit)	<u>\$ 1,243,570</u>	<u>\$ (350,127)</u>	<u>\$ 893,443</u>

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Business-Type Activities		
	Enterprise Funds		
	Transportation Services Major Fund	Total Non-Major Funds	Total All Funds
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs		\$ 147,527	\$ 147,527
Daily Sales - Non-Reimbursable Programs		136,690	136,690
Charges and Program Fees	\$ 4,397,780	222,500	4,620,280
Total Operating Revenue	4,397,780	506,717	4,904,497
Operating Expenses:			
Cost of Sales - Reimbursable Programs		79,763	79,763
Cost of Sales - Non-Reimbursable Programs		76,293	76,293
Salaries, Benefits & Payroll Taxes	2,545,838	472,844	3,018,682
Supplies, Insurance & Other Costs	170,618	295	170,913
Management Fee		8,924	8,924
Other Purchased Services	317,183		317,183
Miscellaneous Expense	1,758	15,106	16,864
Interest Expense on Capital Leases	12,704		12,704
Gasoline	265,258		265,258
Depreciation Expense	259,327	8,032	267,359
Total Operating Expenses	3,572,686	661,257	4,233,943
Operating Income / (Loss)	825,094	(154,540)	670,554
Non-Operating Income:			
Local Sources			
Interest Income		162	162
State Sources:			
State School Lunch Program		1,711	1,711
Federal Sources:			
National School Lunch Program		28,530	28,530
School Breakfast Program		4,774	4,774
Food Distribution Program		10,357	10,357
Total Non-Operating Income		45,534	45,534
Change in Net Position	825,094	(109,006)	716,088
Transfers In - General Fund		8,013	8,013
Net Position/(Deficit) - Beginning of Year (Restated)	418,476	(249,134)	169,342
Net Position/(Deficit) - End of Year	\$ 1,243,570	\$ (350,127)	\$ 893,443

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



DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Business-Type Activities		
	Enterprise Funds		
	Transportation Services Major Fund	Total Non-Major Funds	Total All Funds
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 4,993,735	\$ 506,717	\$ 5,500,452
Payments to/for Employees	(2,592,124)	(222,228)	(2,814,352)
Payments to Vendors	(816,295)	(308,803)	(1,125,098)
Payments for Miscellaneous Expenses		(23,993)	(23,993)
Net Cash Provided by / (Used for) Operating Activities	<u>1,585,316</u>	<u>(48,307)</u>	<u>1,537,009</u>
Cash Flows from Investing Activities:			
Interest Income		162	162
Net Cash Provided by Investing Activities		<u>162</u>	<u>162</u>
Cash Flows from Noncapital Financing Activities:			
Transfer In - General Fund		8,013	8,013
Federal Reimbursements in Food Service Fund		32,797	32,797
State Reimbursements in Food Service Fund		1,723	1,723
Net Cash Provided by Noncapital Financing Activities		<u>42,533</u>	<u>42,533</u>
Cash Flows from Capital and Related Financing Activities:			
Capital Lease Principal Payments	(335,281)		(335,281)
Net Cash Used for Capital and Related Financing Activities	<u>(335,281)</u>		<u>(335,281)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	1,250,035	(5,612)	1,244,423
Cash and Cash Equivalents, July 1	546,687	23,569	570,256
Cash and Cash Equivalents, June 30	<u>\$ 1,796,722</u>	<u>\$ 17,957</u>	<u>\$ 1,814,679</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Operating Income/(Loss)	\$ 825,094	\$ (154,540)	\$ 670,554
Adjustment to Reconcile Operating Income/(Loss) to Cash Provided by/(Used for) Operating Activities:			
Depreciation	259,327	8,032	267,359
Food Distribution Program		10,357	10,357
Changes in Assets and Liabilities:			
(Increase) in Inventory		(3,609)	(3,609)
Decrease in Other Accounts Receivable	431,887		431,887
Decrease in Intergovernmental Accounts Receivable - Other	127,570		127,570
Increase in Net Pension Liability	453,122	210,224	663,346
(Increase) in Change in Assumptions - Pensions	(395,091)	(83,711)	(478,802)
(Increase)/Decrease in Change in Proportions - Pensions	59,405	(3,403)	56,002
(Increase)/Decrease in Difference Between Expected and Actual Experience - Pensions	7,456	(1,792)	5,664
(Increase) in Difference Between Projected and Actual Interest Earnings - Pensions	(180,973)	(29,842)	(210,815)
(Increase)/Decrease in District Contribution Subsequent to the Measurement Date	16,923	(2,301)	14,622
Increase/(Decrease) in Accounts Payable	(20,707)	1,339	(19,368)
Increase in Compensated Absences Payable	1,323		1,323
Increase/(Decrease) in Unearned Revenue	(20)	939	919
Net Cash Provided By/(Used for) Operating Activities	<u>\$ 1,585,316</u>	<u>\$ (48,307)</u>	<u>\$ 1,537,009</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received USDA Donated Commodities through the Food Distribution Program valued at \$10,669 and utilized \$10,357 for the fiscal year ended June 30, 2017.

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2017

	<u>Agency</u>	<u>Flexible Spending Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 404,191	\$ 4,640	\$ 120,309	\$ 38,371
Interfund Receivable - Payroll Agency Fund			17,509	
Total Assets	<u>404,191</u>	<u>4,640</u>	<u>137,818</u>	<u>38,371</u>
<u>LIABILITIES:</u>				
Accrued Salaries and Wages	240,920			
Payroll Deductions and Withholdings	38,208			
Due to Student Groups	102,554			
Interfund Payable - Unemployment Compensation Trust Fund	17,509			
Interfund Payable - General Fund	5,000			
Total Liabilities	<u>404,191</u>			
<u>NET POSITION:</u>				
Held in Trust for:				
Flexible Spending Claims		4,640		
Unemployment Claims			137,818	
Scholarships				38,371
Total Net Position	<u>\$ -0-</u>	<u>\$ 4,640</u>	<u>\$ 137,818</u>	<u>\$ 38,371</u>

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Flexible Spending Trust	Unemployment Compensation Trust	Private Purpose Scholarship Trust
ADDITIONS:			
Contributions:			
Plan Members	\$ 31,544	\$ 22,441	
Donations			\$ 9,250
Total Contributions	<u>31,544</u>	<u>22,441</u>	<u>9,250</u>
Investment Earnings:			
Interest	<u>28</u>	<u>620</u>	<u>194</u>
Net Investment Earnings	<u>28</u>	<u>620</u>	<u>194</u>
Total Additions	<u>31,572</u>	<u>23,061</u>	<u>9,444</u>
DEDUCTIONS:			
Unemployment Compensation Claims		33,974	
Flexible Spending Claims	33,855		
Scholarship Payments			<u>10,813</u>
Total Deductions	<u>33,855</u>	<u>33,974</u>	<u>10,813</u>
Change in Net Position	(2,283)	(10,913)	(1,369)
Net Position - Beginning of the Year	<u>6,923</u>	<u>148,731</u>	<u>39,740</u>
Net Position - End of the Year	<u>\$ 4,640</u>	<u>\$ 137,818</u>	<u>\$ 38,371</u>

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

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

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements (Cont'd)

Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

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

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expenses by board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

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

B. Basis of Presentation: (Cont'd)

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

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

The District reports the following proprietary funds:

Enterprise Funds: The Enterprise Funds account for all revenue and expenses pertaining to the Board's Food Service Fund, Transportation Service Fund and Technology Service Fund operations. The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the recipients on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

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

C. Measurement Focus and Basis of Accounting

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

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

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

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budget for the fiscal year ended June 30, 2017 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

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

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

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

The Capital Projects Fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of SDA grants receivable. These grants are recognized on the budgetary basis in full at the time of the award but are recognized on the GAAP basis as they are expended and requested for reimbursement.

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$20,605,985	\$ 276,586
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and revenue, whereas the GAAP Basis does not.		
Prior Year Encumbrances		5,232
Current Year Encumbrances		(404)
Prior Year State Aid Payments Recognized for GAAP Statements, not recognized for Budgetary Basis	393,833	
Current Year State Aid Payments recognized for Budgetary purposes, not recognized for GAAP Statements	(397,885)	
Total Revenues as reported on the Statement of Revenues, Expenditures & Changes in Fund Balances - Governmental Funds	\$20,601,933	\$ 281,414
	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$19,556,697	\$ 276,586
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.		
Prior Year Encumbrances		5,232
Current Year Encumbrances		(404)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, & Changes in Fund Balances - Governmental Funds	\$19,556,697	\$ 281,414



DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

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

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

	Capital Projects Fund	
	Fund Balance	Revenue
Fund Balance/Revenue and Other Financing Sources per Summary Schedule of Revenue, Expenditures and Changes in Fund Balance (Budgetary Basis)	\$ 2,101,976	\$ 1,764,458
Reconciliation to Governmental Funds Statements (GAAP): SDA Grants Revenue Not Recognized on GAAP Basis	<u>(1,938,588)</u>	<u>(655,283)</u>
Fund Balance/Revenue and Other Financing Sources per Governmental Funds (GAAP)	<u>\$ 163,388</u>	<u>\$ 1,109,175</u>

E. Cash and Cash Equivalents and Investments:

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

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as restricted, committed and/or assigned fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2017.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

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

K. Capital Assets:

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

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

	Estimated Useful Life
Buildings and Building Improvements	50 Years
Site Improvements	20 Years
Machinery, Furniture and Equipment	10 to 15 Years
Buses and Other Vehicles	8 Years

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

L. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Accrued Salaries and Wages:

The District allows employees who provide services to the District over a ten-month academic year the option to have their salaries evenly disbursed over the entire twelve month year. New Jersey statutes require that these earned undisbursed amounts be retained in a separate bank account. As of June 30, 2017, the amount earned by these employees but not disbursed was \$240,920.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

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

N. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), *Accounting for Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

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

O. Unearned Revenue:

Unearned revenue in the Special Revenue Fund represents cash which has been received but not yet earned. See Note 1(D) regarding the Special Revenue Fund.

P. Fund Balance Appropriated:

General Fund: Of the \$2,076,745 General Fund balance at June 30, 2017, \$294,325 is assigned for encumbrances; \$406,180 is designated for subsequent year's expenditures; \$806,865 is restricted in the capital reserve account; \$208,300 is restricted in the maintenance reserve account; \$250,000 is restricted in the emergency reserve account; and \$111,075 is unassigned which is \$397,885 less than the calculated budgetary unassigned fund balance due to the last two June state aid payments, which are not recognized on the GAAP basis until the fiscal year ended June 30, 2018.

Capital Projects Fund: The \$163,388 fund balance in the Capital Projects Fund at June 30, 2017, is committed which is \$1,938,588 less on a GAAP basis due to the NJ SDA grants which have not been recognized on a GAAP basis.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701) the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had no excess surplus at June 30, 2017.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$397,885 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last two state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

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

P. Fund Balance Appropriated (Cont'd)

For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

Q. Deficit Net Position:

The District had a deficit in unrestricted net position of \$6,291,751 in governmental activities and \$781,490 in business-type activities. The deficit in unrestricted governmental activities net position is primarily due to the net pension liability and related deferred outflows as well as the compensated absences liability. The deficit in unrestricted business-type activities net position is due to the net pension liability and related deferred outflows.

R. Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2017 for the changes in proportions in pensions, differences between expected and actual experience for pension, the net differences between projected and actual investment earnings on pension plan investments, the District contribution subsequent to the measurement date with respect to pensions and changes in assumptions in pensions.

The District had a deferred inflow of resources at June 30, 2017 for prepaid school taxes.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

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

R. Net Position (Cont'd)

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

S. Fund Balance Restrictions, Commitments and Assignments:

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

Fund balance restrictions have been established for a capital reserve, a maintenance reserve and an emergency reserve.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had committed resources at June 30, 2017 in the Capital Projects Fund.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and amounts designated for subsequent year's expenditures in the General Fund at June 30, 2017.

T. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the respective Enterprise Funds. For the School District, these revenues are sales for the food service program and charges and fees for the Transportation and Technology Service Funds. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the respective Enterprise Fund.

U. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

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

U. Revenue - Exchange and Nonexchange Transactions (Cont'd)

Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end. Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

V. Management Estimates:

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

W. Pensions

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 State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

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

Credit Risk – The Board limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in the Investments section of this note.

Custodial Credit Risk - The District does not have a formal policy with respect to custodial credit risk. However, the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

Deposits:

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

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

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

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

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

Investments

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



DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

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

Investments (Cont'd)

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (7) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2017, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Total
Checking Accounts	\$ 3,995,629	\$ 1,265,165	\$ 5,260,794
	<u>\$ 3,995,629</u>	<u>\$ 1,265,165</u>	<u>\$ 5,260,794</u>

During the period ended June 30, 2017, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2017, was \$5,260,794 and the bank balance was \$5,412,563.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT

A Capital Reserve Account was established by the District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

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

The activity of the Capital Reserve Account for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance at July 1, 2016	\$ 985,230
Interest Earnings	4,560
Deposit by Board Resolution June 27, 2017	800,000
Withdrawal from Reserve by Board Resolution	<u>(982,925)</u>
Ending Balance at June 30, 2017	<u>\$ 806,865</u>

The balance in the Capital Reserve Account at June 30, 2017 does not exceed the local support costs of uncompleted capital projects in the District’s approved Long Range Facilities Plan (“LRFP”). The withdrawals from the Capital reserve Account were for use in DOE approved facilities projects, consistent with the District’s LRFP.

NOTE 5. MAINTENANCE RESERVE ACCOUNT

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

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year’s budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements pursuant to N.J.S.A. 18A:7G-6(c)1.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the Maintenance Reserve Account for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance at July 1, 2016	\$	437,188
Unexpended Funds Returned		2,500
Deposit by Board Resolution June 27, 2017		108,500
Budgeted Withdrawal		(70,650)
Withdrawals by Board Resolution		<u>(269,238)</u>
Ending Balance at June 30, 2017	\$	<u>208,300</u>

NOTE 6. EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by the Delaware Valley Regional High School District for the accumulation of funds for use as unanticipated general fund expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve is restricted to be used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The Department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1<sup>st</sup> and June 30<sup>th</sup>. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements pursuant to N.J.S.A. 18A:7G-6(c)1.

The activity of the Emergency Reserve Account for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance at July 1, 2016	\$	<u>250,000</u>
Ending Balance at June 30, 2017	\$	<u>250,000</u>

NOTE 7. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2017, the District transferred \$226,115 to capital outlay accounts for the acquisition of equipment which does not require approval of the County Superintendent.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 8. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2017 were as follows:

	(Restated)			
	Beginning		Decreases/	Ending
	Balance	Increases	Adjustments	Balance
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 36,845			\$ 36,845
Construction in Progress	1,178,805	\$ 1,319,916	\$ (2,365,268)	133,453
Total Capital Assets not being Depreciated	<u>1,215,650</u>	<u>1,319,916</u>	<u>(2,365,268)</u>	<u>170,298</u>
Capital Assets being Depreciated:				
Site Improvements	2,658,696			2,658,696
Buildings and Building Improvements	17,529,471		2,365,268	19,894,739
Machinery and Equipment	1,416,302	206,879	(40,800)	1,582,381
Buses and Other Vehicles	58,555		(39,555)	19,000
Total Capital Assets being Depreciated	<u>21,663,024</u>	<u>206,879</u>	<u>2,284,913</u>	<u>24,154,816</u>
Governmental Activities Capital Assets	<u>22,878,674</u>	<u>1,526,795</u>	<u>(80,355)</u>	<u>24,325,114</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,284,755)	(116,093)		(1,400,848)
Buildings and Building Improvements	(8,760,218)	(505,297)		(9,265,515)
Machinery and Equipment	(760,100)	(131,055)	40,800	(850,355)
Buses and Other Vehicles	(58,555)		39,555	(19,000)
Total Accumulated Depreciation	<u>(10,863,628)</u>	<u>(752,445)</u>	<u>80,355</u>	<u>(11,535,718)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 12,015,046</u>	<u>\$ 774,350</u>	<u>\$ - 0 -</u>	<u>\$ 12,789,396</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Buildings and Building Improvements	\$ 374,000			\$ 374,000
Furniture and Equipment	509,284			509,284
Buses & Other Vehicles	4,479,778			4,479,778
Less Accumulated Depreciation	<u>(2,566,186)</u>	<u>\$ (267,359)</u>		<u>(2,833,545)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 2,796,876</u>	<u>\$ (267,359)</u>	<u>\$ - 0 -</u>	<u>\$ 2,529,517</u>
Total Governmental and Business-Type Activities	<u>\$ 14,811,922</u>	<u>\$ 506,991</u>	<u>\$ - 0 -</u>	<u>\$ 15,318,913</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 8. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 239,142
Special Education Instruction	53,230
Other Instruction	55,106
Student and Instruction Related Services	189,289
General Administrative Services	25,256
School Administrative Services	22,368
Central Services	17,740
Administrative Information Technology	7,215
Plant Operations and Maintenance	77,035
Pupil Transportation	<u>66,064</u>
Total Depreciation	<u><u>\$ 752,445</u></u>

The District expended \$1,319,916 towards construction projects in progress and transferred \$2,365,268 of completed capital projects to depreciable capital assets during the fiscal year. As of June 30, 2017, the District has \$2,101,976 in active construction projects.

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2017, the following changes occurred in liabilities reported in the district-wide financial statements:

	(Restated) Balance 6/30/2016	Issued/ Accrued	Matured/ Retired	Balance 6/30/2017
<b>Governmental Activities:</b>				
Capital Lease Payable	\$ 1,180,698		\$ 417,436	\$ 763,262
Serial Bonds Payable	1,585,000		520,000	1,065,000
Unamortized Bond Premium	96,733		32,245	64,488
Net Pension Liability	6,643,354	\$ 2,889,898		9,533,252
Compensated Absences Payable	<u>736,144</u>	<u>30,554</u>		<u>766,698</u>
Total Governmental Activities	<u><u>\$ 10,241,929</u></u>	<u><u>\$ 2,920,452</u></u>	<u><u>\$ 969,681</u></u>	<u><u>\$ 12,192,700</u></u>
<b>Business-Type Activities:</b>				
Capital Leases Payable	\$ 1,189,865		\$ 335,281	\$ 854,584
Net Pension Liability	3,422,334	\$ 663,346		4,085,680
Compensated Absences Payable	<u>80,714</u>	<u>1,323</u>		<u>82,037</u>
Total Business-Type Activities	<u><u>\$ 4,692,913</u></u>	<u><u>\$ 664,669</u></u>	<u><u>\$ 335,281</u></u>	<u><u>\$ 5,022,301</u></u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

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

A. Bonds Payable:

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

On April 17, 2012, the District issued refunding school bonds of \$3,075,000 with interest rates ranging from 2.00% to 4.00% to refund \$3,134,000 of 2003 Construction and Equipment Additions and Renovations bonds with interest rates ranging from 3.30% to 4.00%. The bonds mature on January 15, 2013 through 2019 and are non-callable. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the 2003 school bonds were called on January 15, 2013. The refunding met the requirements of an in-substance debt defeasance and the school bonds were removed from the School's government-wide financial statements.

The District had bonds outstanding as of June 30, 2017 as follows:

<u>Purpose</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
2012 Refunding Bonds	1/15/2019	4.00%	\$ 1,065,000

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 535,000	\$ 42,600	\$ 577,600
2019	530,000	21,200	551,200
	<u>\$ 1,065,000</u>	<u>\$ 63,800</u>	<u>\$ 1,128,800</u>

B. Unamortized Bond Premium:

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$32,244 and is separated from the long-term liability balance of \$32,244.

C. Bonds Authorized But Not Issued:

There were no bonds authorized but not issued as of June 30, 2017.

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. No portion of the compensated absences balance

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

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

D. Compensated Absences: (Cont'd)

of the governmental funds at June 30, 2017 is currently payable; therefore, the long-term liability balance of compensated absences is \$766,698.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2017, the liability for compensated absences in the Transportation Enterprise Fund is \$82,037 and will be liquidated by this fund. No portion is currently payable.

E. Capital Leases:

The District has capital leases related to technology equipment, school buses and other transportation vehicles as well as a window replacement project. The District has entered into capital leases totaling \$1,988,707 of which \$1,225,445 has been liquidated as of June 30, 2017 for governmental activities. The District has entered into capital leases totaling \$1,737,810 of which \$883,226 has been liquidated as of June 30, 2017 for business-type activities. A schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2017 is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
2018	\$ 389,273	\$ 258,454
2019	390,855	258,456
2020		258,456
2021		111,156
	<u>780,128</u>	<u>886,522</u>
Less: Amount representing interest	<u>(16,866)</u>	<u>(31,938)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 763,262</u>	<u>\$ 854,584</u>

The current portion for governmental leases is \$377,591 and the long-term portion is \$385,671. The current portion for business-type leases is \$244,350 and the long-term portion is \$610,234. The General Fund will liquidated the governmental activities capital leases and the Transportation Enterprise Fund will liquidate the business-type activities capital leases.

F. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental activities is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The PERS net pension liability of the business-type activities is recorded in the current and long-term liabilities and will be liquidated by the Transportation and Technology Services Funds. The current portion of the net pension liability at June 30, 2017 is \$-0- and the long-term portion is \$13,618,932 (\$9,533,252 and \$4,085,680 for governmental and business-type activities, respectively). See Note 10 for further information on the PERS.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 10. PENSION PLANS

Substantially all of the Board’s employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers’ Pension and Annuity Fund (TPAF) or the Public Employee’s Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP).

A. Public Employees’ Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees’ Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division’s Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.shtml).

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers’ contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer



DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions (Cont'd)

in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$408,509 for fiscal year 2017.

The employee contribution rate was 7.20% effective July 1, 2016. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2017, the District reported a liability of \$13,618,932 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. The District's proportion 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 members, actuarially determined. At June 30, 2016, the District's proportion was 0.0460%, which was an increase of 0.0011% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the District recognized pension expense of \$1,570,912. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources on the following page.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 10. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	6.44	\$ 171,193	
	2015	5.72	699,531	
	2016	5.57	1,950,391	
			<u>2,821,115</u>	
Difference Between Expected and Actual Experience	2015	5.72	194,082	
	2016	5.57	59,189	
			<u>253,271</u>	
Net Difference Between Projected and Actual				
Investment Earnings on Pension Plan Investments	2014	5	(256,536)	
	2015	5	164,129	
	2016	5	611,709	
			<u>519,302</u>	
Changes in Proportion	2014	6.44	149,394	
	2015	5.72	693,732	
	2016	5.57	186,312	
			<u>1,029,438</u>	
District Contribution Subsequent to the Measurement Date	2016	1	414,237	
			<u>\$ 5,037,363</u>	<u>\$ -0-</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the district contribution subsequent to the measurement date) related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Total
2017	\$ 809,086
2018	809,085
2019	937,354
2020	787,514
2021	250,649
	<u>\$ 3,593,688</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 10. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment Rate of Return	7.65%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected\_returns, net of pension plan 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 PERS' target asset allocation as of June 30, 2016 are summarized in the table on the following page.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 10. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex. U.S.	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
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(Continued)

NOTE 10. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The figure on the following page presents the District's proportionate share of the collective net pension liability as of June 30, 2016 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2016		
	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
District's proportionate share of the Net Pension Liability	\$ 16,688,412	\$ 13,618,932	\$ 11,084,811

Pension plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.shtml).

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts. The table on the following page represents the membership tiers for TPAF.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided (Cont'd)

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2016, the State's pension contribution was less than the actuarially determined amount.

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2017, the State of New Jersey contributed \$697,303 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$3,816,317.

The employee contribution rate was 7.20% effective July 1, 2016. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

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

At June 30, 2017, the State's proportionate share of the net pension liability associated with the District was \$50,792,071. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. The District's proportion 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 members, actuarially determined. At June 30, 2016, the District's proportion was 0.065%, which was a decrease of 0.002% from its proportion measured as of June 30, 2015.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		50,792,071
Total	\$	50,792,071

For the fiscal year ended June 30, 2017, the State recognized pension expense on behalf of the District in the amount of \$3,816,317 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2016 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.5	\$ 1,691,524,165	
Changes in Assumptions	2015	8.3	4,488,602,746	
Changes in Assumptions	2016	8.3	9,522,623,964	
			15,702,750,875	
Difference Between Expected and Actual Experience	2014	8.5		\$ 16,110,615
	2015	8.3	277,221,464	
	2016	8.3	277,221,464	118,421,979
			277,221,464	134,532,594
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5	(870,618,286)	
	2015	5	577,926,182	
	2016	5	1,727,420,767	
			1,434,728,663	
			\$ 17,414,701,002	\$ 134,532,594

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as shown in the following:

Fiscal Year Ending June 30,	Total
2017	\$ 2,538,535,636
2018	2,538,535,636
2019	2,973,844,781
2020	2,781,202,718
2021	2,349,347,527
Thereafter	4,098,702,110
	\$ 17,280,168,408

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.65%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60 years average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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 PERS' target asset allocation as of June 30, 2016 are summarized in the table on the following page.



DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.39%
U.S. Government Bonds	1.50%	1.28%
U.S. Credit Bonds	13.00%	2.76%
U.S. Mortgages	2.00%	2.38%
U.S. Inflation-Indexed Bonds	1.50%	1.41%
U.S. High Yield Bonds	2.00%	4.70%
U.S. Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Market Equities	6.50%	5.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	8.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Sensitivity of the State's Proportionate Share of the Net Pension Liability Associated with the District to Changes in the Discount Rate

The table on the following page presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2016 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	June 30, 2016		
	At 1% Decrease (2.22%)	At Current Discount Rate (3.22%)	At 1% Increase (4.22%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 57,280,429	\$ 50,792,071	\$ 40,356,989

Pension Plan Fiduciary Net Position - TPAF

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$25,141 for the fiscal years ended June 30, 2017. Employee contributions to DCRP amounted to \$46,092 for the fiscal year ended June 30, 2017.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 11. POST-RETIREMENT BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 of Public Laws 1990 required the TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding 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 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 \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

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 Pension and Benefits issues a publically 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/financial2015combined.pdf>.

The State's on behalf Post-Retirement Medical Contributions to TPAF for the District amounted to \$602,064, \$615,538 and \$569,381 for 2017, 2016, and 2015, respectively.

NOTE 12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report. Health benefits are provided to employees through the State of New Jersey Health Benefits Plan.

Property and Liability Insurance

The District is a member of the New Jersey Schools Insurance Group (the "NJSIG"). The NJSIG provides the property, general liability, automobile coverage, and workers compensation insurance coverage for its members. The NJSIG is a risk-sharing public entity risk pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for its members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the NJSIG are elected.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

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

Selected, summarized financial information as of June 30, 2017 is as follows:

	<u>NJ Schools Insurance Group</u>
Total Assets	<u>\$ 328,998,652</u>
Net Position	<u>\$ 78,662,630</u>
Total Revenue	<u>\$ 131,811,793</u>
Total Expenses	<u>\$ 121,371,527</u>
Change in Net Position	<u>\$ 10,440,266</u>
Members Dividends	<u>\$ -0-</u>

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

New Jersey Schools Insurance Group  
6000 Midlantic Drive  
Suite 300 North  
Mount Laurel, NJ 08054  
(609) 386-6060

New Jersey Unemployment Compensation Insurance

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

A summary of the District and employee contributions, interest, reimbursements to the State for benefits paid and balance of the District's Unemployment Fiduciary Fund for the current and previous two years follows:

<u>Fiscal Year</u>	<u>Employee Contributions and Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016-2017	\$ 23,061	\$ 33,974	\$ 137,818
2015-2016	21,796	17,562	148,731
2014-2015	20,755	21,362	144,497

NOTE 13. ECONOMIC DEPENDENCY

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

NOTE 14. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457(b). The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

<u>403(b) Plans:</u>	<u>457(b) Plans:</u>
AXA Equitable	AXA Equitable
Lincoln Investments	Lincoln Investments
Met Life	Met Life
Security Financial	
FTJ Fund	

NOTE 15. COMMITMENTS AND CONTINGENCIES

Litigation

The District is periodically involved in pending lawsuits and estimates that the potential claims resulting from any litigation and not covered by insurance would not materially affect the District's financial statements.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 15. COMMITMENTS AND CONTINGENCIES (Cont'd)

Grant Programs

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

Encumbrances

At June 30, 2017, there were encumbrances as detailed below in the governmental funds:

General Fund	Special Revenue Fund	Total Governmental Funds
\$ 294,325	\$ 404	\$ 294,729

On the District's Governmental Funds Balance Sheet as of June 30, 2017, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund. On the GAAP basis, actual encumbrances of \$404 are not recognized until paid and are reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund.

NOTE 16. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances existed as of June 30, 2017:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 5,000	4,327
Enterprise Funds - Food Service	4,327	
Fiduciary Funds:		
Payroll Agency		\$ 22,509
Unemployment Compensation Trust	17,509	
	\$ 26,836	\$ 26,836

The interfund receivable in the General Fund is comprised of a prior year interfund advanced to the Net Payroll account which was not settled. The interfund receivable in the Food Service Fund is for current year state and federal subsidy reimbursements not turned over as of year end. The interfund receivable in the Unemployment Compensation Trust Fund is for current year employee unemployment contributions not turned over from the Payroll Agency Fund as of year end.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 17. TAX CALENDAR

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

Taxes are collected by the constituent municipalities and are remitted to the District on a predetermined mutually agreed-upon schedule.

NOTE 18. PRIOR PERIOD ADJUSTMENTS

The District made prior year adjustments in the District Wide Financial Statements and Fund Financial Statements to adjust capital assets to be in agreement with the District's Capital Assets records as per a current capital asset appraisal report and to allocate the portion of compensated absences attributable to the Transportation Enterprise Fund.

	Balance 6/30/16 as Previously Reported	Retroactive Adjustments	Balance 6/30/2016 as Restated
<u>Statement of Net Position:</u>			
<u>Governmental Activities:</u>			
ASSETS			
Capital Assets:			
Depreciable Site Improvements, Building and Building Improvements and Machinery, Equipment, Buses and Other Vehicles	\$13,166,916	\$ (1,151,870)	\$12,015,046
Total Assets	16,626,415	(1,151,870)	15,474,545
LIABILITIES			
Noncurrent Liabilities:			
Due Beyond One Year	9,352,962	(80,714)	9,272,248
Total Liabilities	10,926,296	(80,714)	10,845,582
NET POSITION			
Net Investment in Capital Assets	10,626,090	(1,151,870)	9,474,220
Unrestricted/(Deficit)	(5,499,214)	80,714	(5,418,500)
Total Net Position	6,799,294	(1,071,156)	5,728,138

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 18. PRIOR PERIOD ADJUSTMENTS (Cont'd)

	<u>Balance 6/30/16</u> as Previously Reported	<u>Retroactive</u> <u>Adjustments</u>	<u>Balance</u> 6/30/2016 as Restated
<u>Business-Type Activities:</u>			
<b>ASSETS</b>			
Capital Assets:			
Depreciable Site Improvements, Building and Building Improvements and Furniture, Equipment, Buses and Other Vehicles	\$ 1,741,043	\$ 1,055,833	\$ 2,796,876
Total Assets	3,072,175	1,055,833	4,128,008
 <b>LIABILITIES</b>			
Noncurrent Liabilities:			
Due Beyond One Year	4,276,918	80,714	4,357,632
Total Liabilities	4,775,832	80,714	4,856,546
 <b>NET POSITION</b>			
Net Investment in Capital Assets	551,178	1,055,833	1,607,011
Unrestricted/(Deficit)	(1,356,955)	(80,714)	(1,437,669)
Total Net Position / (Deficit)	(805,777)	975,119	169,342
 <u>Statement of Net Position - Proprietary Funds:</u>			
<u>    Transportation Services Fund:</u>			
<b>ASSETS</b>			
Non-Current Assets:			
Capital Assets:			
Depreciable Buildings and Building Improvements, Furniture, Equipment, Buses and Other Vehicles	4,932,261	233,095	5,165,356
Less: Accumulated Depreciation	(3,254,917)	848,955	(2,405,962)
Total Non-Current Assets	1,677,344	1,082,050	2,759,394
Total Assets	2,974,621	1,082,050	4,056,671
 <b>LIABILITIES</b>			
Noncurrent Liabilities:			
Compensated Absences - Due Beyond One Year	-0-	80,714	80,714
Total Liabilities	4,349,728	80,714	4,430,442
 <b>NET POSITION</b>			
Net Investment in Capital Assets	487,479	1,082,050	1,569,529
Unrestricted/(Deficit)	(1,070,339)	(80,714)	(1,151,053)
Total Net Position	(582,860)	1,001,336	418,476



DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 18. PRIOR PERIOD ADJUSTMENTS (Cont'd)

	Balance 6/30/16 as Previously Reported	Retroactive Adjustments	Balance 6/30/2016 as Restated
<u>Total Non-Major Funds</u>			
ASSETS			
Non-Current Assets:			
Capital Assets:			
Depreciable Buildings and Building Improvements, Furniture, Equipment, Buses and Other Vehicles	\$ 257,078	\$ (59,372)	\$ 197,706
Less: Accumulated Depreciation	(193,379)	33,155	(160,224)
Total Non-Current Assets	63,699	(26,217)	37,482
Total Assets	97,554	(26,217)	71,337
NET POSITION			
Net Investment in Capital Assets	63,699	(26,217)	37,482
Total Net Position / (Deficit)	(222,917)	(26,217)	(249,134)
<u>Statement of Revenue, Expenditures, and Changes in Net Position - Proprietary Funds:</u>			
<u>Transportation Services Fund:</u>			
Net Position - Beginning of Year	(582,860)	1,001,336	418,476
<u>Total Non-Major Funds:</u>			
Net Position - Beginning of Year	(222,917)	(26,217)	(249,134)

NOTE 19. ACCOUNTS PAYABLE

Accounts payable recorded in the District's Governmental and Business-Type activities as of June 30, 2017 consisted of the following:

	Governmental Funds			District Contribution Subsequent to the Measurement Date	Total Governmental Activities	Business-Type
	General Fund	Special Revenue Fund	Capital Projects Fund			Activities Proprietary Funds
Vendors	\$ 127,220	\$ 3,607	\$ 53		\$ 130,880	\$ 13,747
State of New Jersey				289,966	289,966	124,324
	\$ 127,220	\$ 3,607	\$ 53	\$ 289,966	\$ 420,846	\$ 138,071

SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST THREE FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,		
	2015	2016	2017
District's proportion of the net pension liability	0.0392986012%	0.0448400301%	0.0459832922%
District's proportionate share of the net pension liability	\$ 7,357,773	\$ 10,065,688	\$ 13,618,932
District's covered employee payroll	\$ 2,714,262	\$ 3,013,003	\$ 2,908,294
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	271.08%	334.07%	468.28%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST THREE FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,		
	2015	2016	2017
Contractually required contribution	\$ 323,972	\$ 385,504	\$ 408,509
Contributions in relation to the contractually required contribution	<u>(323,972)</u>	<u>(385,504)</u>	<u>(408,509)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 2,714,262	\$ 2,714,262	\$ 3,013,003
Contributions as a percentage of covered employee payroll	11.94%	14.20%	13.56%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
ATTRIBUTABLE TO THE DISTRICT  
TEACHERS' PENSION AND ANNUITY FUND  
LAST THREE FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,		
	2015	2016	2017
State's proportion of the net pension liability attributable to the District	0.0629948550%	0.0663410504%	0.0645664376%
State's proportionate share of the net pension liability attributable to the District	\$ 33,668,700	\$ 41,930,377	\$ 50,792,071
District's covered employee payroll	\$ 6,394,597	\$ 6,576,522	\$ 6,583,410
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	526.52%	637.58%	771.52%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE CONTRIBUTIONS  
TEACHERS' PENSION AND ANNUITY FUND  
LAST THREE FISCAL YEARS  
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution	\$ 1,811,692	\$ 2,560,227	\$ 3,816,317
Contributions in relation to the contractually required contribution	<u>(358,664)</u>	<u>(516,944)</u>	<u>(697,303)</u>
Contribution deficiency/(excess)	<u>\$ 1,453,028</u>	<u>\$ 2,043,283</u>	<u>\$ 3,119,014</u>
District's covered employee payroll	\$ 6,394,597	\$ 6,576,522	\$ 6,583,410
Contributions as a percentage of covered employee payroll	28.33%	38.93%	57.97%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.90% as of June 30, 2015 to 3.98% as of June 30, 2016. The municipal bond rate changed from 3.80% to 2.85%. The long-term expected rate of return on pension plan investments changed from 7.90% to 7.65%.

The inflation rate changed from 3.04% as of June 30, 2015 to 3.08% as of June 30, 2016. The salary increases changed from 2.15% - 4.40% for 2012 – 2021 to 1.65%-4.15% through 2026 and from 3.15%-5.40% thereafter to 2.65%-5.15% thereafter.

The mortality rates in the July 1, 2014 actuarial valuation were based on the following:

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback one year for females) are used to value disabled retirees.

The mortality rates in the July 1, 2015 actuarial valuation were based on the following:

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.13% as of June 30, 2015 to 3.22% as of June 30, 2016. The municipal bond rate changed from 3.80% to 2.85%. The long-term expected rate of return on pension plan investments changed from 7.90% to 7.65%.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)

B. TEACHERS PENSION AND ANNUITY FUND (Cont'd)

Changes of Assumptions (Cont'd)

The mortality rates in the July 1, 2014 actuarial valuation were based on the following:

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The mortality rates in the July 1, 2015 actuarial valuation were based on the following:

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60 years average of Social Security data from 1953 to 2013.



**BUDGETARY COMPARISON SCHEDULES**

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 14,031,941		\$ 14,031,941	\$ 14,031,941	
Tuition from Individuals	12,735		12,735	12,735	
Tuition from Other LEAs Within the State	108,265		108,265	141,732	\$ 33,467
Rents and Royalties	445,733		445,733	373,500	(72,233)
Interest Earned on Capital Reserve Funds	350		350	4,560	4,210
Unrestricted Miscellaneous Revenues	42,000		42,000	69,642	27,642
<b>Total - Local Sources</b>	<b>14,641,024</b>		<b>14,641,024</b>	<b>14,634,110</b>	<b>(6,914)</b>
State Sources:					
Categorical Special Education Aid	592,662		592,662	592,662	
Equalization Aid	3,173,700		3,173,700	3,173,700	
Categorical Security Aid	74,763		74,763	74,763	
Categorical Transportation Aid	116,642		116,642	116,642	
Adjustment Aid	21,693		21,693	21,693	
PARCC Readiness Aid	9,080		9,080	9,080	
Per Pupil Growth Aid	9,080		9,080	9,080	
Professional Learning Community Aid	8,210		8,210	8,210	
Extraordinary Aid				133,029	133,029
Additional Non-public Transportation Aid				2,465	2,465
On-Behalf TPAF Pension Contributions (Non-Budgeted)				697,303	697,303
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				25,265	25,265
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				602,064	602,064
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				1,166	1,166
Reimbursed TPAF Social Security Contributions (non-budgeted)				504,753	504,753
<b>Total State Sources</b>	<b>4,005,830</b>		<b>4,005,830</b>	<b>5,971,875</b>	<b>1,966,045</b>
<b>TOTAL REVENUES</b>	<b>18,646,854</b>		<b>18,646,854</b>	<b>20,605,985</b>	<b>1,959,131</b>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Regular Programs - Undistributed Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 3,748,741	\$ 166,525	\$ 3,915,266	\$ 3,898,761	\$ 16,505
Regular Programs - Home Instruction:					
Salaries of Teachers	30,000		30,000	29,058	942
Purchased Professional - Educational Services	25,000	(5,050)	19,950	11,886	8,064
Other Purchased Services (400-500 Series)	3,000		3,000	845	2,155
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	127,148	31,278	158,426	149,570	8,856
Purchased Professional - Educational Services	10,325	4,533	14,858	9,132	5,726
Other Purchased Services (400-500 Series)	460,997	(22,300)	438,697	316,245	122,452
General Supplies	219,737	13,874	233,611	171,404	62,207
Textbooks	22,755	(19,862)	2,893	99	2,794
Other Objects	3,212		3,212	826	2,386
Total Regular Programs - Instruction	<u>4,650,915</u>	<u>168,998</u>	<u>4,819,913</u>	<u>4,587,826</u>	<u>232,087</u>
Special Education - Instruction:					
Multiple Disabilities:					
Salaries of Teachers	144,326	41,272	185,598	182,112	3,486
Other Salaries for Instruction	7,500		7,500	3,842	3,658
Other Purchased Services (400-500 Series)	300	245	545	545	
General Supplies	4,350	(1,032)	3,318	3,215	103
Textbooks	800	(103)	697	697	
Total Multiple Disabilities	<u>157,276</u>	<u>40,382</u>	<u>197,658</u>	<u>189,714</u>	<u>7,944</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Resource Room/Resource Center:					
Salaries of Teachers	\$ 815,163		\$ 815,163	\$ 804,210	\$ 10,953
Other Salaries for Instruction	29,466	(84)	29,382	27,174	2,208
General Supplies		84	84	84	
Total Resource Room/Resource Center	844,629		844,629	831,468	13,161
Total Special Education Instruction	1,001,905	40,382	1,042,287	1,021,182	21,105
Bilingual Education - Instruction:					
General Supplies		2,000	2,000	1,098	902
Total Bilingual Education - Instruction		2,000	2,000	1,098	902
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	188,994	(671)	188,323	186,836	1,487
Purchased Services (300-500 Series)	12,446	(995)	11,451	7,248	4,203
Supplies and Materials	4,900	(2,505)	2,395	2,395	
Other Objects	12,700	671	13,371	13,371	
Total School-Sponsored Cocurricular Activities - Instruction	219,040	(3,500)	215,540	209,850	5,690
School-Sponsored Athletics - Instruction:					
Salaries	632,086	5,613	637,699	628,123	9,576
Purchased Services (300-500 Series)	55,373	24,701	80,074	69,514	10,560
Supplies and Materials	95,538	8,270	103,808	84,960	18,848
Other Objects	25,804		25,804	23,644	2,160
Transfer to Cover Deficit (Agency Funds)	53,174	(9,000)	44,174	40,000	4,174
Total School-Sponsored Athletics - Instruction	861,975	29,584	891,559	846,241	45,318
Total Instruction	6,733,835	237,464	6,971,299	6,666,197	305,102

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within State - Special	\$ 67,500	\$ (53,337)	\$ 14,163	\$ 14,163	\$ 49,770
Tuition to County Vocational School District - Regular	912,272	(844,785)	67,487	17,717	25,497
Tuition to CSSD & Regular Day Schools	81,000	831,272	912,272	886,775	81,455
Tuition to Private Schools for the Handicapped - Within State	322,318	(240,863)	81,455	81,455	198,836
Tuition to Private Schools for the Handicapped - Outside the State		271,853	271,853	198,836	148,284
Total Undistributed Expenditures - Instruction	<u>1,383,090</u>	<u>(35,860)</u>	<u>1,347,230</u>	<u>1,198,946</u>	
Health Services:					
Salaries	158,265	14,996	173,261	173,261	
Purchased Professional and Technical Services	22,175	(7,311)	14,864	14,864	
Other Purchased Services (400-500 Series)	8,400	(372)	8,028	8,028	
Supplies and Materials	23,145	2,395	25,540	12,031	13,509
Other Objects	250	(165)	85	85	
Total Health Services	<u>212,235</u>	<u>9,543</u>	<u>221,778</u>	<u>208,269</u>	<u>13,509</u>
Other Support Services - Speech, OT, PT and Related Services:					
Salaries	74,098	(2,568)	71,530	71,338	192
Purchased Professional - Educational Services	43,500	10,222	53,722	53,363	359
Supplies and Materials	350	385	735	735	
Total Other Support Services - Speech, OT, PT and Related Services	<u>117,948</u>	<u>8,039</u>	<u>125,987</u>	<u>125,436</u>	<u>551</u>
Other Support Services - Students - Extraordinary Services:					
Salaries	427,504	(63,091)	364,413	291,981	72,432
Supplies and Materials	14,000		14,000	5,348	8,652
Total Other Support Services - Students - Extraordinary Services	<u>441,504</u>	<u>(63,091)</u>	<u>378,413</u>	<u>297,329</u>	<u>81,084</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Other Support Services - Guidance:	\$ 424,593	\$ 8,588	\$ 433,181	\$ 433,181	
Salaries of Other Professional Staff	95,466	(175)	95,291	89,902	\$ 5,389
Salaries of Secretarial and Clerical Assistants	20,000		20,000	14,790	5,210
Other Salaries	750	2,775	3,525	3,350	175
Purchased Professional - Educational Services	47,000	3,050	50,050	47,992	2,058
Other Purchased Professional and Technical Services	8,250	3,850	12,100	8,463	3,637
Other Purchased Services (400-500 Series)	4,000		4,000	2,265	1,735
Supplies and Materials	500		500	278	222
Other Objects					
<b>Total Other Support Services - Guidance</b>	<b>600,559</b>	<b>18,088</b>	<b>618,647</b>	<b>600,221</b>	<b>18,426</b>
<b>Other Support Services - Child Study Team:</b>					
Salaries of Other Professional Staff	436,251	9,940	446,191	443,800	2,391
Salaries of Secretarial and Clerical Assistants	45,681	586	46,267	46,267	
Other Salaries	10,000	1,747	11,747	11,747	
Purchased Professional - Educational Services	8,500	(1,747)	6,753	1,750	5,003
Purchased Professional - Technical Services	2,200	1,500	3,700	3,245	455
Other Purchased Services (400-500 Series)	10,000	2,707	12,707	12,706	1
Miscellaneous Purchased Services (400-500 series)	3,400	(677)	2,723	663	2,060
Supplies and Materials	2,599	466	3,065	2,541	524
Other Objects	2,000	(1,180)	820	820	
<b>Total Other Support Services - Child Study Team</b>	<b>520,631</b>	<b>13,342</b>	<b>533,973</b>	<b>523,539</b>	<b>10,434</b>
<b>Improvement of Instructional Services:</b>					
Salaries of Supervisor of Instruction	434,716	(53,261)	381,455	183,074	198,381
Salaries of Other Professional Staff	20,440	2,379	22,819	15,875	6,944
Salaries of Secretarial and Clerical Assistants	47,733		47,733	46,445	1,288
Other Purchased Services (400-500 series)	18,313		18,313	13,177	5,136
Supplies and Materials	2,025	(467)	1,558	658	900
Other Objects	1,640	129	1,769	1,769	
<b>Total Improvement of Instructional Services</b>	<b>524,867</b>	<b>(51,220)</b>	<b>473,647</b>	<b>260,998</b>	<b>212,649</b>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Educational Media Services/School Library:					
Salaries	\$ 150,782	\$ 4,516	\$ 155,298	\$ 155,298	
Salaries of Technology Coordinators	227,840	(5,325)	222,515	222,515	
Purchased Professional and Technical Services	3,000	(410)	2,590	2,238	\$ 352
Other Purchased Services (400-500 series)	1,000		1,000	317	683
Supplies and Materials	32,325	(722)	31,603	31,233	370
Other Objects	100		100	100	100
<b>Total Educational Media Services/School Library</b>	<b>415,047</b>	<b>(1,941)</b>	<b>413,106</b>	<b>411,601</b>	<b>1,505</b>
Instructional Staff Training Services:					
Purchased Professional - Educational Services	4,025		4,025	2,068	1,957
Other Purchased Services (400-500 Series)	20,220	(3,850)	16,370	2,773	13,597
Supplies and Materials	1,624		1,624	245	1,379
<b>Total Instructional Staff Training Services</b>	<b>25,869</b>	<b>(3,850)</b>	<b>22,019</b>	<b>5,086</b>	<b>16,933</b>
Support Services - General Administration:					
Salaries	207,351	(3,721)	203,630	203,630	
Legal Services	40,000	11,189	51,189	51,189	
Audit Fees	32,000	(4,500)	27,500	27,500	
Architectural/Engineering Services	11,439	(6,065)	5,374	5,374	
Other Purchased Professional Services	18,535	37,273	55,808	55,807	1
Communications/Telephone	33,356	(7,258)	26,098	26,098	
BOE Other Purchased Services	9,150	(6,535)	2,615	2,615	
Miscellaneous Purchased Services (400-500 Series)	64,519	(5,045)	59,474	58,178	1,296
General Supplies	7,600	900	8,500	8,430	70
BOE In-house Training/Meeting Supplies	2,500		2,500	1,887	613
Judgement Against the Board		30,405	30,405	30,405	
Miscellaneous Expenditures	5,750	(3,331)	2,419	2,419	
BOE Membership Dues and Fees	10,255	913	11,168	10,995	173
<b>Total Support Services - General Administration</b>	<b>442,455</b>	<b>44,225</b>	<b>486,680</b>	<b>484,527</b>	<b>2,153</b>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	\$ 256,270		\$ 256,270	\$ 256,270	
Salaries of Secretarial and Clerical Assistants	143,199	\$ (8,009)	135,190	135,190	
Other Salaries	5,000		5,000	5,000	
Purchased Professional and Technical Services	3,000	6,025	9,025	9,025	
Other Purchased Services (400-500 Series)	5,525	5	5,530	5,530	
Supplies and Materials	19,200	(3,141)	16,059	16,059	
Other Objects	3,640	(1,591)	2,049	2,049	
<b>Total Support Services - School Administration</b>	<b>435,834</b>	<b>(6,711)</b>	<b>429,123</b>	<b>429,123</b>	
<b>Central Services:</b>					
Salaries	275,028	1,746	276,774	276,613	\$ 161
Purchased Professional Services	16,500	158	16,658	16,658	
Purchased Technical Services	24,525	(2,848)	21,677	17,961	3,716
Miscellaneous Purchased Services (400-500 Series)	5,100	1,700	6,800	6,391	409
Supplies and Materials	6,700	(622)	6,078	6,078	
Interest on Lease Purchase Agreements	15,417		15,417	15,417	
Miscellaneous Expenditures	1,770		1,770	1,210	560
<b>Total Central Services</b>	<b>345,040</b>	<b>134</b>	<b>345,174</b>	<b>340,328</b>	<b>4,846</b>
<b>Administrative Information Technology:</b>					
Salaries	127,658	9,377	137,035	137,035	
Other Purchased Services (400-500 Series)	1,500	(998)	502	502	
Supplies and Materials	1,100	190	1,290	873	417
<b>Total Administrative Information Technology</b>	<b>130,258</b>	<b>8,569</b>	<b>138,827</b>	<b>138,410</b>	<b>417</b>



DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Required Maintenance of School Facilities:					
Salaries	\$ 182,210	\$ (8,681)	\$ 173,529	\$ 173,529	\$ 130,750
Cleaning, Repair and Maintenance Services	165,750	225,098	390,848	260,098	
Lead Testing of Drinking Water		765	765	765	
General Supplies	54,954	(33,291)	21,663	21,663	
Other Objects	3,000	(1,360)	1,640	1,640	
Total Required Maintenance of School Facilities	405,914	182,531	588,445	457,695	130,750
Custodial Services:					
Salaries	374,847	13,800	388,647	386,322	2,325
Purchased Professional and Technical Services	5,000	(5,000)			
Cleaning, Repair and Maintenance Services	23,300	(10,454)	12,846	12,846	
Other Purchased Property Services	53,200	(1,977)	51,223	45,151	6,072
Insurance	70,000	1,635	71,635	71,305	330
Miscellaneous Purchased Services	1,000	1,366	2,366	2,366	
General Supplies	69,385	11,297	80,682	74,813	5,869
Energy (Electricity)	235,160	(27,462)	207,698	189,022	18,676
Energy (Natural Gas)	1,000		1,000	105	895
Energy (Oil)	200,000	(87,635)	112,365	85,686	26,679
Other Objects	825	1,158	1,983	1,983	
Total Custodial Services	1,033,717	(103,272)	930,445	869,599	60,846
Care and Upkeep of Grounds:					
Salaries	101,796	(10,046)	91,750	91,750	
Cleaning, Repair and Maintenance Services	21,363	34,777	56,140	25,540	30,600
General Supplies	32,000	(7,403)	24,597	21,675	2,922
Total Care and Upkeep of Grounds	155,159	17,328	172,487	138,965	33,522

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Security:					
Purchased Professional and Technical Services	\$ 8,200		\$ 8,200	\$ 5,069	\$ 3,131
Cleaning, Repair and Maintenance Services	20,000	(12,539)	7,461	3,900	3,561
General Supplies	7,200	2,854	10,054	2,641	7,413
Total Security	35,400	(9,685)	25,715	11,610	14,105
Student Transportation Services:					
Contracted Services:					
Aid in Lieu Payments - Nonpublic School Students	19,448	(8,840)	10,608	10,608	
Aid in Lieu Payments - Choice School Students	2,652	2,780	5,432	5,431	1
Other than Between Home and School - Vendors	142,000	(10,599)	131,401	131,401	
Regular Students - ESC & CTASAs	710,796	55,736	766,532	766,532	
Special Education Students - ESC & CTASAs	385,000	(31,577)	353,423	353,423	
Total Student Transportation Services	1,259,896	7,500	1,267,396	1,267,395	1
Unallocated Benefits:					
Group Insurance	300	39	339	339	
Social Security Contributions	255,000	(39)	254,961	251,717	3,244
Other Retirement Contribution - PERS	254,000	37,736	291,736	291,736	
Unemployment Compensation	1,000		1,000		1,000
Workmen's Compensation	120,000	(5,280)	114,720	104,613	10,107
Health Benefits	2,547,197	(170,987)	2,376,210	1,804,441	571,769
Tuition Reimbursement	30,000		30,000	25,943	4,057
Other Employee Benefits	242,765	3,951	246,716	246,716	
Unused Sick Pay Retirees		20,000	20,000	20,000	
Total Unallocated Benefits	3,450,262	(114,580)	3,335,682	2,745,505	590,177

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
On-Behalf TPAF Pension Contributions (Non-Budgeted)				\$ 697,303	\$ (697,303)
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				25,265	(25,265)
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				602,064	(602,064)
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				1,166	(1,166)
Reimbursed TPAF Social Security Contributions (non-budgeted)				504,753	(504,753)
Total On-Behalf and Reimbursed Contributions				1,830,551	(1,830,551)
Total Undistributed Expenses	\$ 11,935,685	\$ (80,911)	\$ 11,854,774	12,345,133	(490,359)
<b>TOTAL GENERAL CURRENT EXPENSE</b>	18,669,520	156,553	18,826,073	19,011,330	(185,257)
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Grades 9-12	11,580	24,835	36,415	14,510	21,905
Central Services		2,218	2,218		2,218
Administrative Information Technology		166,946	166,946	166,946	
Care and Upkeep of Grounds		6,000	6,000	6,000	
Custodial Services		19,422	19,422	19,422	
Undistributed Expenditures - Non-Inst. Serv.		6,694	6,694		6,694
Total Equipment	11,580	226,115	237,695	206,878	30,817
Facilities Acquisition and Construction Services:					
Lease Purchase Agreements - Principal	311,508		311,508	311,508	
Assessment for Debt Service on SDA Funding	26,981		26,981	26,981	
Total Facilities Acquisition and Construction Services	338,489		338,489	338,489	
<b>TOTAL CAPITAL OUTLAY</b>	350,069	226,115	576,184	545,367	30,817
<b>TOTAL EXPENDITURES</b>	19,019,589	382,668	19,402,257	19,556,697	(154,440)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(372,735)	(382,668)	(755,403)	1,049,288	1,804,691

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Uses:					
Transfers Out:					
Transfers to Food Service Fund - To Cover Deficit		\$ (10,000)	\$ (10,000)	\$ (8,013)	\$ 1,987
Transfers from Capital Reserve to Capital Projects Fund		(982,925)	(982,925)	(982,925)	
Total Other Financing Uses		(992,925)	(992,925)	(990,938)	1,987
Excess (Deficiency) of Revenues					
Over (Under) Expenditures and Other Financing Uses	\$ (372,735)	(1,375,593)	(1,748,328)	58,350	1,806,678
Fund Balance, July 1	2,416,280		2,416,280	2,416,280	
Fund Balance, June 30	<u>\$ 2,043,545</u>	<u>\$ (1,375,593)</u>	<u>\$ 667,952</u>	<u>\$ 2,474,630</u>	<u>\$ 1,806,678</u>

Recapitulation:

Restricted:

Capital Reserve

Maintenance Reserve

Emergency Reserve

Assigned:

Year-End Encumbrances

Designated for Subsequent Year's Expenditures

Unassigned

	\$ 806,865
	208,300
	250,000
	294,325
	406,180
	508,960
	<u>2,474,630</u>

Reconciliation to Governmental Funds Statements (GAAP):

Last State Aid Payments not Recognized on GAAP Basis

Fund Balance per Governmental Funds (GAAP)

	(397,885)
	<u>\$ 2,076,745</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources		\$ 27,063	\$ 27,063	\$ 10,390	\$ (16,673)
State Sources		237,858	237,858	57,529	(180,329)
Federal Sources	\$ 183,989	28,212	212,201	208,667	(3,534)
<b>Total Revenues</b>	<b>183,989</b>	<b>293,133</b>	<b>477,122</b>	<b>276,586</b>	<b>(200,536)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries	16,068	113,289	129,357	64,561	64,796
Tuition	157,961	17,944	175,905	175,905	
Other Purchased Services		1,225	1,225	225	1,000
General Supplies		14,289	14,289	10,698	3,591
Other Objects		85	85		85
<b>Total Instruction</b>	<b>174,029</b>	<b>146,832</b>	<b>320,861</b>	<b>251,389</b>	<b>69,472</b>
Support Services:					
Salaries		57,454	57,454	9,362	48,092
Personal Services - Employee Benefits		42,170	42,170	4,902	37,268
Other Purchased Services	9,960	46,677	56,637	10,933	45,704
<b>Total Support Services</b>	<b>9,960</b>	<b>146,301</b>	<b>156,261</b>	<b>25,197</b>	<b>131,064</b>
<b>Total Expenditures</b>	<b>\$ 183,989</b>	<b>\$ 293,133</b>	<b>\$ 477,122</b>	<b>\$ 276,586</b>	<b>\$ 200,536</b>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 20,605,985	\$ 276,586
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue While the GAAP Basis Does Not		
Prior Year Encumbrances		5,232
Current Year Encumbrances		(404)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	393,833	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(397,885)	
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	 \$ 20,601,933	 \$ 281,414
 Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 19,556,697	\$ 276,586
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:		
Prior Year Encumbrances		5,232
Current Year Encumbrances		(404)
 Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 \$ 19,556,697	 \$ 281,414

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2017 was submitted to the County office and was approved by a vote by the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Budgets/Budgetary Control:

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

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

SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)



SPECIAL REVENUE FUND

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	No Child Left Behind		I.D.E.A.	Vocational	Other	Totals
	Title I	Title II, Part A	Part B, Basic	State Shared Grant	Local Grants	June 30, 2017
<b>REVENUE:</b>						
Local Sources					\$ 10,390	\$ 10,390
State Sources	\$ 21,586	\$ 10,933	\$ 175,905	\$ 57,529		57,529
Federal Sources						208,667
<b>Total Revenue</b>	<b>21,586</b>	<b>10,933</b>	<b>175,905</b>	<b>57,529</b>	<b>10,390</b>	<b>276,586</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries	19,496		175,905	45,065		64,561
Tuition						175,905
Other Purchased Services					225	225
General Supplies	2,090				8,365	10,698
<b>Total Instruction</b>	<b>21,586</b>	<b>243</b>	<b>175,905</b>	<b>45,065</b>	<b>8,590</b>	<b>251,389</b>
Support Services:						
Salaries				7,562	1,800	9,362
Personal Services - Employee Benefits				4,902		4,902
Other Purchased Services		10,933				10,933
<b>Total Support Services</b>	<b></b>	<b>10,933</b>	<b></b>	<b>12,464</b>	<b>1,800</b>	<b>25,197</b>
<b>Total Expenditures</b>	<b>\$ 21,586</b>	<b>\$ 10,933</b>	<b>\$ 175,905</b>	<b>\$ 57,529</b>	<b>\$ 10,390</b>	<b>\$ 276,586</b>

CAPITAL PROJECTS FUND

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Revenue and Other Financing Sources:	
Transfer from Capital Reserve	\$ 982,925
State Sources - SDA Grant	655,283
Contribution from Private Source	<u>126,250</u>
Total Revenue and Other Financing Sources	<u>1,764,458</u>
Expenditures:	
Legal Services	34,705
Architectural Services	103,657
Construction Services	1,286,519
Other Purchased Services	1,681
Supplies and Materials	<u>5,151</u>
Total Expenditures	<u>1,431,713</u>
Excess of Revenue and Other Financing Sources Over Expenditures	332,745
Fund Balance - Beginning Balance (Restated)	<u>1,769,231</u>
Fund Balance - Ending Balance	<u>\$ 2,101,976</u>
<u>Recapitulation of Fund Balance:</u>	
Committed Fund Balance (Budgetary Basis)	\$ 2,101,976
Reconciliation to Governmental Funds Statements (GAAP):	
SDA Grant Receivable not Recognized on GAAP Basis	<u>(1,938,588)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 163,388</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE PROJECT OF REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS - BUDGETARY BASIS  
WINDOW REPLACEMENT PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
Lease Proceeds	\$ 1,562,654		\$ 1,562,654	\$ 1,562,654
State Sources - SDA Grant	1,041,770		1,041,770	1,041,770
Total Revenue and Other Financing Sources	2,604,424		2,604,424	2,604,424
Expenditures:				
Legal Services	12,765	\$ 1,411	14,176	14,175
Architectural Services	150,899	33,963	184,862	184,862
Construction Services	873,847	1,156,189	2,030,036	2,376,690
Other Purchased Services	2,727		2,727	2,727
Supplies and Materials	20,818	5,151	25,969	25,970
Total Expenditures	1,061,056	1,196,714	2,257,770	2,604,424
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 1,543,368	\$ (1,196,714)	\$ 346,654	\$ - 0 -

**Additional Project Information:**

Project Number	1050-040-14-1002
Grant Date	2/4/2015
Bond Authorization Date	N/A
Original Authorized Cost	\$ 2,604,424
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	87%
Original Target Completion Date	9/1/2015
Revised Target Completion Date	12/1/2017

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE PROJECT OF REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS - BUDGETARY BASIS  
POTABLE WELL REPLACEMENT PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 141,668		\$ 141,668	\$ 141,668
State Sources - SDA Grant	94,445		94,445	94,445
Total Revenue and Other Financing Sources	236,113		236,113	236,113
Expenditures:				
Legal Services				4,906
Architectural Services		\$ 12,218	12,218	17,658
Construction Services	10,250	9,614	19,864	210,455
Other Purchased Services		1,025	1,025	3,094
Total Expenditures	10,250	22,857	33,107	236,113
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 225,863	\$ (22,857)	\$ 203,006	\$ - 0 -

**Additional Project Information:**

Project Number	1050-040-14-1005
Grant Date	4/4/2015
Bond Authorization Date	N/A
Original Authorized Cost	\$ 236,113
Revised Authorized Cost	\$ 236,113
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	14%
Original Target Completion Date	9/1/2017
Revised Target Completion Date	11/1/2017

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE PROJECT OF REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS - BUDGETARY BASIS  
AUDITORIUM HVAC REPLACEMENT PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 982,925	\$ 982,925	\$ 982,925
State Sources - SDA Grant		655,283	655,283	655,283
<b>Total Revenue and Other Financing Sources</b>		<b>1,638,208</b>	<b>1,638,208</b>	<b>1,638,208</b>
Expenditures:				
Legal Services		53	53	15,000
Architectural Services		39,671	39,671	130,753
Construction Services		59,966	59,966	1,491,455
Other Purchased Services		656	656	1,000
<b>Total Expenditures</b>		<b>100,346</b>	<b>100,346</b>	<b>1,638,208</b>
<b>Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures</b>	<b>\$ - 0 -</b>	<b>\$ 1,537,862</b>	<b>\$ 1,537,862</b>	<b>\$ - 0 -</b>

**Additional Project Information:**

Project Number	1050-040-14-1006
Grant Date	8/18/2016
Bond Authorization Date	N/A
Original Authorized Cost	\$ 1,638,208
Revised Authorized Cost	\$ 1,638,208
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	6%
Original Target Completion Date	10/31/2017

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE PROJECT OF REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS - BUDGETARY BASIS  
SOLAR PROJECT BUYBACK PROGRAM  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
Private Contribution		\$ 126,250	\$ 126,250	\$ 126,250
Total Revenue and Other Financing Sources		126,250	126,250	126,250
Expenditures:				
Legal Services		33,241	33,241	39,000
Architectural Services		17,805	17,805	26,500
Construction Services		60,750	60,750	60,750
Total Expenditures		111,796	111,796	126,250
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ - 0 -	\$ 14,454	\$ 14,454	\$ - 0 -

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Original Authorized Cost	\$ 126,250
Change Orders	\$ - 0 -
Revised Authorized Cost	\$ 126,250
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	6/30/2017



PROPRIETARY FUNDS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
ENTERPRISE FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2017

	<u>Major Fund</u>	<u>Non-Major Funds</u>		<u>Total</u>	<u>Total</u>
	<u>Transportation Service Fund</u>	<u>Food Service Fund</u>	<u>Technology Service Fund</u>	<u>Non-Major Funds</u>	
<b>ASSETS:</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 1,796,722	\$ 2,979	\$ 14,978	\$ 17,957	\$1,814,679
Intergovernmental Accounts Receivable:					
State		60		60	60
Federal		1,349		1,349	1,349
Other	191,133				191,133
Interfund Receivable		4,327		4,327	4,327
Inventories		8,654		8,654	8,654
Total Current Assets	<u>1,987,855</u>	<u>17,369</u>	<u>14,978</u>	<u>32,347</u>	<u>2,020,202</u>
Non-Current Assets:					
Capital Assets:					
Depreciable Buildings and Building Improvements, Furniture, Equipment, Buses, and Other Vehicles	5,165,356	197,706		197,706	5,363,062
Less: Accumulated Depreciation	<u>(2,665,289)</u>	<u>(168,256)</u>		<u>(168,256)</u>	<u>(2,833,545)</u>
Total Non-Current Assets	<u>2,500,067</u>	<u>29,450</u>		<u>29,450</u>	<u>2,529,517</u>
Total Assets	<u>4,487,922</u>	<u>46,819</u>	<u>14,978</u>	<u>61,797</u>	<u>4,549,719</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Changes in Assumptions - Pensions	719,384		126,950	126,950	846,334
Changes in Proportions - Pensions	262,507		46,325	46,325	308,832
Difference Between Expected and Actual					
Interest Earnings - Pensions	132,422		23,369	23,369	155,791
Difference Between Expected and Actual					
Experience - Pensions	64,584		11,397	11,397	75,981
District Contribution Subsequent to the Measurement Date - Pensions	<u>105,630</u>		<u>18,641</u>	<u>18,641</u>	<u>124,271</u>
Total Deferred Outflows of Resources	<u>1,284,527</u>		<u>226,682</u>	<u>226,682</u>	<u>1,511,209</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
Accounts Payable	119,430		18,641	18,641	138,071
Unearned Revenue - Prepaid Balances		5,519		5,519	5,519
Unearned Revenue - Donated Commodities		1,594		1,594	1,594
Total Current Liabilities	<u>119,430</u>	<u>7,113</u>	<u>18,641</u>	<u>25,754</u>	<u>145,184</u>
Long-Term Liabilities:					
Capital Leases - Due Within One Year	244,350				244,350
Capital Leases - Due Beyond One Year	610,234				610,234
Compensated Absences - Due Beyond One Year	82,037				82,037
Net Pension Liability - Due Beyond One Year	<u>3,472,828</u>		<u>612,852</u>	<u>612,852</u>	<u>4,085,680</u>
Total Long-Term Liabilities	<u>4,409,449</u>		<u>612,852</u>	<u>612,852</u>	<u>5,022,301</u>
Total Liabilities	<u>4,528,879</u>	<u>7,113</u>	<u>631,493</u>	<u>638,606</u>	<u>5,167,485</u>
<b>NET POSITION:</b>					
Net Investment in Capital Assets	1,645,483	29,450		29,450	1,674,933
Unrestricted/(Deficit)	<u>(401,913)</u>	<u>10,256</u>	<u>(389,833)</u>	<u>(379,577)</u>	<u>(781,490)</u>
Total Net Position/(Deficit)	<u>\$ 1,243,570</u>	<u>\$ 39,706</u>	<u>\$ (389,833)</u>	<u>\$ (350,127)</u>	<u>\$ 893,443</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
ENTERPRISE FUNDS  
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Major Fund</u>	<u>Non-Major Funds</u>		<u>Total</u>	
	<u>Transportation</u>	<u>Food Service</u>	<u>Technology</u>	<u>Non-Major</u>	<u>Total</u>
	<u>Service Fund</u>	<u>Fund</u>	<u>Service Fund</u>	<u>Funds</u>	<u>Total</u>
Operating Revenue:					
Local Sources:					
Daily Sales - Reimbursable Programs		\$ 147,527		\$ 147,527	\$ 147,527
Daily Sales - Non-Reimbursable programs		136,690		136,690	136,690
Charges and Program Fees	\$ 4,397,780		\$ 222,500	222,500	4,620,280
Total Operating Revenue	4,397,780	284,217	222,500	506,717	4,904,497
Operating Expenses:					
Cost of Sales - Reimbursable Programs		79,763		79,763	79,763
Cost of Sales - Non-Reimbursable Programs		76,293		76,293	76,293
Salaries, Benefits & Payroll Taxes	2,545,838	159,140	313,704	472,844	3,018,682
Supplies and Materials	170,618		295	295	170,913
Management Fee		8,924		8,924	8,924
Other Purchased Services	317,183				317,183
Miscellaneous Expenses	1,758	15,106		15,106	16,864
Interest Expense on Capital Leases	12,704				12,704
Gasoline	265,258				265,258
Depreciation Expense	259,327	8,032		8,032	267,359
Total Operating Expenses	3,572,686	347,258	313,999	661,257	4,233,943
Operating Income/(Loss)	825,094	(63,041)	(91,499)	(154,540)	670,554
Non-Operating Income:					
Local Sources:					
Interest Income		162		162	162
State Sources:					
State School Lunch Program		1,711		1,711	1,711
Federal Sources:					
National School Lunch Program		28,530		28,530	28,530
School Breakfast Program		4,774		4,774	4,774
Food Distribution Program		10,357		10,357	10,357
Total Non-Operating Income		45,534		45,534	45,534
Change in Net Position before Transfers	825,094	(17,507)	(91,499)	(109,006)	716,088
Transfers In - General Fund		8,013		8,013	8,013
Change in Net Position	825,094	(9,494)	(91,499)	(100,993)	724,101
Net Position/(Deficit) - Beginning of Year (Restated)	418,476	49,200	(298,334)	(249,134)	169,342
Net Position/(Deficit) - End of Year	\$ 1,243,570	\$ 39,706	\$ (389,833)	\$ (350,127)	\$ 893,443

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
ENTERPRISE FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Major Fund</u>	<u>Non-Major Funds</u>		<u>Total</u>	<u>Total</u>
	<u>Transportation Service Fund</u>	<u>Food Service Fund</u>	<u>Technology Service Fund</u>	<u>Non-Major Funds</u>	
<b>Cash Flows from Operating Activities:</b>					
Receipts from Customers	\$ 4,993,735	\$ 284,217	\$ 222,500	\$ 506,717	\$ 5,500,452
Payments to/for Employees	(2,592,124)		(222,228)	(222,228)	(2,814,352)
Payments to Vendors	(816,295)	(307,546)	(1,257)	(308,803)	(1,125,098)
Payments for Miscellaneous Expenses		(23,993)		(23,993)	(23,993)
<b>Net Cash Provided by/(Used for) Operating Activities</b>	<b>1,585,316</b>	<b>(47,322)</b>	<b>(985)</b>	<b>(48,307)</b>	<b>1,537,009</b>
<b>Cash Flows from Investing Activities:</b>					
Interest Income		162		162	162
<b>Net Cash Provided by Investing Activities</b>		<b>162</b>		<b>162</b>	<b>162</b>
<b>Cash Flows from Noncapital Financing Activities:</b>					
Transfer In - General Fund		8,013		8,013	8,013
Federal Reimbursements in Food Service Fund		32,797		32,797	32,797
State Reimbursements in Food Service Fund		1,723		1,723	1,723
<b>Net Cash Provided by Noncapital Financing Activities</b>		<b>42,533</b>		<b>42,533</b>	<b>42,533</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Capital Lease Principal Payments	(335,281)				(335,281)
<b>Net Cash Used for Capital and Related Financing Activities</b>	<b>(335,281)</b>				<b>(335,281)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>1,250,035</b>	<b>(4,627)</b>	<b>(985)</b>	<b>(5,612)</b>	<b>1,244,423</b>
Cash and Cash Equivalents, July 1	546,687	7,606	15,963	23,569	570,256
Cash and Cash Equivalents, June 30	<u>\$ 1,796,722</u>	<u>\$ 2,979</u>	<u>\$ 14,978</u>	<u>\$ 17,957</u>	<u>\$ 1,814,679</u>
<b>Reconciliation of Operating Income/(Loss) to</b>					
<b>Net Cash Provided By/(Used for) Operating Activities:</b>					
Operating Income/(Loss)	\$ 825,094	\$ (63,041)	\$ (91,499)	\$ (154,540)	\$ 670,554
<b>Adjustment to Reconcile Operating Income/(Loss) to Cash</b>					
<b>Provided by/(Used for) Operating Activities:</b>					
Depreciation	259,327	8,032		8,032	267,359
Food Distribution Program		10,357		10,357	10,357
<b>Changes in Assets and Liabilities:</b>					
(Increase) in Inventory		(3,609)		(3,609)	(3,609)
Decrease in Other Accounts Receivable	431,887				431,887
Decrease in Intergovernmental Accounts Receivable - Other	127,570				127,570
Increase in Net Pension Liability	453,122		210,224	210,224	663,346
(Increase) in Change in Assumptions - Pensions	(395,091)		(83,711)	(83,711)	(478,802)
(Increase)/Decrease in Change in Proportions - Pensions	59,405		(3,403)	(3,403)	56,002
(Increase)/Decrease in Difference Between Expected and Actual Experience - Pensions	7,456		(1,792)	(1,792)	5,664
(Increase) in Difference Between Projected and Actual Actual Interest Earnings - Pensions	(180,973)		(29,842)	(29,842)	(210,815)
(Increase)/Decrease in District Contributions Subsequent to the Measurement Date	16,923		(2,301)	(2,301)	14,622
Increase/(Decrease) in Accounts Payable	(20,707)		1,339	1,339	(19,368)
Increase in Compensated Absences Payable	1,323				1,323
Increase/(Decrease) in Unearned Revenue	(20)	939		939	919
<b>Net Cash Provided by/(Used for) Operating Activities</b>	<b>\$ 1,585,316</b>	<b>\$ (47,322)</b>	<b>\$ (985)</b>	<b>\$ (48,307)</b>	<b>\$ 1,537,009</b>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received USDA Donated Commodities through the Food Distribution Program valued at \$10,669 and utilized \$10,357 for the fiscal year ended June 30, 2017.

FIDUCIARY FUNDS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2017

	<u>Agency Funds</u>	<u>Payroll</u>	<u>Total Agency</u>	<u>Flexible Spending Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>	<u>Totals</u>
<u>ASSETS:</u>							
Cash and Cash Equivalents	\$ 102,554	\$ 301,637	\$ 404,191	\$ 4,640	\$ 120,309	\$ 38,371	\$ 567,511
Interfund Receivable - Payroll Agency Fund					17,509		17,509
Total Assets	<u>102,554</u>	<u>301,637</u>	<u>404,191</u>	<u>4,640</u>	<u>137,818</u>	<u>38,371</u>	<u>585,020</u>
<u>LIABILITIES:</u>							
Payroll Deductions and Withholdings		38,208	38,208				38,208
Accrued Salaries and Wages		240,920	240,920				240,920
Due to Student Groups	102,554		102,554				102,554
Interfund Payable - Unemployment Compensation Trust Fund		17,509	17,509				17,509
Interfund Payable - General Fund		5,000	5,000				5,000
Total Liabilities	<u>102,554</u>	<u>301,637</u>	<u>404,191</u>				<u>404,191</u>
<u>NET POSITION:</u>							
Held in Trust for:				4,640			
Flexible Spending Claims							4,640
Unemployment Claims					137,818		137,818
Scholarships						38,371	38,371
Total Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 4,640</u>	<u>\$ 137,818</u>	<u>\$ 38,371</u>	<u>\$ 180,829</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Flexible Spending Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>
ADDITIONS:			
Contributions:			
Plan Members	\$ 31,544	\$ 22,441	
Donations			\$ 9,250
Total Contributions	<u>31,544</u>	<u>22,441</u>	<u>9,250</u>
Investment Earnings:			
Interest	<u>28</u>	<u>620</u>	<u>194</u>
Net Investment Earnings	<u>28</u>	<u>620</u>	<u>194</u>
Total Additions	<u>31,572</u>	<u>23,061</u>	<u>9,444</u>
DEDUCTIONS:			
Unemployment Compensation Claims		33,974	
Flexible Spending Claims	33,855		
Scholarship Payments			<u>10,813</u>
Total Deductions	<u>33,855</u>	<u>33,974</u>	<u>10,813</u>
Change in Net Position	(2,283)	(10,913)	(1,369)
Net Position - Beginning of the Year	<u>6,923</u>	<u>148,731</u>	<u>39,740</u>
Net Position - End of the Year	<u>\$ 4,640</u>	<u>\$ 137,818</u>	<u>\$ 38,371</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 111,989	\$ 292,506	\$ 301,941	\$ 102,554
Total Assets	<u>\$ 111,989</u>	<u>\$ 292,506</u>	<u>\$ 301,941</u>	<u>\$ 102,554</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 111,989	\$ 292,506	\$ 301,941	\$ 102,554
Total Liabilities	<u>\$ 111,989</u>	<u>\$ 292,506</u>	<u>\$ 301,941</u>	<u>\$ 102,554</u>



DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2017</u>
Regional High School:				
Student Activities	\$ 111,470	\$ 226,738	\$ 243,077	\$ 95,131
Athletic Activities	519	65,768	58,864	7,423
Total All Schools	<u>\$ 111,989</u>	<u>\$ 292,506</u>	<u>\$ 301,941</u>	<u>\$ 102,554</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 223,591	\$ 15,096,809	\$ 15,018,763	\$ 301,637
Total Assets	<u>\$ 223,591</u>	<u>\$ 15,096,809</u>	<u>\$ 15,018,763</u>	<u>\$ 301,637</u>
<u>LIABILITIES:</u>				
Accrued Salaries and Wages	\$ 217,823	\$ 248,518	\$ 225,421	\$ 240,920
Payroll Deductions and Withholdings	768	14,830,782	14,793,342	38,208
Interfund Payable - Unemployment Compensation Trust Fund		17,509		17,509
Interfund Payable - General Fund	<u>5,000</u>			<u>5,000</u>
Total Liabilities	<u>\$ 223,591</u>	<u>\$ 15,096,809</u>	<u>\$ 15,018,763</u>	<u>\$ 301,637</u>

LONG-TERM DEBT

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance July 1, 2016	Retired or Matured	Balance June 30, 2017
			Date	Amount				
2012 Refunding Bonds	4/17/2012	\$ 3,075,000	01/15/18	\$ 535,000	4.00%	\$ 1,585,000	\$ 520,000	\$ 1,065,000
			01/15/19	530,000	4.00%			
						<u>\$ 1,585,000</u>	<u>\$ 520,000</u>	<u>\$ 1,065,000</u>

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

Item	Interest Rate	Original Issue	Balance July 1, 2016	Issued	Matured	Balance June 30, 2017
260 iPad Airs & Network Trafficking Device	1.90%	\$ 189,277	\$ 47,756		\$ 47,756	
260 iPad Airs, Maintenance Equipment, Etc.	1.48%	236,776	177,116		58,172	\$ 118,944
Window Replacement Project	1.55%	1,562,654	955,826		311,508	644,318
			<u>\$ 1,180,698</u>	<u>\$ - 0 -</u>	<u>\$ 417,436</u>	<u>\$ 763,262</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
TRANSPORTATION FUND  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES

Item	Interest Rate	Original Issue	Balance July 1, 2016	Issued	Matured	Balance June 30, 2017
Six 54-Passenger Buses	1.95%	\$ 492,609	\$ 87,818		\$ 87,818	
Eight Thomas 54-Passenger Buses	1.66%	708,717	565,563		137,923	\$ 427,640
Various Transportation Vehicles	1.64%	536,484	536,484		109,540	426,944
			<u>\$ 1,189,865</u>	<u>\$ - 0 -</u>	<u>\$ 335,281</u>	<u>\$ 854,584</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 578,200		\$ 578,200	\$ 578,200	
<b>Total Revenues</b>	<u>578,200</u>		<u>578,200</u>	<u>578,200</u>	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest on Bonds	58,200		58,200	58,200	
Redemption of Principal	520,000		520,000	520,000	
<b>Total Regular Debt Service</b>	<u>578,200</u>		<u>578,200</u>	<u>578,200</u>	
<b>Total Expenditures</b>	<u>578,200</u>		<u>578,200</u>	<u>578,200</u>	
<b>Excess of Revenues Over Expenditures</b>	-0-	\$ -0-	-0-	-0-	\$ -0-
<b>Fund Balance, July 1</b>	-0-		-0-	-0-	-0-
<b>Fund Balance, June 30</b>	<u>-0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

## STATISTICAL SECTION

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

### Contents

### Exhibit

#### **Financial Trends**

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

J-1 thru J-5

#### **Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

#### **Debt Capacity**

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

J-10 thru J-13

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

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

#### **Operating Information**

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

*(accrual basis of accounting)*

	June 30,				
	2008	2009	2010	2011	2012
Governmental Activities:					
Net Investment in Capital Assets	\$ 7,515,354	\$ 8,099,215	\$ 7,870,924	\$ 8,112,333	\$ 8,326,584
Restricted	414,767	409,822	1,180,548	1,018,760	1,079,940
Unrestricted/(Deficit)	344,121	(454,258)	(807,965)	(534,523)	(543,071)
Total Governmental Activities Net Position	<u>\$ 8,274,242</u>	<u>\$ 8,054,779</u>	<u>\$ 8,243,507</u>	<u>\$ 8,596,570</u>	<u>\$ 8,863,453</u>
Business-Type Activities:					
Net Investment in Capital Assets	\$ 1,575,731	\$ 1,448,001	\$ 1,216,045	\$ 994,299	\$ 829,289
Unrestricted/(Deficit)	362,644	505,995	546,074	627,333	780,935
Total Business-Type Activities Net Position/(Deficit)	<u>\$ 1,938,375</u>	<u>\$ 1,953,996</u>	<u>\$ 1,762,119</u>	<u>\$ 1,621,632</u>	<u>\$ 1,610,224</u>
District-Wide:					
Net Investment in Capital Assets	\$ 9,091,085	\$ 9,547,216	\$ 9,086,969	\$ 9,106,632	\$ 9,155,873
Restricted	414,767	409,822	1,180,548	1,018,760	1,079,940
Unrestricted/(Deficit)	706,765	51,737	(261,891)	92,810	237,864
Total District Net Position	<u>\$ 10,212,617</u>	<u>\$ 10,008,775</u>	<u>\$ 10,005,626</u>	<u>\$ 10,218,202</u>	<u>\$ 10,473,677</u>



DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

*(accrual basis of accounting)*

	June 30,				
	2013	2014	2015	2016*	2017
<b>Governmental Activities:</b>					
Net Investment in Capital Assets	\$ 9,145,599	\$ 9,901,929	\$ 9,083,412	\$ 9,474,220	\$ 11,080,078
Restricted	1,233,893	878,685	861,504	1,672,418	1,265,165
Unrestricted/(Deficit)	(256,564)	(7,386,948)	(3,786,616)	(5,418,500)	(6,291,751)
<b>Total Governmental Activities Net Position</b>	<b>\$ 10,122,928</b>	<b>\$ 3,393,666</b>	<b>\$ 6,158,300</b>	<b>\$ 5,728,138</b>	<b>\$ 6,053,492</b>
<b>Business-Type Activities:</b>					
Net Investment in Capital Assets	\$ 763,643	\$ 664,639	\$ 439,400	\$ 1,607,011	\$ 1,674,933
Unrestricted/(Deficit)	719,834	868,033	(1,052,138)	(1,437,669)	(781,490)
<b>Total Business-Type Activities Net Position/(Deficit)</b>	<b>\$ 1,483,477</b>	<b>\$ 1,532,672</b>	<b>\$ (612,738)</b>	<b>\$ 169,342</b>	<b>\$ 893,443</b>
<b>District-Wide:</b>					
Net Investment in Capital Assets	\$ 9,909,242	\$ 10,566,568	\$ 9,522,812	\$ 11,081,231	\$ 12,755,011
Restricted	1,233,893	878,685	861,504	1,672,418	1,265,165
Unrestricted/(Deficit)	463,270	(6,518,915)	(4,838,754)	(6,856,169)	(7,073,241)
<b>Total District Net Position</b>	<b>\$ 11,606,405</b>	<b>\$ 4,926,338</b>	<b>\$ 5,545,562</b>	<b>\$ 5,897,480</b>	<b>\$ 6,946,935</b>

\* - Restated

Source: School District Financial Reports

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2008	2009	2010	2011	2012
Expenses:					
Governmental Activities					
Instruction:					
Regular	\$ 6,123,448	\$ 6,577,636	\$ 6,806,737	\$ 5,921,348	\$ 6,567,284
Special Education	1,539,537	1,624,178	2,019,811	1,991,378	1,996,335
Other Special Education	117,212	80,560	107,967	93,999	17,721
Other Instruction	1,275,918	1,351,133	1,345,429	1,406,839	1,327,057
School Sponsored					
Support Services:					
Tuition	1,032,040	1,031,523	909,236	864,066	1,020,360
Student & Instruction Related Services	2,489,857	2,435,152	2,541,581	2,589,517	2,801,731
General and Business Administrative Services	996,228	1,016,561	1,150,911	1,157,946	1,174,587
School Administrative Services	529,411	514,981	582,320	532,398	537,653
Central Services					
Administrative Information Technology					
Plant Operations and Maintenance	1,717,260	1,713,875	1,616,202	1,641,870	1,654,596
Pupil Transportation	1,280,005	1,484,905	1,188,704	1,080,191	1,166,677
Interest on Long-term Debt	197,316	183,150	169,723	189,607	127,930
Capital Outlay					
Total Governmental Activities Expenses	<u>17,298,232</u>	<u>18,013,654</u>	<u>18,438,621</u>	<u>17,469,159</u>	<u>18,391,931</u>
Business-Type Activities:					
Food Service	384,704	413,719	324,654	355,819	380,362
Transportation	2,665,156	2,654,001	2,650,246	2,777,759	2,842,781
Technology Services					33,570
Total Business-type Activities Expense	<u>3,049,860</u>	<u>3,067,720</u>	<u>2,974,900</u>	<u>3,133,578</u>	<u>3,256,713</u>
Total District Expenses	<u>\$ 20,348,092</u>	<u>\$ 21,081,374</u>	<u>\$ 21,413,521</u>	<u>\$ 20,602,737</u>	<u>\$ 21,648,644</u>
Program Revenues					
Charges for Services:					
Regular Instruction	\$ 22,432	\$ 19,490	\$ 13,253	\$ 11,222	\$ 57,945
Special Education Instruction				32,083	57,070
Other Instruction	2,776		7,255	16,085	13,349
Student & Instructional Related Services	2,286	3,418		43,700	60,680
General & Business Administration Services		638	1,502	1,960	15,736
School Administration Services					155
Plant Operations & Maintenance	61,924	16,187	18,500	5,860	8,378
Pupil Transportation	4,344		1,202	350	4,071
Operating Grants and Contributions and Charges for Services	232,660	258,297	507,226	525,359	356,282
Capital Grants and Contributions					
Total Governmental Activities Program Revenues	<u>326,422</u>	<u>298,030</u>	<u>548,938</u>	<u>636,619</u>	<u>573,666</u>
Business-Type Activities:					
Charges for Services:					
Food Service	329,418	302,877	328,379	318,602	319,010
Transportation	2,644,070	2,675,802	2,438,329	2,593,507	2,846,131
Technology Services					33,570
Operating Grants and Contributions	34,404	34,102	39,057	39,158	43,901
Total Business-type Activities Program Revenues	<u>3,007,892</u>	<u>3,012,781</u>	<u>2,805,765</u>	<u>2,951,267</u>	<u>3,242,612</u>

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

	Fiscal Year Ending June 30,				
	2008	2009	2010	2011	2012
Total District Program Revenues	<u>\$ 3,334,314</u>	<u>\$ 3,310,811</u>	<u>\$ 3,354,703</u>	<u>\$ 3,587,886</u>	<u>\$ 3,816,278</u>
Net (Expense)/Revenue					
Governmental Activities	\$ (16,971,810)	\$ (17,715,624)	\$ (17,889,683)	\$ (16,832,540)	\$ (17,818,265)
Business-type Activities	(41,968)	(54,939)	(169,135)	(182,311)	(14,101)
Total District-wide Net Expense	<u>\$ (17,013,778)</u>	<u>\$ (17,770,563)</u>	<u>\$ (18,058,818)</u>	<u>\$ (17,014,851)</u>	<u>\$ (17,832,366)</u>
Governmental Activities:					
Property Taxes Levied for General Purposes, net	\$ 11,565,442	\$ 11,774,649	\$ 12,339,722	\$ 12,658,311	\$ 12,636,477
Property Taxes Levied for Debt Service	586,905	589,200	591,000	162,305	553,693
Federal and State Aid not Restricted					
Unrestricted Grants and Contributions	5,420,415	5,042,621	5,192,310	4,551,441	5,084,389
Investment Earnings	114,611	43,642	18,339	13,662	3,879
Rents and Royalties					
Miscellaneous Income	48,284	20,662	26,811	152,531	31,311
Other		(6,752)	(90,000)	(350,052)	(100,000)
Special Item-Payment to Bond Agent					(114,463)
Special Item-Insurance Proceeds for Storm Damage					
Special Item-Gain (Loss) on Sale, Trade-in or Disposal of Capital Assets			229	(2,595)	(10,138)
Total Governmental Activities	<u>17,735,657</u>	<u>17,464,022</u>	<u>18,078,411</u>	<u>17,185,603</u>	<u>18,085,148</u>
Business-Type Activities:					
Miscellaneous Income				24	62
Transfer In			(20,929)		
Investment Earnings					
Special Item - Prior Year Accounts Payable Canceled	5,000				
Special Item -Gain (Loss) on Deletion of Assets		2,100	(1,813)	41,800	2,631
Total Business-Type Activities	<u>5,000</u>	<u>2,100</u>	<u>(22,742)</u>	<u>41,824</u>	<u>2,693</u>
Total District-Wide	<u>\$ 17,740,657</u>	<u>\$ 17,466,122</u>	<u>\$ 18,055,669</u>	<u>\$ 17,227,427</u>	<u>\$ 18,087,841</u>
Change in Net Position:					
Governmental Activities	\$ 763,847	\$ (251,602)	\$ 188,728	\$ 353,063	\$ 266,883
Business-type Activities	(36,968)	(52,839)	(191,877)	(140,487)	(11,408)
Total District	<u>\$ 726,879</u>	<u>\$ (304,441)</u>	<u>\$ (3,149)</u>	<u>\$ 212,576</u>	<u>\$ 255,475</u>

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

	Fiscal Year Ending June 30,				
	2013	2014	2015	2016	2017
Expenses:					
Governmental Activities					
Instruction:					
Regular	\$ 6,562,855	\$ 6,783,272	\$ 7,994,360	\$ 8,084,175	\$ 8,920,184
Special Education	1,911,556	1,544,142	1,521,071	1,891,749	2,327,301
Other Special Education	3,557	28,475	24,997		
Other Instruction	1,330,447	1,414,072	1,441,785	40,704	1,098
School Sponsored				1,032,906	1,115,421
Support Services:					
Tuition	1,061,429	940,653	1,094,071	954,593	1,198,946
Student & Instruction Related Services	2,849,424	3,570,980	4,143,236	4,627,236	5,047,114
General and Business Administrative Services	1,164,906	1,191,594	1,349,198	531,743	678,240
School Administrative Services	599,512	599,975	670,034	724,417	812,418
Central Services				517,571	572,993
Administrative Information Technology				217,976	147,500
Plant Operations and Maintenance	1,744,118	1,917,835	1,659,974	2,099,057	2,199,965
Pupil Transportation	1,218,965	1,216,043	1,267,740	1,226,349	1,333,459
Interest on Long-term Debt	133,563	123,357	130,697	35,282	18,805
Capital Outlay					
Total Governmental Activities Expenses	<u>18,580,332</u>	<u>19,330,398</u>	<u>21,297,163</u>	<u>21,983,758</u>	<u>24,373,444</u>
Business-Type Activities:					
Food Service	435,304	452,199	402,611	376,867	347,258
Transportation	2,955,585	3,054,696	3,470,988	3,732,371	3,572,686
Technology Services	139,281	160,574	266,755	528,445	313,999
Total Business-type Activities Expense	<u>3,530,170</u>	<u>3,667,469</u>	<u>4,140,354</u>	<u>4,637,683</u>	<u>4,233,943</u>
Total District Expenses	<u>\$ 22,110,502</u>	<u>\$ 22,997,867</u>	<u>\$ 25,437,517</u>	<u>\$ 26,621,441</u>	<u>\$ 28,607,387</u>
Program Revenues					
Charges for Services:					
Regular Instruction	\$ 75,013	\$ 100,383	\$ 140,534	\$ 12,735	\$ 12,735
Special Education Instruction	60,382	61,791	174,503	110,754	141,732
Other Instruction	11,053	670			
Student & Instructional Related Services	17,424	32,742	29,709		
General & Business Administration Services	17,164	23,810	3,612		
School Administration Services					
Plant Operations & Maintenance	10,330	6,558	11,300		
Pupil Transportation	1,090		6,842		
Operating Grants and Contributions and Charges for Services	227,873	214,024	229,134	4,792,227	6,201,452
Capital Grants and Contributions			110,735		
Total Governmental Activities Program Revenues	<u>420,329</u>	<u>439,978</u>	<u>706,369</u>	<u>4,915,716</u>	<u>6,355,919</u>
Business-Type Activities:					
Charges for Services:					
Food Service	344,117	339,217	335,139	300,555	284,217
Transportation	2,862,260	3,134,672	3,682,898	3,865,697	4,397,780
Technology Services	139,281	176,483	265,847	215,110	222,500
Operating Grants and Contributions	46,872	57,465	57,449	41,137	45,372
Total Business-type Activities Program Revenues	<u>3,392,530</u>	<u>3,707,837</u>	<u>4,341,333</u>	<u>4,422,499</u>	<u>4,949,869</u>

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

	Fiscal Year Ending June 30,				
	2013	2014	2015	2016	2017
Total District Program Revenues	\$ 3,812,859	\$ 4,147,815	\$ 5,047,702	\$ 9,338,215	\$ 11,305,788
Net (Expense)/Revenue					
Governmental Activities	\$ (18,160,003)	\$ (18,890,420)	\$ (20,590,794)	\$ (17,068,042)	\$ (18,017,525)
Business-type Activities	(137,640)	40,368	200,979	(215,184)	715,926
Total District-wide Net Expense	\$ (18,297,643)	\$ (18,850,052)	\$ (20,389,815)	\$ (17,283,226)	\$ (17,301,599)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes Levied for General Purposes, net	\$ 12,889,207	\$ 13,134,122	\$ 13,525,820	\$ 13,783,832	\$ 14,031,941
Property Taxes Levied for Debt Service	593,430	555,964	578,050	578,350	578,200
Federal and State Aid not Restricted				3,291,371	3,293,049
Unrestricted Grants and Contributions	5,415,942	5,406,445	7,415,191		
Investment Earnings	3,908	3,504	9,677	12,612	4,560
Rents and Royalties					373,500
Miscellaneous Income	134,520	59,847	63,164	42,871	69,642
Transfer					(8,013)
Special Item-Payment to Bond Agent					
Special Item-Insurance Proceeds for Storm Damage	489,480				
Special Item-Gain (Loss) on Sale, Trade-in or Disposal of Capital Assets	(13,650)	(52,734)	(360)		
Total Governmental Activities	19,512,837	19,107,148	21,591,542	17,709,036	18,342,879
Business-Type Activities:					
Miscellaneous Income	1,773	4,515	1,385	22,023	
Transfer In					8,013
Investment Earnings			126	122	162
Special Item - Reappraisal of Capital Assets			(731)		
Special Item -Gain (Loss) on Deletion of Assets	9,120	4,312	2,012		
Total Business-Type Activities	10,893	8,827	2,792	22,145	8,175
Total District-Wide	\$ 19,523,730	\$ 19,115,975	\$ 21,594,334	\$ 17,731,181	\$ 18,351,054
Change in Net Position:					
Governmental Activities	\$ 1,352,834	\$ 216,728	\$ 1,000,748	\$ 640,994	\$ 325,354
Business-type Activities	(126,747)	49,195	203,771	(193,039)	724,101
Total District	\$ 1,226,087	\$ 265,923	\$ 1,204,519	\$ 447,955	\$ 1,049,455

Source: School District Financial Reports

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

UNAUDITED

*(modified accrual basis of accounting)*

	June 30,				
	2008	2009	2010	2011	2012
General Fund:					
Reserved/Restricted	\$ 278,624	\$ 123,471			\$ 61,573
Committed	266,901	261,956	\$ 738,130	\$ 979,338	1,079,940
Unreserved:					
Assigned/Designated for Subsequent Year's Expenditures	472,069	83,886	157,619	275,460	415,447
Assigned					
Unassigned/(Deficit)	141,962	(108,657)	(98,936)	43,618	16,407
Total General Fund	<u>\$ 1,159,556</u>	<u>\$ 360,656</u>	<u>\$ 796,813</u>	<u>\$ 1,298,416</u>	<u>\$ 1,573,367</u>
All Other Governmental Funds:					
Committed					
Restricted, Reported in:					
Capital Projects Fund	\$ 469,422	\$ 469,422	\$ 39,422		
Assigned, Reporting in:					
Debt Service Fund			430,000	39,422	
Total All Other Governmental Funds	<u>\$ 469,422</u>	<u>\$ 469,422</u>	<u>\$ 469,422</u>	<u>\$ 39,422</u>	<u>\$ -0-</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

*(modified accrual basis of accounting)*

	June 30,				
	2013	2014	2015	2016	2017
General Fund:					
Reserved/Restricted	\$ 61,573	\$ 878,685		\$ 1,672,418	\$ 1,265,165
Committed	1,212,557	426,340	\$ 861,504		
Unreserved:					
Assigned/Designated for Subsequent Year's Expenditures	611,669	239,521	855,112		
Assigned				302,435	700,505
Unassigned/(Deficit)	79,342		167,434	47,594	111,075
Total General Fund	<u>\$ 1,965,141</u>	<u>\$ 1,544,546</u>	<u>\$ 1,884,050</u>	<u>\$ 2,022,447</u>	<u>\$ 2,076,745</u>
All Other Governmental Funds:					
Committed				\$ 485,926	\$ 163,388
Restricted, Reported in:					
Capital Projects Fund			\$ 1,758,945		
Assigned, Reporting in:					
Debt Service Fund	\$ 21,336				
Total All Other Governmental Funds	<u>\$ 21,336</u>	<u>\$ -0-</u>	<u>\$ 1,758,945</u>	<u>\$ 485,926</u>	<u>\$ 163,388</u>

DELAWARE 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,				
	2008	2009	2010	2011	2012
Revenues:					
Tax Levy	\$ 12,152,347	\$ 12,363,849	\$ 12,930,722	\$ 12,820,616	\$ 13,190,170
Tuition from Individuals	19,125	16,779	5,910	32,083	36,100
Tuition from Other LEA's Within the State					
Transportation	4,122				
Rents and Royalties					
Interest Earned on Capital Reserve Funds					
Interest Earnings	114,611	43,642	18,339	13,662	3,879
Local Contributions					
Miscellaneous	85,970	32,789	39,637	234,645	31,123
State Sources	5,420,415	5,042,621	4,609,802	4,551,441	4,936,247
Federal Sources	232,660	249,372	1,083,960	474,221	500,523
<b>Total Revenue</b>	<b>18,029,250</b>	<b>17,749,052</b>	<b>18,688,370</b>	<b>18,126,668</b>	<b>18,698,042</b>
Expenditures					
Instruction:					
Regular Instruction	4,523,475	4,797,391	4,864,422	4,181,001	4,502,117
Special Education Instruction	1,131,213	1,169,436	1,340,851	1,301,265	1,324,608
Other Instruction	55,270	54,368	57,124	56,642	1,202
School Sponsored Instruction	950,464	979,914	967,303	974,219	909,491
Support Services:					
Tuition	854,155	846,625	726,403	676,314	827,038
Student & Instruction Related Services	1,764,487	1,789,464	1,731,990	1,678,011	1,807,074
General Administrative Services	475,723	489,489	439,976	423,540	491,409
School Administrative Services	421,487	378,140	404,820	382,939	372,540
Central Services	276,230	250,605	317,615	300,959	308,711
Administrative Information Technology	33,419	54,830	114,343	133,569	49,241
Plant Operations and Maintenance	1,518,779	1,474,730	1,359,046	1,368,422	1,373,582
Student Transportation	1,326,312	1,492,902	1,118,302	1,068,736	1,161,492
Unallocated Benefits	1,842,507	2,397,139	2,592,791	2,851,246	3,000,071
On-Behalf TPAF Pension & Social Security Contributions	1,427,202	926,084	933,278	906,187	1,077,768



DELAWARE 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,			
	2008	2009	2010	2011
Expenditures				2012
Capital Outlay	\$ 121,640	\$ 592,586	\$ 98,485	\$ 250,493
Special Revenue	232,660	258,297	507,226	525,359
Capital Projects	28,512			72,356
Debt Service:				
Principal	385,000	400,000	415,000	430,000
Interest and Other Charges	201,905	189,200	176,000	196,111
Total Expenditures	17,570,440	18,541,200	18,164,975	17,705,013
Excess/(Deficit) of Revenue Over/(Under) Expenditures	458,810	(792,148)	523,395	421,655
Other Financing Sources/(Uses):				
Proceeds from Refunding Bond Issue				3,075,000
Proceeds from Capital Lease				245,819
Premium on Refunding Bond Issue				(3,248,463)
Payment to Refunding Bond Agent			2,762	2,732
Proceeds from Sale of Capital Assets				
Insurance Claim Proceeds for Flood Damage				
Transfers Out		(6,752)	(90,000)	(100,000)
Total Other Financing Sources/(Uses)		(6,752)	(87,238)	(24,912)
Net Change in Fund Balances	\$ 458,810	\$ (798,900)	\$ 436,157	\$ 71,603
Debt Service as a Percentage of Noncapital Expenditures	3.36%	3.28%	3.27%	3.59%
				3.36%

DELAWARE 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,				
	2013	2014	2015	2016	2017
<b>Revenues:</b>					
Tax Levy	\$ 13,482,637	\$ 13,690,086	\$ 14,103,870	\$ 14,362,182	\$ 14,610,141
Tuition from Individuals	33,380	61,791	187,493	12,735	12,735
Tuition from Other LEA's Within the State				110,754	141,732
Transportation					
Rents and Royalties					373,500
Interest Earned on Capital Reserve Funds				914	4,560
Interest Earnings	3,908	3,504	9,677		
Local Contributions	88,617	6,085	16,667		
Miscellaneous	71,949	56,456	55,996	63,997	211,110
State Sources	5,415,942	5,406,445	5,714,234	5,820,700	6,025,352
Federal Sources	209,843	210,339	217,892	210,187	208,667
<b>Total Revenue</b>	<b>19,306,276</b>	<b>19,434,706</b>	<b>20,305,829</b>	<b>20,581,469</b>	<b>21,587,797</b>
<b>Expenditures</b>					
<b>Instruction:</b>					
Regular Instruction	4,595,524	4,736,072	4,932,664	4,907,939	4,630,978
Special Education Instruction	1,300,227	1,039,553	876,297	1,159,175	1,259,444
Other Instruction	1,232	7,800	5,000	40,704	1,098
School Sponsored Instruction	936,167	993,760	1,009,555	1,001,801	1,056,091
<b>Support Services:</b>					
Tuition	874,973	760,449	909,045	954,593	1,198,946
Student & Instruction Related Services	1,986,978	2,440,575	2,484,432	2,581,083	2,432,479
General Administrative Services	497,262	498,010	491,957	420,944	484,527
School Administrative Services	417,994	414,962	412,906	419,574	429,123
Central Services	323,212	353,988	355,174	344,734	340,328
Administrative Information Technology	57,106	63,656	112,352	196,203	138,410
Plant Operations and Maintenance	1,467,139	1,619,068	1,341,466	1,547,590	1,477,869
Student Transportation	1,212,426	1,216,358	1,260,591	1,180,593	1,267,395
Unallocated Benefits	2,755,128	3,036,763	2,832,695	4,538,512	4,576,056
On-Behalf TPAF Pension & Social Security Contributions	1,316,846	1,178,883	1,402,196		

DELAWARE 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,				
	2013	2014	2015	2016	2017
Expenditures					
Capital Outlay	\$ 813,484	\$ 887,712	\$ 167,164	\$ 1,733,561	\$ 1,977,080
Special Revenue	227,873	214,024	229,134		
Capital Projects			276,839		
Debt Service:					
Principal	480,000	475,000	792,212	505,000	520,000
Interest and Other Charges	119,075	129,281	115,031	73,350	58,200
Total Expenditures	<u>19,382,646</u>	<u>20,065,914</u>	<u>20,006,710</u>	<u>21,605,356</u>	<u>21,848,024</u>
Excess/(Deficit) of Revenue Over/(Under) Expenditures	<u>(76,370)</u>	<u>(631,208)</u>	<u>299,119</u>	<u>(1,023,887)</u>	<u>(260,227)</u>
Other Financing Sources/(Uses):					
Proceeds from Refunding Bond Issue		189,277	1,799,330		
Proceeds for Capital Lease					
Premium on Refunding Bond Issue					
Payment to Refunding Bond Agent					
Proceeds from Sale of Capital Assets	489,480				
Insurance Claim Proceeds for Flood Damage					
Transfers Out					(8,013)
Total Other Financing Sources/(Uses)	<u>489,480</u>	<u>189,277</u>	<u>1,799,330</u>	<u></u>	<u>(8,013)</u>
Net Change in Fund Balances	<u>\$ 413,110</u>	<u>\$ (441,931)</u>	<u>\$ 2,098,449</u>	<u>\$ (1,023,887)</u>	<u>\$ (268,240)</u>
Debt Service as a Percentage of Noncapital Expenditures	3.23%	3.15%	4.57%	2.91%	2.91%

Source: School District Financial Reports

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Other</u> <u>Miscellaneous</u>	<u>Rentals - Use</u> <u>of Facilities</u>	<u>Total</u>
2008	\$ 29,589		\$ 20,928		\$ 50,517
2009	10,904		21,099		32,003
2010	3,134	\$ 24,420	33,448	\$ 4,245	65,247
2011	669	45,268	24,385		70,322
2012	560	35,241	8,739		44,540
2013	538	21,554	10,859		32,951
2014	4,996	51,689	32,826		89,511
2015	5,384	107,316	34,248		146,948
2016	12,239	123,489	43,103		178,831
2017	4,560	154,467	69,642	373,500	602,169

Source: School District Financial Reports

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

**Alexandria Township**

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Actual (County Equalized Value)
2007	\$ 33,421,700	\$ 613,108,800	\$ 110,104,700	\$ 3,972,780	\$ 21,479,488	\$ 2,534,800	\$ 418,900	\$ 785,041,168	\$ 2,004,605	\$ 787,045,773	\$ 0.56	\$ 893,908,093
2008	27,780,400	644,944,300	114,371,300	3,864,670	21,719,788	2,534,800	418,900	815,634,158	1,769,750	817,403,908	0.55	916,853,752
2009	23,145,300	653,844,600	119,772,700	3,962,339	21,679,788	2,534,800	418,900	825,358,427	1,515,311	826,873,738	0.57	900,393,499
2010	19,873,200	661,048,700	120,545,600	3,957,181	21,720,188	2,534,800	418,900	830,098,569	1,960,839	832,059,408	0.53	884,510,905
2011	14,932,700	670,392,500	121,687,600	4,037,633	21,752,488	2,534,800	418,900	835,756,621	2,175,745	837,932,366	0.52	855,451,114
2012	13,406,100	661,932,700	122,866,700	4,082,151	21,045,588	2,534,800	418,900	826,286,939	2,293,602	828,580,541	0.57	802,261,594
2013	12,754,400	654,129,600	123,550,900	4,052,732	20,957,488	1,034,800	418,900	816,898,820	2,109,187	819,008,007	0.59	777,229,047
2014	* 10,448,300	569,320,900	106,917,400	4,235,179	19,100,800	836,200	230,400	711,089,179	178,774	711,267,953	0.70	770,673,063
2015	9,380,000	567,628,200	108,879,000	4,272,779	18,850,800	836,200	230,400	710,077,379	165,764	710,243,143	0.75	788,545,734
2016	9,316,700	576,623,900	104,491,000	4,172,379	18,850,800	836,200	230,400	714,521,379	168,946	714,690,325	0.71	778,896,341

**Frenchtown Borough**

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Actual (County Equalized Value)
2007	\$ 2,554,500	\$ 108,162,700	\$ 898,600	\$ 52,749	\$ 26,662,500	\$ 3,726,350	\$ 6,119,880	\$ 148,177,279	\$ 945,769	\$ 149,123,048	\$ 0.61	\$ 180,920,032
2008	2,554,500	108,094,600	898,600	52,749	28,085,300	3,726,350	6,119,880	149,531,979	1,059,003	150,590,982	0.50	189,110,834
2009	2,608,300	108,052,500	898,600	14,200	27,687,500	3,726,350	6,446,500	149,433,950	1,130,900	150,564,850	0.50	182,114,565
2010	2,505,100	109,384,700	898,600	14,700	26,861,900	3,726,350	6,045,500	149,436,850	889,485	150,326,335	0.47	177,418,076
2011	2,505,100	108,678,000	898,600	14,700	26,785,700	3,726,350	6,045,500	148,653,950	725,240	149,379,190	0.44	171,957,166
2012	2,505,100	108,976,400	898,600	14,700	26,737,800	3,726,350	6,045,500	148,904,450	592,657	149,497,107	0.48	166,644,863
2013	2,505,100	108,741,700	898,600	14,700	26,737,800	3,726,350	6,045,500	148,669,750	489,679	149,159,429	0.52	159,392,422
2014	2,505,100	109,474,900	898,600	14,700	26,449,600	3,726,350	5,682,600	148,751,850	594,036	149,345,886	0.57	152,424,868
2015	2,490,600	109,543,700	898,600	14,700	26,369,600	3,726,350	5,682,600	148,726,150	693,169	149,419,319	0.63	164,522,483
2016	4,480,500	110,307,000	449,600	11,200	26,503,300	3,726,350	5,682,600	151,160,550	644,203	151,804,753	0.70	177,044,431

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

**Holland Township**

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Actual (County Equalized Value)
2007	\$ 15,993,100	\$ 646,038,300	\$ 66,731,500	\$ 2,402,600	\$ 16,192,600	\$ 17,736,700	\$ 409,900	\$ 765,504,700	\$ 1,865,780	\$ 767,370,480	\$ 0.46	\$ 876,204,072
2008	13,910,600	644,816,900	72,529,100	2,619,500	16,192,600	17,716,700	409,900	768,195,300	1,915,521	770,110,821	0.48	854,549,495
2009	13,960,200	646,967,000	73,861,100	2,615,500	16,150,100	14,480,500	409,900	768,444,300	1,952,899	770,397,199	0.50	830,689,491
2010	13,623,600	646,506,300	75,961,400	2,588,800	16,302,400	14,480,500	409,900	769,872,900	2,066,917	771,939,817	0.50	832,100,698
2011	12,898,800	646,373,000	75,820,600	2,555,100	16,202,400	14,026,400	409,900	768,286,200	1,938,850	770,225,050	0.53	783,944,071
2012	11,043,000	646,768,800	74,547,600	2,519,600	16,745,200	13,145,500	409,900	765,179,600	1,948,801	767,128,401	0.52	746,069,777
2013	10,255,300	643,244,500	75,823,800	2,579,300	16,745,200	13,145,500	409,900	762,203,500	1,671,889	763,875,389	0.50	691,448,812
2014	* 6,480,600	525,191,400	65,474,000	2,645,310	16,026,211	11,231,600	429,300	627,478,421	1,531,313	629,009,734	0.61	670,270,971
2015	6,975,500	524,687,600	65,808,400	2,658,190	15,119,411	11,231,600	429,300	626,910,001	1,504,717	628,414,718	0.58	660,724,128
2016	7,439,600	526,884,100	64,633,400	2,602,380	13,883,911	11,231,600	429,300	627,104,291	1,464,110	628,568,401	0.61	661,400,494

**Kingwood Township**

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Actual (County Equalized Value)
2007	\$ 29,392,700	\$ 486,985,900	\$ 124,369,300	\$ 6,256,967	\$ 36,682,000	\$ 11,539,200	\$ 2,262,500	\$ 697,488,567	\$ 1,622,202	\$ 699,110,769	\$ 0.39	\$ 716,228,633
2008	28,977,700	490,067,000	123,850,000	5,970,400	34,335,100	11,539,200	2,262,500	697,001,900	1,526,249	698,528,149	0.39	717,447,587
2009	24,913,500	494,471,800	126,078,000	5,910,000	40,870,300	10,401,900	2,262,500	704,908,000	1,359,500	706,267,500	0.41	704,115,651
2010	* 19,877,000	421,467,300	111,387,300	5,862,400	34,544,300	9,346,600	2,018,900	604,503,800	1,639,850	606,143,650	0.51	697,511,612
2011	19,848,200	422,700,800	111,775,600	5,809,900	35,078,200	9,346,600	1,988,300	606,547,600	1,559,512	608,107,112	0.55	660,555,194
2012	20,682,400	417,770,800	114,411,900	5,810,800	34,583,000	9,346,600	1,988,300	604,593,800	1,663,096	606,256,896	0.57	639,241,772
2013	20,444,100	420,624,300	113,888,600	5,711,500	34,945,700	9,346,600	1,988,300	606,949,100	1,480,282	608,429,382	0.59	629,713,705
2014	18,828,000	422,482,000	113,765,600	5,624,100	34,980,300	9,381,100	1,988,300	607,049,400	1,476,753	608,526,153	0.61	611,216,103
2015	22,065,150	421,252,699	113,811,201	5,480,300	34,962,700	9,381,100	1,988,300	608,941,450	1,653,010	610,594,460	0.61	618,887,553
2016	21,949,750	428,026,899	110,891,300	5,381,800	35,012,700	8,921,900	1,988,300	612,172,649	1,544,943	613,717,592	0.61	603,828,946

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

**Milford Borough**

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Actual (County Equalized Value)
2007	\$ 2,034,300	\$ 94,823,600	\$ 1,408,500	\$ 31,800	\$ 12,465,970	\$ 8,318,800	\$ 3,238,200	\$ 122,321,170	\$ 231,535	\$ 122,552,705	\$	\$ 164,084,365
2008	1,505,600	95,519,000	1,408,500	40,000	12,455,970	8,155,400	3,238,200	122,322,670	236,757	122,559,427		150,832,151
2009	2,212,100	96,064,900	1,413,900	15,900	12,455,970	1,992,000	3,238,200	117,392,970	265,500	117,658,470		145,327,603
2010	2,643,000	95,595,200	1,413,900	21,100	12,455,970	1,992,000	3,238,200	117,359,370	260,294	117,619,664		152,971,341
2011	2,647,800	95,320,400	1,408,800	21,100	12,444,170	1,992,000	3,238,200	117,072,470	229,368	117,301,838		145,752,781
2012	2,634,300	95,332,200	1,408,800	21,100	12,759,270	1,992,000	3,238,200	117,385,870	241,622	117,627,492		128,892,715
2013	2,580,300	94,829,000	1,408,800	21,100	12,759,270	1,992,000	3,238,200	116,828,670	222,189	117,050,859		117,674,534
2014	2,265,200	94,913,600	1,418,800	21,900	12,759,270	1,992,000	3,238,200	116,608,970	182,366	116,791,336		114,247,680
2015	2,265,200	94,625,300	1,418,800	21,900	12,447,070	1,992,000	2,900,000	115,670,270	188,786	115,859,056		109,034,434
2016	2,179,300	94,300,400	1,418,800	21,900	12,447,070	1,992,000	2,900,000	115,259,470	182,807	115,442,277		122,488,557

Source: Municipal Tax Assessors and State of New Jersey Website

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

\* Revaluation of Real Property became effective.

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

b Tax rates are per \$100

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN YEARS

UNAUDITED

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

**Alexandria Township**

Year Ended December 31,	Direct Rate		Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	Obligation Debt Service <sup>b</sup>	Total Direct	Municipality	County	
2007	\$ 0.53	\$ 0.03	\$ 0.56	\$ 0.21	\$ 0.38	\$ 0.90
2008	0.52	0.03	0.55	0.21	0.37	0.91
2009	0.54	0.03	0.57	0.21	0.38	0.91
2010	0.52	0.01	0.53	0.21	0.36	0.95
2011	0.50	0.02	0.52	0.21	0.35	0.93
2012	0.54	0.03	0.57	0.21	0.34	0.96
2013	0.57	0.02	0.59	0.21	0.34	0.97
2014	0.67	0.03	0.70	0.24	0.40	1.14
2015	0.72	0.03	0.75	0.24	0.41	1.16
2016	0.68	0.03	0.71	0.25	0.40	1.19

**Frenchtown Borough**

Year Ended December 31,	Direct Rate		Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	Obligation Debt Service <sup>b</sup>	Total Direct	Municipality	County	
2007	\$ 0.58	\$ 0.03	\$ 0.61	\$ 0.55	\$ 0.40	\$ 1.05
2008	0.48	0.02	0.50	0.54	0.42	1.08
2009	0.48	0.02	0.50	0.56	0.42	1.12
2010	0.46	0.01	0.47	0.60	0.41	1.17
2011	0.42	0.02	0.44	0.62	0.40	1.19
2012	0.46	0.02	0.48	0.65	0.40	1.21
2013	0.50	0.02	0.52	0.67	0.40	1.24
2014	0.55	0.02	0.57	0.71	0.38	1.26
2015	0.60	0.03	0.63	0.87	0.41	1.30
2016	0.67	0.03	0.70	0.87	0.43	1.30



DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN YEARS

UNAUDITED

(rate per \$100 of assessed value)

**Holland Township**

Year Ended December 31,	Direct Rate		Overlapping Rates			Total Direct and Overlapping Tax Rate
	General		Municipality	County	Local School	
	Basic Rate <sup>a</sup>	Obligation Debt Service <sup>b</sup>				
2007	\$ 0.44	\$ 0.02	\$ 0.46	\$ 0.38	0.99	\$ 1.83
2008	0.46	0.02	0.48	0.37	1.00	1.85
2009	0.48	0.02	0.50	0.37	1.05	1.92
2010	0.49	0.01	0.50	0.37	1.08	1.95
2011	0.51	0.02	0.53	0.35	1.09	1.97
2012	0.50	0.02	0.52	0.34	1.08	1.94
2013	0.48	0.02	0.50	0.33	1.11	1.94
2014	* 0.58	0.03	0.61	0.39	1.37	2.47
2015	0.56	0.02	0.58	0.39	1.40	2.56
2016	0.59	0.02	0.61	0.39	1.40	2.59

**Kingwood Township**

Year Ended December 31,	Direct Rate		Overlapping Rates			Total Direct and Overlapping Tax Rate
	General		Municipality	County	Local School	
	Basic Rate <sup>a</sup>	Obligation Debt Service <sup>b</sup>				
2007	\$ 0.37	\$ 0.02	\$ 0.39	\$ 0.17	0.72	\$ 1.62
2008	0.37	0.02	0.39	0.19	0.74	1.66
2009	0.39	0.02	0.41	0.19	0.75	1.69
2010	* 0.50	0.01	0.51	0.22	0.90	2.02
2011	0.53	0.02	0.55	0.22	0.89	2.03
2012	0.54	0.03	0.57	0.23	0.91	2.08
2013	0.57	0.02	0.59	0.23	0.90	2.10
2014	0.58	0.03	0.61	0.24	0.91	2.13
2015	0.59	0.02	0.61	0.25	0.92	2.16
2016	0.59	0.02	0.61	0.26	0.95	2.18

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

Year Ended December 31,	Direct Rate		Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	Debt Service <sup>b</sup>	Municipality			
			Total Direct	County	Local School	
	\$	\$	\$	\$	\$	\$
2007	0.54	0.03	0.57	0.43	1.27	2.87
2008	0.56	0.03	0.59	0.40	1.30	2.93
2009	0.56	0.03	0.59	0.42	1.41	3.10
2010	0.67	0.01	0.68	0.44	1.48	3.28
2011	0.63	0.03	0.66	0.42	1.48	3.24
2012	0.49	0.02	0.51	0.38	1.50	3.08
2013	0.50	0.02	0.52	0.35	1.54	3.11
2014	0.58	0.03	0.61	0.35	1.53	3.20
2015	0.59	0.02	0.61	0.34	1.65	3.31
2016	0.59	0.02	0.61	0.36	1.70	3.39

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

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

\* Revaluation became effective.

Source: Municipal Tax Collectors

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

		2017		2008	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Individual Property Owner #1	\$ 4,373,600	0.61%	Individual Property Owner #1	\$ 7,365,400	0.90%
Sky Manor Airport Partners LLC	2,598,800	0.36%	Individual Property Owner #2	3,543,100	0.43%
Columbia Gas Transportation	2,427,300	0.34%	Columbia Gas Transportation	2,571,488	0.31%
Individual Property Owner #2	1,532,700	0.21%	CP Assignment LTD (c/o Burkhardt)	1,993,500	0.24%
Alexandria Airpark LLC	1,251,100	0.15%	Individual Property Owner #3	1,686,300	0.21%
Manchanda Shaprio Rauch LLC	1,209,300	0.17%	Manchada Shaprio Rauch LLC	1,541,000	0.19%
Individual Property Owner #3	1,168,000	0.18%	Saphire Inc c/o Riverside Jeans	1,486,900	0.18%
DeSapio Properties (Six Inc)	1,146,600	0.16%	United Telephone Company of NJ	1,480,129	0.18%
Individual Property Owner #4	1,049,100	0.15%	Individual Property Owner #4	1,473,900	0.18%
Individual Property Owner #5	1,047,000	0.16%	Individual Property Owner #5	1,359,200	0.17%
<b>Total</b>	<b>\$ 17,803,500</b>	<b>2.49%</b>		<b>\$ 24,500,917</b>	<b>2.99%</b>

		2017		2008	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Frenchtown Associates LLC	\$ 2,950,000	1.95%	Frenchtown Associates LLC	\$ 2,950,000	1.96%
Frenchtown Properties LLC	2,145,200	1.42%	Frenchtown Barn Center LLC	2,536,400	1.68%
Frenchtown Barn Center LLC	1,500,000	0.99%	Frenchtown Properties LLC	2,145,200	1.42%
Davon LLC	977,200	0.65%	United Telephone Company of NJ	1,059,003	0.70%
Bridge Race Properties	972,200	0.64%	Davon LLC	977,200	0.65%
Individual Property Owner #1	769,200	0.51%	Bridge Race Properties	972,200	0.65%
Traub Holdings LLC	758,400	0.50%	Individual Property Owner #1	830,800	0.55%
B&B Properties LLC	748,500	0.50%	Warren House LLC	809,900	0.54%
Individual Property Owner #2	718,800	0.48%	Traub Holdings LLC	758,400	0.50%
Warren House LLC	695,400	0.48%	B&B Properties LLC	748,500	0.50%
<b>Total</b>	<b>\$ 12,234,900</b>	<b>8.12%</b>		<b>\$ 13,787,603</b>	<b>9.15%</b>

Note: A revaluation became effective in 2014 for Alexandria Township.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

		2017		2008	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Genon Energy Services	\$ 6,515,900	1.04%	Reliant	\$ 8,000,000	1.04%
Rottenburg, Craig & Anonietta	3,618,500	0.58%	Oak Hill Golf Club	5,143,500	0.67%
Georgia Pacific Corporation	2,789,400	0.44%	Georgia Pacific Corporation	3,300,000	0.43%
Oak Hill Golf Club Inc	2,729,000	0.44%	Individual Property Owner #1	3,268,000	0.42%
Columbia Gas	1,897,400	0.30%	Columbia Gas	2,206,500	0.29%
Individual Property Owner #1	1,562,500	0.25%	Warren Glen Investments	1,900,000	0.25%
Individual Property Owner #2	1,463,000	0.23%	Verizon-NJ	1,627,553	0.21%
Holland Retail LLC	1,228,700	0.20%	Fiberville Estates	1,600,000	0.21%
KJA Holdings Inc.	1,178,500	0.19%	Individual Property Owner #2	1,349,500	0.18%
Verizon	1,115,505	0.18%	Riegel Federal Credit Union	1,226,300	0.16%
<b>Total</b>	<b>\$ 24,098,405</b>	<b>3.85%</b>	<b>Total</b>	<b>\$ 29,621,353</b>	<b>3.86%</b>

		2017		2008	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Buckeye Pipeline Co	\$ 4,575,000	0.75%	Buckeye Pipeline Co	\$ 10,414,400	1.49%
Kingwood Flex LLC	4,188,100	0.68%	Horseshoe Bend LLC	4,919,200	0.70%
Mel Chemicals Inc.	3,498,200	0.57%	869 Associates LLC	3,837,300	0.55%
Buckeye Pipeline Co	3,040,000	0.50%	Magnesium Elektron Inc	3,699,500	0.53%
Perini Properties Inc	2,895,500	0.47%	Lutz Welding & Fabricating Inc	3,279,100	0.47%
Frenchtown III Solar LLC (1)	2,628,700	0.43%	Frenchtown Run LLC	2,500,000	0.36%
869 Associates LLC	2,324,100	0.38%	Individual Property Owner #1	1,833,400	0.26%
Frenchtown III Solar LLC (2)	1,657,500	0.27%	Individual Property Owner #2	1,760,300	0.25%
Individual Property Owner #1	1,650,800	0.27%	Individual Property Owner #3	1,748,200	0.25%
Frenchtown II Solar LLC	1,500,000	0.25%	Individual Property Owner #4	1,552,600	0.22%
<b>Total</b>	<b>\$ 27,957,900</b>	<b>4.57%</b>	<b>Total</b>	<b>\$ 35,544,000.00</b>	<b>5.08%</b>

Note: A revaluation became effective in 2014 for Holland Township and in 2010 for Kingwood Township.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

		2017		2008	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Pinecrest Village Associates c/o Branch	\$ 2,900,000	2.52%	Royal Blue Papers	\$ 7,500,000	6.12%
International Paper Company	1,336,600	1.16%	Pinecrest Village Associates c/o Branch	3,238,200	2.64%
Hunterdon Medical Center	1,131,000	0.98%	Hunterdon Medical Center	1,131,000	0.92%
60 Bridge Street LLC	805,500	0.70%	Barbieri Brothers Corp	832,100	0.68%
60 Bridge Street LLC	702,100	0.61%	TD Banknorth	702,100	0.57%
Peter Trustee Kerl	573,700	0.50%	Peter Trustee Kerl	573,700	0.47%
Individual Property Owner #1	539,100	0.47%	Individual Property Owner #1	539,700	0.44%
Stem Brothers	523,700	0.45%	Stem Brothers	523,700	0.43%
Individual Property Owner #2	504,800	0.44%	The Baker Acquisition Corp	490,400	0.40%
Ingahdwe Trust	485,400	0.42%	Individual Property Owner #2	466,800	0.38%
<b>Total</b>	<b>\$ 9,501,900</b>	<b>8.25%</b>		<b>\$ 15,997,700.00</b>	<b>13.05%</b>

Source: Municipal Tax Assessor

Note: Individual property owners may be different in different years.

DELAWARE 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 <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	\$ 12,152,347	\$ 12,152,347	100.00%	- 0 -
2009	12,363,849	12,363,849	100.00%	- 0 -
2010	12,930,722	12,930,722	100.00%	- 0 -
2011	12,820,616	12,820,616	100.00%	- 0 -
2012	13,190,170	13,190,170	100.00%	- 0 -
2013	13,482,637	13,482,637	100.00%	- 0 -
2014	13,690,086	13,690,086	100.00%	- 0 -
2015	14,103,870	14,103,870	100.00%	- 0 -
2016	14,362,182	14,362,182	100.00%	- 0 -
2017	14,610,141	14,610,141	100.00%	- 0 -

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

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

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

Fiscal Year Ended June 30,	Governmental Activities		Business- Type Activities	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Capital Leases	Capital Leases			
2008	\$ 5,284,000			\$ 5,284,000	0.49%	\$ 333.48
2009	4,884,000			4,884,000	0.45%	308.95
2010	4,469,000			4,469,000	0.43%	285.13
2011	4,039,000			4,039,000	0.41%	267.91
2012	3,535,000		\$ 422,609	3,957,609	0.35%	242.19
2013	3,055,000		341,320	3,396,320	0.32%	239.10
2014	2,580,000	\$ 189,277	258,446	3,027,723	0.27%	205.12
2015	2,090,000	1,591,747	1,033,261	4,715,008	0.24%	184.37
2016	1,585,000	1,180,698	1,189,865	3,955,563	0.36%	287.68
2017	1,065,000	763,262	854,584	2,682,846	0.30%	243.34

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

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

Source: School District Financial Reports

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2008	\$ 5,284,000	\$ -0-	\$ 5,284,000	0.21%	\$ 309
2009	4,884,000	-0-	4,884,000	0.19%	286
2010	4,468,000	-0-	4,468,000	0.18%	261
2011	4,039,000	-0-	4,039,000	0.16%	242
2012	3,535,000	-0-	3,535,000	0.14%	212
2013	3,055,000	-0-	3,055,000	0.12%	185
2014	2,580,000	-0-	2,580,000	0.12%	156
2015	2,090,000	-0-	2,090,000	0.09%	127
2016	1,585,000	-0-	1,585,000	0.07%	97
2017	1,065,000	-0-	1,065,000	0.05%	66

Source: School District Financial Reports

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

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

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



DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
UNAUDITED  
AS OF DECEMBER 31, 2016

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Estimated</u> <u>Percentage</u> <u>Applicable <sup>a</sup></u>	<u>Estimated</u> <u>Share of</u> <u>Overlapping</u> <u>Debt</u>
<u>Debt Repaid With Property Taxes</u>			
Alexandria Township	\$ 6,680,973	100.00%	\$ 6,680,973
Frenchtown Borough	1,916,720	100.00%	1,916,720
Holland Township	300,000	100.00%	300,000
Kingwood Township	2,934,694	100.00%	2,934,694
Milford Borough	903,350	100.00%	903,350
Hunterdon County County General Obligation Debt (All Constituent Municipalities) (1)	75,793,752	11.99%	9,087,431
Subtotal, Overlapping Debt			<u>21,823,167</u>
Delaware Valley Regional High School District Direct Debt			<u>1,585,000</u>
Total Direct and Overlapping Debt			<u>\$ 23,408,167</u>

(1) Alexandria Township/County of Hunterdon -	3.98%
(1) Frenchtown Borough/County of Hunterdon -	0.91%
(1) Holland Township/County of Hunterdon -	3.38%
(1) Kingwood Township/County of Hunterdon -	3.09%
(1) Milford Borough/County of Hunterdon -	0.63%

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2017

	Total Equalized Valuation Basis
2014	\$2,338,036,199
2015	2,327,726,022
2016	2,327,693,305
	\$6,993,455,526
Average Equalized Valuation of Taxable Property	\$2,331,151,842
Debt Limit (4% of average equalization value) <sup>a</sup>	\$ 93,246,074
Net Bonded School Debt as of June 30, 2017	1,065,000
Legal Debt Margin	\$ 92,181,074

	Fiscal Year Ending June 30,				
	2008	2009	2010	2011	2012
Debt Limit	\$ 78,820,849	\$ 83,261,784	\$ 83,850,857	\$ 81,655,498	\$ 78,254,366
Total Net Debt Applicable to Limit	5,284,000	4,884,000	4,468,000	4,039,000	3,535,000
Legal Debt Margin	\$ 73,536,849	\$ 78,377,784	\$ 79,382,857	\$ 77,616,498	\$ 74,719,366
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	6.70%	5.87%	5.33%	4.95%	4.52%

	Fiscal Year Ending June 30,				
	2013	2014	2015	2016	2017
Debt Limit	\$ 75,789,695	\$ 77,884,791	\$ 70,366,993	\$ 93,134,027	\$ 93,246,074
Total Net Debt Applicable to Limit	3,055,000	2,580,000	2,090,000	1,585,000	1,065,000
Legal Debt Margin	\$ 72,734,695	\$ 75,304,791	\$ 68,276,993	\$ 91,549,027	\$ 92,181,074
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	4.03%	3.31%	2.97%	1.70%	1.14%

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

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

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

**Alexandria Township**

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Hunterdon County Per Capita	
			Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2008	5,134	\$ 354,533,504	\$ 69,056	11.40%
2009	5,145	339,209,850	65,930	11.70%
2010	4,942	328,232,814	66,417	11.50%
2011	4,932	346,685,076	70,293	11.80%
2012	4,905	366,020,910	74,622	11.80%
2013	4,898	364,205,484	74,358	8.00%
2014	4,865	379,197,560	77,944	4.50%
2015	4,854	392,004,186	80,759	4.10%
2016	4,784	386,351,056	80,759 *	3.80%
2017	4,784 **	386,351,056 ***	80,759 *	N/A

**Frenchtown Borough**

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Hunterdon County Per Capita	
			Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2008	1,467	\$ 100,851,849	\$ 69,056	6.40%
2009	1,467	96,380,433	65,930	6.60%
2010	1,375	90,325,125	66,417	6.50%
2011	1,413	98,510,121	70,293	6.70%
2012	1,364	101,664,376	74,622	6.70%
2013	1,398	105,581,154	74,358	6.70%
2014	1,387	108,108,328	77,944	5.20%
2015	1,386	111,931,974	80,759	3.30%
2016	1,395	112,658,805	80,759 *	3.10%
2017	1,395 **	112,658,805 ***	80,759 *	N/A

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

**Holland Township**

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Hunterdon County	
			Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2008	5,253	\$ 361,127,991	\$ 69,056	8.20%
2009	5,268	346,102,332	65,930	8.40%
2010	5,289	347,439,699	66,417	8.20%
2011	5,263	366,920,571	70,293	8.40%
2012	5,233	390,036,422	74,622	8.40%
2013	5,220	394,230,060	74,358	7.60%
2014	5,182	403,905,808	77,944	5.30%
2015	5,162	416,877,958	80,759	4.60%
2016	5,141	415,182,019	80,759 *	4.20%
2017	5,141 **	415,182,019 ***	80,759 *	N/A

**Kingwood Township**

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Hunterdon County	
			Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2008	4,055	\$ 278,769,085	\$ 69,056	7.80%
2009	4,057	266,540,843	65,930	8.00%
2010	3,842	252,384,822	66,417	7.80%
2011	3,844	267,992,148	70,293	8.00%
2012	3,833	285,688,822	74,622	8.00%
2013	3,828	289,102,044	74,358	4.90%
2014	3,781	294,706,264	77,944	4.90%
2015	3,784	305,592,056	80,759	4.70%
2016	3,746	302,523,214	80,759 *	3.90%
2017	3,746 **	302,523,214 ***	80,759 *	N/A

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

**Milford Borough**

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Hunterdon County	
			Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2008	1,194	\$ 82,083,918	\$ 69,056	12.40%
2009	1,192	78,313,208	65,930	12.70%
2010	1,233	80,997,003	66,417	12.50%
2011	1,225	85,403,325	70,293	12.90%
2012	1,217	90,707,878	74,622	12.90%
2013	1,214	91,684,922	74,358	5.90%
2014	1,207	94,078,408	77,944	5.10%
2015	1,204	97,233,836	80,759	5.20%
2016	1,189	96,022,451	80,759 *	4.70%
2017	1,189 **	96,022,451 ***	80,759 *	N/A

\* - Latest Hunterdon County per capita personal income available (2015) was used for calculation purposes.

\*\* - Latest population data available (2016) was used for calculation purposes.

\*\*\* - Latest Township/Borough personal income available (2015) was used for calculation purposes.

N/A - Information not available

Source:

- <sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development
- <sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented
- <sup>c</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
- <sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS - COUNTY OF HUNTERDON  
CURRENT YEAR AND NINE YEARS AGO  
 UNAUDITED

	2017			2008		
	Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
Amec Foster Wheeler North America		2,500	5.21%	Merck & Co.	1,800	3.67%
Hunterdon Healthcare		2,000	4.17%	Chubb Insurance Co.	1,500	3.06%
Hunterdon Developmental Center		450	0.94%	Foster Wheeler	1,432	2.92%
Chubb Insurance Co.		900	1.88%	Exxon Mobile Research & Eng.	970	1.98%
Edna Mahan Correctional Facility for Women		615	1.28%	Hunterdon County	920	1.88%
Johanna Foods		500	1.04%	Johanna Foods	492	1.00%
Hunterdon Central Regional High School		400	0.83%	Shop Rite of Hunterdon	440	0.90%
New York Life		400	0.83%	A.M. Best	423	0.86%
Shop Rite of Flemington		360	0.75%	BOC Inc.	389	0.79%
A.M. Best		350	0.73%	Wedco	318	0.65%
<b>Total</b>		<b>8,475</b>	<b>17.66%</b>		<b>8,684</b>	<b>17.72%</b>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

UNAUDITED

*(accrual basis of accounting)*

<u>Function/Program:</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>	<u>2017</u>
<b>Instruction:</b>										
Regular	61.5	64.0	61.0	52.5	56.0	55.0	58.5	59.5	57.5	55.4
Special Education	16.5	14.0	34.0	31.0	28.0	25.8	25.8	13.0	25.8	26.0
Other	7.5	9.0	1.0	2.0	2.5	3.0	3.0	3.0	2.0	5.0
<b>Support Services:</b>										
Student & Instruction Related Services	32.5	32.0	23.3	23.3	24.3	23.8	26.8	38.5	27.8	22.1
School Administrative Services	6.0	6.0	5.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0
General and Business Administrative Services	4.0	4.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Central Services	3.0	3.0	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Administration Information Technology	10.0	10.0	10.5	9.5	11.0	10.5	11.5	11.5	11.5	11.5
Plant Operations and Maintenance	55.0	50.0	37.0	31.0	32.0	37.0	49.0	46.1	67.0	59.0
Pupil Transportation										
<b>Total</b>	<u>196.0</u>	<u>192.0</u>	<u>177.8</u>	<u>158.8</u>	<u>164.3</u>	<u>165.6</u>	<u>185.1</u>	<u>183.1</u>	<u>203.1</u>	<u>190.5</u>

Source: School District Financial Reports

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

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>d</sup>	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						High School	School				
2008	989	\$ 16,833,383	\$ 16,750	-0.88%	85.5	10:1	987.4	928.8	3.77%	94.07%	
2009	977	17,359,414	17,552	4.79%	87.0	10:1	955.5	905.1	-3.23%	94.73%	
2010	1018	17,475,490	17,887	1.91%	87.0	10:1	965.9	914.2	1.09%	94.65%	
2011	1002	16,779,242	16,483	-7.85%	85.5	12:1	1,002.4	946.9	3.78%	94.46%	
2012	972	17,513,459	17,479	6.04%	86.5	12:1	943.4	895.8	-5.89%	94.95%	
2013	977	17,953,922	18,471	5.68%	85.3	12:1	961.3	908.0	1.90%	94.46%	
2014	958	18,573,921	19,011	2.92%	80.0	13:1	945.3	900.3	-1.66%	95.24%	
2015	899	18,655,464	19,473	2.43%	79.5	12:1	893.8	852.2	-5.45%	95.35%	
2016	891	19,293,445	21,654	11.20%	77.5	12:1	880.3	842.4	-1.51%	95.69%	
2017	876	19,292,744	22,024	1.71%	71.0	12:1	828.2	785.9	-5.92%	94.89%	

Sources: School District Records

Note: Enrollment based on annual October district count.

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

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

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

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



DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>District Building</u>										
<u>High School</u>										
Square Feet	163,000	163,000	163,000	163,000	163,000	163,000	163,000	163,000	163,000	163,000
Capacity (students)	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020
Enrollment	989	977	1,018	1,002	972	977	958	899	891	876

Number of Schools at June 30, 2017  
 High School = 1

Source: School District Records

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

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

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES 11-000-261-XXX	Project #(s)	2008	2009	2010	2011	2012
<u>School Facilities:</u>	Facility	2008	2009	2010	2011	2012
Delaware Valley Regional High School District	N/A	\$ 199,868	\$ 186,197	\$ 159,439	\$ 239,246	\$ 179,706
	Project #(s)	2013	2014	2015	2016	2017
<u>School Facilities:</u>	Facility	2013	2014	2015	2016	2017
Delaware Valley Regional High School District	N/A	\$ 244,549	\$ 363,977	\$ 302,091	\$ 519,761	\$ 457,695

N/A - Not Applicable

Source: Delaware Valley Regional High School District records

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2017  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy - NJ Schools Insurance Group (NJSIG):		
<u>PROPERTY SECTION:</u>		
Blanket Building and Contents (fund limit)	\$ 400,000,000	\$ 5,000
Accounts Receivable	250,000	5,000
Automobile Physical Damage	In Blanket Limit	5,000
Electronic Data Processing Equipment	1,500,000	1,000
 <u>LIABILITY SECTION:</u>		
Comprehensive General Liability	10,000,000	
Automobile Liability	10,000,000	
Employee Benefit Liability	10,000,000	1,000
 <u>CRIME:</u>		
Blanket Employee Dishonesty	100,000	1,000
Forgery	100,000	1,000
Theft/Disappearance/Destruction:		
Inside	10,000	1,000
Outside	10,000	1,000
Computer Fraud	50,000	1,000
 <u>SCHOOL BOARD LEGAL LIABILITY - NJSIG</u>	 10,000,000	 10,000
Zurich Insurance Company (NJSIG):		
<u>ENVIRONMENT IMPAIRMENT LIABILITY:</u>		
Limit of Liability:		
Incident	1,000,000	10,000
Fund Annual Aggregate	25,000,000	
 <u>WORKERS' COMPENSATION (NJSIG):</u>		
(a) Statutory Benefits	Included	
(b) Employer's Liability	5,000,000	
Supplemental Coverage (optional)	Included	
 Public Employee's Faithful Performance Blanket Position Bond - Selective Insurance Company		
Board Secretary - Business Administrator	250,000	
Treasurer	210,000	

Source: Delaware Valley Regional High School District records

SINGLE AUDIT SECTION

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 Auditors' Report

The Honorable President and Members  
of the Board of Education  
Delaware Valley Regional High School District  
County of Hunterdon, 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 the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Delaware Valley Regional High School District, in the County of Hunterdon (the "District") as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 3, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 District'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 the 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. However, material weaknesses may exist that have not been identified.

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

### **Compliance and Other Matters**

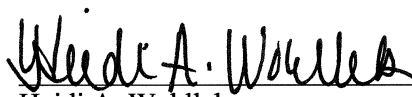
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

### **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 result of that testing, and not to provide an opinion on the effectiveness of the 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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mount Arlington, New Jersey  
November 3, 2017

NISIVOCIA, LLP



Heidi A. Wohlleb  
Licensed Public School Accountant #2140  
Certified Public Accountant



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Report on Compliance For Each Major State Program;  
Report on Internal Control Over Compliance

Independent Auditors' Report

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

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

We have audited the Board of Education of the Delaware Valley Regional High School District's (the "District's") compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2017. The District's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

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

In our opinion, the 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 state programs for the fiscal year ended June 30, 2017.

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

Management of the 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 District's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey's 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 District's internal control over compliance.

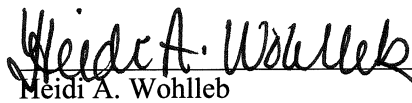
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 Uniform Guidance or NJOMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Mount Arlington, New Jersey  
November 3, 2017

NISIVOCIA, LLP



Heidi A. Wohlleb  
Licensed Public School Accountant #2140  
Certified Public Accountant



DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass Through Grantor Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance 6/30/2016		Cash Received	Budgetary Expenditures	Balance 6/30/2017		Amount Provided to Subrecipients	
					(Accounts Receivable)	Unearned Revenue			(Accounts Receivable)	Unearned Revenue		
U.S. Department of Education												
Passed-Through State Department of Education												
Special Revenue Fund:												
No Child Left Behind Consolidated Grant:												
Title I, Part A	84.010	NCLB105016	7/1/15-6/30/16	\$ 18,904	\$ (3,221)		\$ 3,221					
Title I, Part A	84.010	NCLB105017	7/1/16-6/30/17	25,120		12,074	\$ (21,586)	\$ (9,512)				
Title II, Part A	84.367	NCLB105017	7/1/16-6/30/17	11,717		895	(10,933)	(10,038)				
Title III, Part A	84.365	NCLB105017	7/1/16-6/30/17	243		243	(243)					
Total No Child Left Behind Cluster					(3,221)	16,433	(32,762)	(19,550)				
Special Education Cluster:												
I.D.E.A. Part B, Basic	84.027	IDEA105017	7/1/16-6/30/17	175,905		175,905	(175,905)					
Total Special Education Cluster						175,905	(175,905)					
Total Special Revenue Fund					(3,221)	192,338	(208,667)	(19,550)				
U.S. Department of Agriculture												
Passed-Through State Department of Education:												
Child Nutrition Cluster:												
Food Distribution Program	10.555	N/A	7/1/16-6/30/17	10,669		10,669	(9,075)		\$ 1,594			
Food Distribution Program	10.555	N/A	7/1/15-6/30/16	8,762			(1,282)					
School Breakfast Program	10.553	N/A	7/1/16-6/30/17	4,774		4,449	(4,774)	(325)				
National School Lunch Program	10.555	N/A	7/1/16-6/30/17	28,530		27,506	(28,530)	(1,024)				
National School Lunch Program	10.555	N/A	7/1/15-6/30/16	30,741		4,958						
Total Child Nutrition Cluster					(4,958)	47,582	(43,661)	(1,349)	1,594			
Total Federal Awards					\$ (8,179)	\$ 1,282	\$ (252,328)	\$ (20,899)	\$ 1,594	\$ -0-		

N/A - Not Applicable

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance 6/30/2016		Cash Received	Budgetary Expenditures	Balance 6/30/2017		Memo
				Budgetary (Accounts Receivable)	(Accounts Receivable)			Budgetary (Accounts Receivable)	(Accounts Receivable)	
NJ Department of Education:										
Equalization Aid	16-495-034-5120-078	7/01/15-6/30/16	\$ 3,173,700	\$ (312,663)	\$ 312,663					\$ 3,173,700
Categorical Transportation Aid	16-495-034-5120-014	7/01/15-6/30/16	116,642	(11,491)	11,491					116,642
Categorical Special Education Aid	16-495-034-5120-089	7/01/15-6/30/16	592,662	(58,387)	58,387					592,662
Categorical Security Aid	16-495-034-5120-084	7/01/15-6/30/16	74,763	(7,365)	7,365					74,763
Adjustment Aid	16-495-034-5120-085	7/01/15-6/30/16	21,693	(2,137)	2,137					21,693
PARCC Readiness Aid	16-495-034-5120-098	7/01/15-6/30/16	9,080	(895)	895					9,080
Per Pupil Growth Aid	16-495-034-5120-097	7/01/15-6/30/16	9,080	(895)	895					9,080
Extraordinary Aid	16-495-034-5120-044	7/01/15-6/30/16	121,832	(121,832)	121,832					121,832
Non-Public Transportation	16-495-034-5120-014	7/01/15-6/30/16	4,098	(4,098)	4,098					4,098
Reimbursed TPAF Social Security Contribution	16-495-034-5094-003	7/01/15-6/30/16	470,743	(23,140)	23,140					470,743
Equalization Aid	17-495-034-5094-003	7/01/16-6/30/17	504,753		479,965	\$ (504,753)	\$ (24,788)	\$ (24,788)		504,753
Categorical Special Education Aid	17-495-034-5120-078	7/01/16-6/30/17	3,173,700		2,858,468	(3,173,700)	(315,232)	(315,232)		3,173,700
Categorical Transportation Aid	17-495-034-5120-089	7/01/16-6/30/17	592,662		533,795	(592,662)	(58,867)	(58,867)		592,662
Categorical Security Aid	17-495-034-5120-034	7/01/16-6/30/17	116,642		105,056	(116,642)	(11,586)	(11,586)		116,642
Adjustment Aid	17-495-034-5120-084	7/01/16-6/30/17	74,763		67,337	(74,763)	(7,426)	(7,426)		74,763
PARCC Readiness Aid	17-495-034-5120-085	7/01/16-6/30/17	21,693		19,538	(21,693)	(2,155)	(2,155)		21,693
Per Pupil Growth Aid	17-495-034-5120-098	7/01/16-6/30/17	9,080		8,178	(9,080)	(902)	(902)		9,080
Professional Learning Communication Aid	17-495-034-5120-101	7/01/16-6/30/17	8,210		7,395	(8,210)	(815)	(815)		8,210
Extraordinary Aid	17-495-034-5120-044	7/01/16-6/30/17	133,029			(133,029)	(133,029)	(133,029)		133,029
Non-Public Transportation	17-495-034-5120-014	7/01/16-6/30/17	2,465			(2,465)	(2,465)	(2,465)		2,465
On-Behalf TPAF Post Retirement Contributions	17-495-034-5094-001	7/01/16-6/30/17	602,064		602,064	(602,064)				602,064
On-Behalf TPAF Pension Contributions	17-495-034-5094-002	7/01/16-6/30/17	697,303		697,303	(697,303)				697,303
On-Behalf TPAF Non-Contributory Insurance	17-495-034-5094-004	7/01/16-6/30/17	25,265		25,265	(25,265)				25,265
On-Behalf TPAF Long-Term Disability Insurance	17-495-034-5094-004	7/01/16-6/30/17	1,166		1,166	(1,166)				1,166
Total General Fund State Aid			590,096	(542,903)	5,956,611	(5,971,875)	(160,282)	(558,167)		10,566,168
Special Revenue Fund:										
Vocational State Shared Grant	16-100-054-5062-032	4/01/15-6/30/18	590,096	(8,937)	57,481	(57,529)	(8,985)			147,740
Total Special Revenue Fund				(8,937)	57,481	(57,529)	(8,985)			147,740
Total NJ Department of Education				(551,840)	6,014,092	(6,029,404)	(567,152)			10,713,908

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance 6/30/2016		Cash Received	Budgetary Expenditures	Balance 6/30/2017		Memo		
				Budgetary (Accounts Receivable)	(283)			GAAP (Accounts Receivable)	(60)	Budgetary (Accounts Receivable)	Cumulative Total Expenditures	
<b>State Department of Agriculture</b>												
<b>Enterprise Funds:</b>												
State School Lunch Program	16-100-010-3350-023	7/01/15-6/30/16	\$ 1,756	\$ (283)	\$ 283						\$ 1,756	
State School Lunch Program	17-100-010-3350-023	7/01/16-6/30/17	1,711		1,651						(60)	1,711
<b>Total Enterprise Fund</b>				(283)	1,934					(60)	(60)	3,467
<b>NJ School Development Authority (SDA)</b>												
<b>Capital Projects Fund:</b>												
Window Replacement	1050-040-14-1002	7/01/14-6/30/17	1,041,770	(1,041,770)							(1,041,770)	
Potable Well Replacement	1050-040-14-1005	7/01/14-6/30/17	94,445	(94,445)							(94,445)	
Public Announcement System Replacement	1050-040-14-1007	7/01/14-6/30/17	147,090	(147,090)							(147,090)	
Auditorium HVAC Replacement	1050-040-14-1006	7/01/16-6/30/17	655,283								(655,283)	
<b>Total Capital Projects Fund</b>				(1,283,305)							(1,938,588)	
<b>Total State Awards Subject to Single Audit Determination</b>				<b>\$(1,835,428)</b>	<b>\$6,016,026</b>		<b>(6,031,115)</b>	<b>\$ (160,342)</b>	<b>\$ (2,505,800)</b>		<b>\$10,717,375</b>	

Less: State Awards Not Subject to Single Audit Major Program Determination

On-Behalf TPAF Pension System Contributions:

On-Behalf TPAF Post Retirement Contributions	17-495-034-5094-001	7/01/16-6/30/17	602,064								602,064	
On-Behalf TPAF Pension Contributions	17-495-034-5094-002	7/01/16-6/30/17	697,303								697,303	
On-Behalf TPAF Non-Contributory Insurance	17-495-034-5094-004	7/01/16-6/30/17	25,265								25,265	
On-Behalf TPAF Long-Term Disability Insurance	17-495-034-5094-004	7/01/16-6/30/17	1,166								1,166	

Subtotal - On-Behalf TPAF Pension System Contributions

1,325,798

Total State Awards Subject to Single Audit Major Program Determination

\$ (4,705,317)

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") include the federal and state grant activity of the Delaware Valley Regional High School District under programs of the federal and state governments for the fiscal year ended June 30, 2017. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes these payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two 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 revenue, whereas the GAAP basis does not. Grant revenue in the capital projects fund is recognized on the budgetary basis in the fiscal year of award but is not recognized on the GAAP basis until expended and submitted for reimbursement.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$4,052) for the general fund, \$4,828 for the special revenue fund (which is attributable to the District local grants), and (\$655,283) for the capital projects fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general, special revenue and capital projects funds. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented on the following page.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 5,966,823	\$ 5,966,823
Special Revenue Fund	\$ 208,667	57,529	266,196
Food Service Fund	43,661	1,711	45,372
Total Awards	<u>\$ 252,328</u>	<u>\$ 6,026,063</u>	<u>\$ 6,278,391</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2017. Revenue and expenditures reported under the Federal Food Distribution Program represent current year value received and current year distributions, respectively.

NOTE 7. NJ SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

The District has active grants awarded in the amount of \$1,938,588 from the Schools Development Authority (SDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2017, the grant funds have not been expended and submitted for reimbursement. The District realizes grant revenue in the Capital Projects Fund on the GAAP basis as it is expended and submitted for reimbursement.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on all major state programs.
- The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2017 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major state programs for the current fiscal year consisted of the following:

State:	Grant Number	Grant Period	Award Amount	Budgetary Expenditures
State Aid Public:				
Categorical Special Education Aid	17-495-034-5120-089	7/01/16-6/30/17	\$ 592,662	\$ 592,662
Equalization Aid	17-495-034-5120-078	7/01/16-6/30/17	3,173,700	3,173,700
Categorical Security Aid	17-495-034-5120-084	7/01/16-6/30/17	74,763	74,763
Adjustment Aid	17-495-034-5120-085	7/01/16-6/30/17	21,693	21,693
PARCC Readiness Aid	17-495-034-5120-098	7/01/16-6/30/17	9,080	9,080
Per Pupil Growth Aid	17-495-034-5120-097	7/01/16-6/30/17	9,080	9,080
Professional Learning Communication Aid	17-495-034-5120-101	7/01/16-6/30/17	8,210	8,210

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

Summary of Auditors' Results (Cont'd):

- The threshold used for distinguishing between Type A and Type B state programs was \$750,000.
- The District was determined to be a "low-risk" auditee for state programs.

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

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

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance or New Jersey's OMB Circular 15-08.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Status of Prior Year Findings:

The District had no prior year audit findings.